





Since voluntarily publishing our ethnicity pay gap for the first time in December 2017, we have continued to focus on improving Black, Asian and Minority Ethnic representation in our organisation. This report follows on from our November 2019 ethnicity pay gap report.

We know that our ethnicity pay gap is driven by a lack of ethnic minority representation at senior levels – a factor which we are working hard to address, by delivering our ethnicity action plan a series of actions aimed at ensuring that we are able to attract, develop and retain ethnic minority talent.

However we know targeted interventions alone aren't enough. Therefore alongside our ethnicity plan we are also focusing our efforts across five key areas of activity; providing equal opportunities, developing people to succeed and thrive, driving and evolving our culture and behaviours, leveraging our brand and platform and measuring and reporting on progress.

In 2020 the Black Lives Matter movement provided an opportunity for reflection. It reminded us of the importance of respect and inclusion, while highlighting the need for a specific focus on our Black community. In direct response as part of our broader ethnicity plan we launched our [Black Action Plan](#) to bring about meaningful and sustained change. Our data in this report (as of April 2020) [has already been published](#) and reflects our position before the introduction of our Black Action Plan. We wanted to share some of the work we have committed to since April 2020, but we know the impact of these actions are more long term. That is why we are already working on evolving our future pay gap reports to show the impact the Black Action Plan is having.

Our Black Action Plan was developed in collaboration with our Black colleagues. Many spoke about their personal experiences of racism and discrimination, both within our firm and more broadly. I'm truly grateful to all my colleagues who bravely shared their stories. Their experiences made it clear how complex this problem is. There isn't a quick and easy solution, but we believe our action plan will enable us to further develop our culture of inclusion.



The data in this report, which is as of April 2020, shows a very small increase in both our median and mean pay and bonus gaps. While this is disappointing, over the past year we have seen an overall increase in representation of ethnic minority employees in the UK firm across all grades. We have also seen a 3% increase since April 2019 in ethnic minority new joiners at our junior grades, and promotions of ethnic minority employees has increased at our Manager and Senior Manager grades. This starting point, alongside the commitments within our Black Action Plan and Ethnicity Plans we expect will lead to the closure of our pay gap at our leadership grades in the future.



Stephen Griggs

UK Managing Partner

June 2021



Ethnicity pay gap reporting explained

The ethnicity pay gap shows the difference in the average hourly rate of pay between ethnic minority and non-ethnic minority individuals in an organisation, expressed as a percentage of the average non-ethnic minority earnings. An ethnicity pay gap can be driven by a number of factors including, crucially, having lower ethnic minority representation in senior positions.

It is important to note that this is different to the issue of equal pay – namely the legal requirement to pay two individuals the same for equal work – which is governed by the Equality Act.

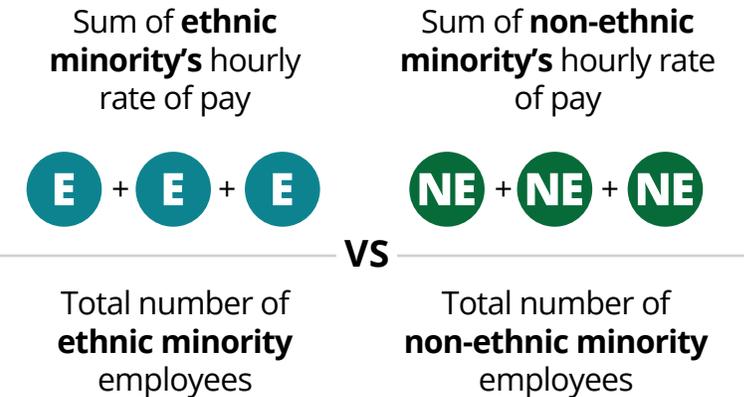
Distinguishing between median and mean

Median calculations



The median is the figure that falls in the middle of a range when the wages of all relevant employees are lined up from smallest to largest. The median gap is calculated based on the difference between the employee in the middle of the range of ethnic minority wages and the middle employee in the range of non-ethnic minority wages.

Mean calculations



The mean is calculated by adding up the wages of all relevant employees and dividing the figure by the number of employees.

The mean ethnicity pay gap is calculated based on the difference between mean ethnic minority pay and mean non-ethnic minority pay.



