



UK Pay Gap Report 2021

In respect of the year ended 30 September 2021



Addressing our pay gaps

Building a more diverse, inclusive and equitable business

As a firm we're committed to being transparent about our progress towards building a more inclusive, diverse and equitable business.

Pay gap reporting is a key part of this and we're proud to have led the way. We first published our gender pay gap voluntarily in 2015 and since then have published our ethnicity pay gap (since 2017), sexual orientation pay gap, Black heritage pay gap and disability pay gap (each since Feb 2021). In September 2021, we became one of the first UK businesses to publish our socio-economic background pay gaps and to set a socio-economic background target.

Whilst being transparent about where we are is critical to driving change, we know pay gaps are just one part of the picture. What's important is what we do with that data. That's why we continually monitor our progress to understand what's working and challenge ourselves on where we can go further to focus our efforts and increase representation and inclusivity in our firm.



Foreword

At KPMG we're working hard to create an inclusive environment where everyone feels they belong and that they are treated fairly and equitably at every stage of their career. A more diverse workforce strengthens what we can do for clients and enables us to better represent the communities we operate in. This is fundamental to our success as a business.

Our concerted efforts are starting to show improvements in several areas. We've improved our female partner representation and have a strong pipeline of female talent at all levels of our business. Our robust controls help to ensure that all pay and reward decisions are based on fairness and consistency. We've made good progress on closing our ethnicity, Black Heritage and disability pay gaps, which we publish voluntarily, and this year we became the first business to publish our socio-economic background pay gaps.

Despite the progress we've made and the actions we've taken, we're disappointed that our latest gender pay gap and sexual orientation pay gaps have increased.

Our data – taken for the period between April 2020 and April 2021 – shows that the increase in the gender pay gap has largely been driven by our external hires, where we have recruited more women at junior grades and more men

at senior grades. At the senior grades this was largely to fill specific roles in historically male-dominated sectors such as technology and deal advisory during the months of the pandemic, which this reporting period covers.

The increase in our sexual orientation pay gap, which we published voluntarily for the first-time last year, has been driven by having a lower representation of colleagues who have declared as non-heterosexual at senior grades this year, compared to last year.

We won't be satisfied until we've made further progress on reducing our pay gaps which is why we're setting bolder targets on inclusion, diversity and equity up to 2030, to continue to drive leadership accountability and change behaviours. We're also strengthening our controls for meeting proportionality targets when recruiting and will continue to drive our specific programmes targeted at attracting diverse talent into the firm in typically under-represented areas.

This is an ambitious but evolutionary chapter as part of our long-standing commitment to ensuring inclusion, diversity and equity are at the heart of our strategy and processes. We know we need to continue to challenge ourselves, confront biases and listen and learn from each other. We are absolutely committed to this.

Declaration

I confirm that KPMG UK Ltd's pay gap data has been collected and presented within this report in accordance with the Equality Act 2010 (Gender Pay Gap Information Regulations 2017).



Jon Holt
Chief Executive, KPMG in the UK



How we calculate our pay gaps

What's the difference between median and mean?