Calculation methodology

We have chosen to use the same calculation methodology set out by the Government Equalities Office (“GEO”) for gender pay gap reporting, for our mean and median ethnicity pay gap, bonus gap, and distribution across pay quartiles. However unlike gender, our ethnicity disclosure rate is not at 100% (as of April 2020 this was 81.1%) thus, any individuals with undisclosed ethnicities (around a quarter of our firm) are excluded from our calculations.

Since the GEO methodology excludes equity partners (who do not receive a salary or bonus) we have also published an important additional mean and median calculation to further increase transparency, namely our total ethnicity earnings gap.

Our total ethnicity earnings gap accounts for the average difference in the total remuneration of ethnic minority and non-ethnic minority individuals in our organisation – including both employees and equity partners.



At a glance

Headline ethnicity pay figures for Deloitte UK

The tables below show our overall median and mean ethnicity pay and bonus gap based on hourly rates of pay as at the snapshot date of 5 April 2020, and bonuses paid in the year to 5 April 2020.

Understanding the gap

- The analysis of our ethnicity pay gap figures tell us that whilst the representation of ethnic minority employees has increased to make up 26% of our overall workforce since April 2019, only 6% of our partners and 10% of our directors (the gradews attracting the highest levels of remuneration) are from ethnic minority backgrounds, and 3.2% of employees from Black heritage (as of 5 April 2020).

	Median	Mean
Ethnicity pay gap	7.3%	14.6%
Ethnicity bonus pay gap	33.9%	44.4%

	Median	Mean
Equity partners earnings gap	8.3%	10.2%
Total earnings gap	11.5%	40.1%
Disclosure rates	81.1%	

All calculations are based on an ethnicity disclosure rate of 81%.

	Non-ethnic minority	Ethnic minority
Proportion of ethnic minorities and non-ethnic minorities receiving a bonus payment	 68.5%	 55.7%

	Non-ethnic minority	Ethnic minority
Proportion of ethnic minorities and non-ethnic minorities employees in each quartile band		
Upper	80.4%	19.6%
Upper Middle	69.9%	30.1%
Lower Middle	68.8%	31.2%
Lower	74.6%	25.4%



- Our figures show increases of 0.1% on the mean hourly pay gap, taking it to 14.6%, and 0.6% on the median hourly pay gap, taking this to 7.3%. This can be attributed to our efforts to recruit a more diverse workforce, with a rise in the number of colleagues from ethnic minorities at more junior grades. Increased recruitment is also the reason our mean bonus gap has widened by 1.5% to 44.4% and the median by 6.2% to 33.9%.
- Between April 2019 and April 2020 we have however been able to see alignment of salaries paid within bands under the firm's current grade structure for ethnic minority employees.
- We have also seen improved parity between April 2019 and April 2020 for our Equity Partner population for pay, and total earnings.



Delivering on our Ethnicity plan

While the Black Lives Matter movement acted as a catalyst for change, we have long been clear that racism and discrimination have no place in our firm. We responded to the events of 2020 by holding a series of firmwide listening sessions that brought home the difficult truth that bias is widespread in our society, and evident within our own firm too. Working with our Multicultural Network, Ethnicity Council and a newly formed Black Steering Committee and Black Network, we listened to suggestions from our people and developed a dedicated [Black Action Plan](#) which sits alongside our Ethnicity Plan. Across both plans, we look to deliver against five focus areas to support our people, our clients and society. Many of these actions have been recently introduced and we expect to see impact over the long term to help achieve our 2023 and 2025 targets.

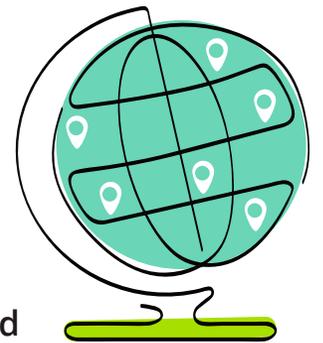
1. Providing equal opportunities

- By focusing on reducing bias from our recruitment processes, and being targeted in the suppliers, universities, schools and partners we work with, we are increasing the number of successful Black and ethnic minority applicants for our early careers and experienced hire opportunities.
- Following extensive research, we have removed the final-stage presentation element of our Early Careers Recruitment (ECR) for our 2020 programmes. By doing so we are helping to level the playing field for candidates regardless of background or education. This has proven to have a positive impact on candidate success rates from Black and ethnic minority groups, as well as those from lower socio-economic backgrounds.

- We have launched [guidance](#) to help final-stage ECR applicants prepare for their assessments, so everyone has an equal opportunity to be at their best. The guidance has already been viewed 12,000 times since it was launched in November 2020.
- Mandatory training has also been rolled out since July 2020 to all hiring managers helping them to identify, acknowledge and challenge bias and prejudice for decision making.

6%

of partners are from an ethnic minority background





2. Developing people to succeed and thrive

- We have partnered with [INvolve](#) and [Business in the Community](#) since 2018 to support the development of our ethnic minority colleagues. This includes participating in their cross-organisation mentoring programmes.
- Since 2019 we have been running our own reverse mentoring programme enabling ethnic minority, as well as female and LGBTQ+ colleagues, to increase their visibility and access to senior leaders. In turn the programme has enabled our leaders to better understand and empathise with our people and the challenges they may face. You can read more [here](#).

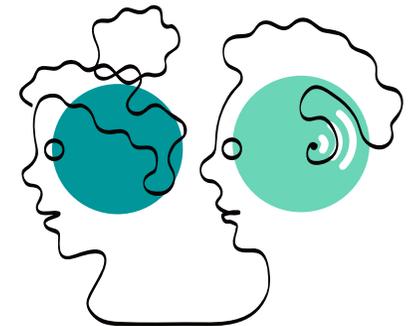
- To ensure that Black and ethnic minority colleagues who have the potential to become future leaders can do so, in late 2020 we launched our Emerging Leaders Development Programme. This six-month programme will help over 160 ethnic minority colleagues increase their understanding of how to navigate complex environments as they prepare for the next step in their leadership journey.

3. Driving and evolving our culture and behaviours

- Through our 12 diversity networks and inclusion leaders, we are also continuing to run listening sessions and events to share knowledge, experience and insights from our ethnic minority colleagues to ensure we are continuously learning and evolving how we support our communities. And through our Multicultural network we have launched an ethnic minority allies programme to support our people and their experience.

- We introduced mandatory, firmwide training covering the topics of race bias, micro-behaviours and inclusive language and communication. The training supplements our mandatory Respect & Inclusion learning, which we launched in 2015.

0.5%
of partners are Black





All our partners and directors have also completed mandatory in-person inclusion workshops and, during early 2021, are participating in a series of 'Talking About Race' sessions. These sessions support our leaders to develop their 'race fluency', helping them become more comfortable, confident and competent talking about race, acting as allies, and behaving in an inclusive way. And we continue to diversify our Respect and Inclusion Advisors across the firm.

4. Leveraging the Deloitte brand and platform

- Over the years we are proud of the valuable relationships we have built with organisations whose diversity and inclusion ambitions mirror ours, and we are continuing to develop this portfolio further. Through fundraising, pro bono support and partnerships with charities and social enterprises, our people are making an impact that matters.

- Through our [5 Million Futures partnership with Blueprint for All](#), we are developing a bursary programme, providing financial and non-financial support to ethnic minority university students from low-income backgrounds
- In October 2020, we signed up to [the Change the Race Ratio](#) and are proud to be a Founder Business Partner. Initiated by the CBI, the campaign calls for organisations to publish clear targets for greater racial and ethnic diversity amongst senior leaders and create more inclusive workplaces. We have signed up to four commitments as part of this.
- We've also been a signatory of the [BiTC Race at Work Charter](#) since 2018 and have recently joined forces with other professional services firms to establish a Black employee network and improve diversity across our industry.



A target of **12%**
ethnic minority
partners by 2025



A target of **3%**
Black partners
by 2025



5. Measuring and reporting on progress

- As of today, 6% of partners are from an ethnic minority in the UK firm – our target is 12% by 2025. 0.5% of partners are Black – our target is 3% by 2025.
 - Additional to partner, we have set internal targets at director, senior manager and graduate level for Black and ethnic minority groups.
 - Our refreshed Ethnicity Council, which acts as a sounding board for our Executive and Inclusion teams, is playing an important role to support the work towards our goals and targets.
- We recognise more needs to be done, and along with all the other actions, we are committed to improving the use and insights of our data to help track and progress against key employee processes, as well as continuing to encourage disclosure. We are committed to providing further breakdown of Black and ethnic minority data for future pay gap reporting.



Our 2023 Inclusion ambition

Our ambition is a more diverse workforce that represents society and brings diversity of thought, to drive success.

We want our people to be themselves: their true selves with their own strengths, perspectives and personality. So, we are creating an inclusive environment where everyone belongs, is supported and heard, and is empowered to make a valuable, personal contribution.

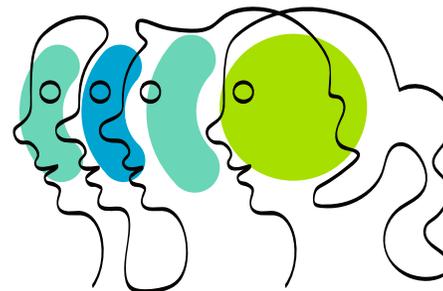
While ethnicity remains a priority, we recognise the needs of other groups, and how an individual's diversity has many different facets. We therefore also focus on the following:

Gender balance

Gender balance has been an Executive-led priority since 2012 and targets are included in leaders' objectives.

We have set an ambitious goal of having 40 per cent female partners by 2030. To achieve this, we are taking bold steps to not only attract more women into our firm, but to retain and support them to progress. This can be seen in our 2020 [Gender Pay Gap Report](#).

24%
of our partners
are women



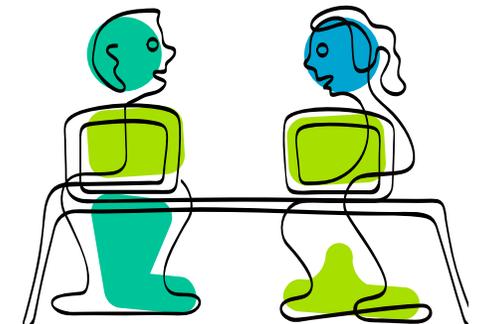
Social mobility

We want to recruit the best talent, irrespective of background, and create an environment where everyone can succeed.

We are achieving this through contextualisation; name and academic institution-blind recruitment; apprenticeships and dedicated programmes such as [New Beginnings](#) and [Aspire](#) giving people a chance to rethink their futures.

You can find out more about how we are supporting social mobility [here](#).

174
apprentices
joined us in 2020





LGBTQ+

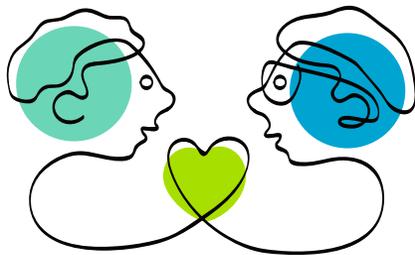
We continue to support our LGBTQ+ colleagues to feel safe and be themselves via our established GLOBE network and allies community.

In 2020 we introduced the option for all our people to include pronouns in their email signature – helping create an environment where everyone feels comfortable sharing their true identity.

[Our collaboration with Open for Business](#) has also shone a light on the experiences of LGBTQ+ people traveling abroad for work and highlighted what more we need to do to overcome these challenges.

1,300

GLOBE members,
including allies



Disability

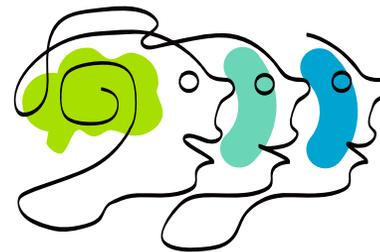
In line with our [Valuable 500](#) commitments, we are striving to ensure our working environment is accessible, inclusive and welcoming for all. Our initial focus is on accessible technology as standard.

We continue to scale our approach to recruiting and retaining neurodiverse talent, working with our charity and social enterprise partners.

Storytelling and training are helping break down the stigma and lack of understanding around disability and neurodiversity.

50+

colleagues with neurodiverse
conditions hired by December 2020





Year on year comparisons and breakdown by grade and region

	Median		Mean	
	FY19	FY20	FY19	FY20
Ethnicity pay gap	6.7%	7.3%	14.5%	14.6%
Ethnicity bonus pay gap	27.7%	33.9%	42.9%	44.4%

	Non-ethnic minority		Ethnic minority	
	FY19	FY20	FY19	FY20
Proportion of ethnic minorities and non-ethnic minorities receiving a bonus payment				

Proportion of ethnic minorities and non-ethnic minorities employees in each quartile band

	Non-ethnic minority		Ethnic minority	
	FY19	FY20	FY19	FY20
Upper	81.2%	80.4%	18.8%	19.6%
Upper Middle	71.5%	69.9%	28.5%	30.1%
Lower Middle	70.3%	68.8%	29.7%	31.2%
Lower	75.7%	74.6%	24.3%	25.4%

	Median		Mean	
	FY19	FY20	FY19	FY20
Equity partners earnings gap	12.5%	8.3%	14.2%	10.2%
Total earnings gap	12.8%	11.5%	43.5%	40.1%
	FY19		FY20	
Disclosure rates	84.8%		81.1%	



Notes

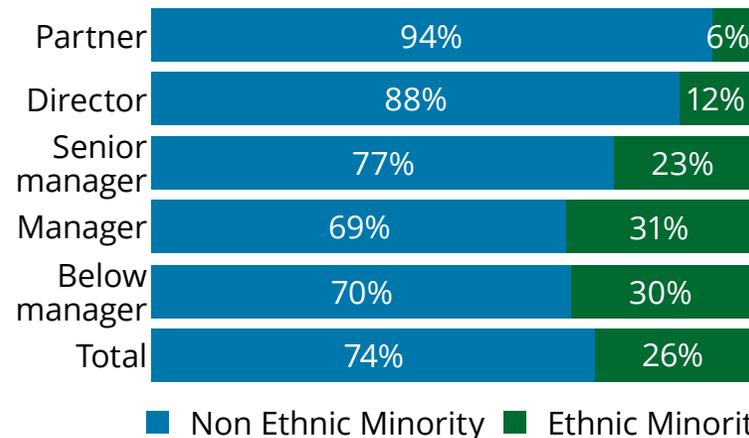
Ethnicity pay gap calculations are based on the population who have voluntarily disclosed their ethnicity. Our current disclosure rate stands at 81.1%

When we reported our ethnicity pay gap in December 2017, we followed the government gender pay gap methodology guidelines (which excludes Channel Islands and Northern Ireland, both of which are locations where we have UK employees). For this report, in order to align to the 'Deloitte UK' figures in our gender pay gap reporting, we have included Channel Islands and Northern Ireland; this is important in order to provide the full picture across our entire UK firm. In order to compare like-with-like above, we have therefore recalculated our FY17 figures to include Channel Islands and Northern Ireland.

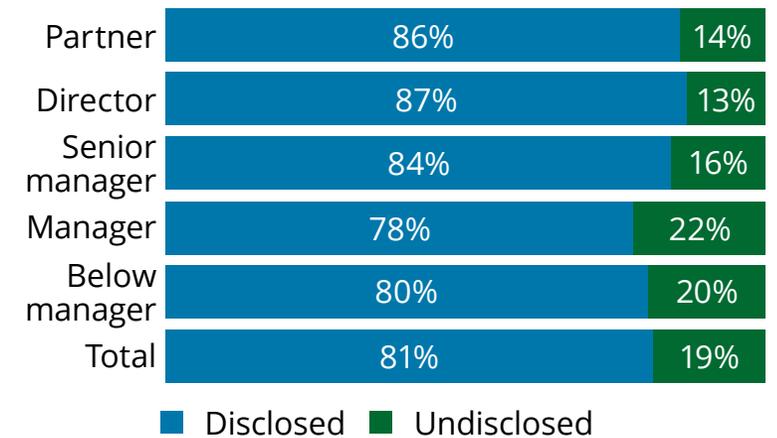
Ethnic Minority representation within Deloitte by region (excludes those that have not disclosed)



Ethnicity breakdown by grade



Disclosure rate by grade





Headline ethnicity pay figures for Deloitte UK

Data as at 5 April 2020

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