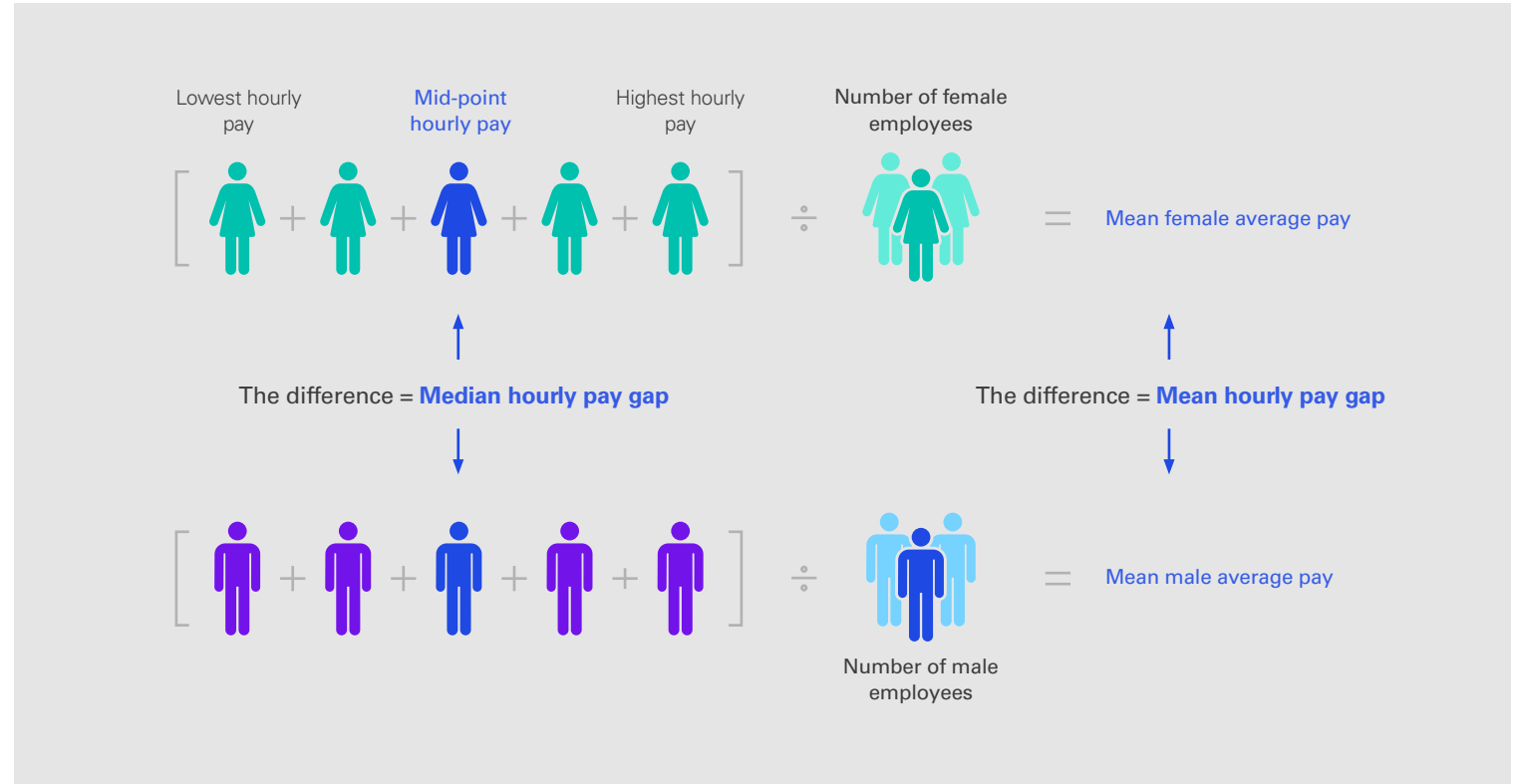
The mean gender pay gap is calculated by adding up all of the pay of KPMG employees and dividing it by the number of employees.

The median gender pay gap is calculated by lining up all of KPMG's employees' pay and finding the mid-point for both men and women. The difference between those two mid-points is the median gender pay gap.

What's the difference between the pay gap and equal pay?

We have an aggregate gender pay gap, but this is not the same as paying a man and a woman differently for doing identical work. Equal pay is a legal requirement in the UK. We have robust processes and monitoring in place to ensure that our people are treated and paid fairly, meeting both our legal and moral obligations.

Ahead of publishing this information externally, three levels of review are applied to our community data. First, KPMG's Corporate Responsibility team collects, analyses, samples and verifies the data. Next, KPMG's client-facing ESG Assurance team perform Agreed Upon Procedures on the data. Finally, independent limited assurance is sought on the data.



Gender

The gender pay gap is the measure of the difference in average pay between all men and all women across an organisation, regardless of their role, level, length of service or location and any other differentiating factors.

Despite the progress we've made in recent years our latest gender pay gap for the period between April 2020 and April 2021 shows an increase, year on year. This increase has largely been driven by our external hires, where we have recruited more women at junior grades firm-wide and more men at senior grades in areas that are historically male-dominated.

As part of our wider Inclusion, Diversity and Equity plan, we're taking action to change this, and are committed to encouraging more women into historically male-dominated sectors, including careers in technology and deal advisory. We're driving female representation in these areas with targeted initiatives such as ITs Her Future and our Women in Deal Advisory Insight programme, where we're championing inspirational colleagues to build the future diverse talent pipeline. You can find out more about what we're doing [here](#).

Although not required by statute, these figures relate to all KPMG staff and partners. The pay gaps are based on hourly pay taken at 5 April 2021. Bonus pay is based on bonuses paid up to the period 5 April 2021.

Pay gap (including partners)

Median gender pay gap as of 5 April 2021, including partners

23.5%

Increased by 6.6% points from 2020 (16.9%)

Mean gender pay gap as of 5 April 2021, including partners

37%

Increased by 0.6% points from 2020 (36.2%)

Basic pay (excluding partners)

Median basic pay gap as of 5 April 2021, excluding partners

18.1%

Increased by 4.2% points from 2020 (13.9%)

Mean basic pay gap as of 5 April 2021, excluding partners

22.8%

Increased by 6.3% points from 2020 (16.5%)

This is the difference in average pay between men and women, excluding partners.

Bonus (excluding partners)

Median bonus pay gap as of 5 April 2021, excluding partners

24.6%

Reduced by 6.9% points from 2020 (31.5%)

82% – % of females to receive a bonus
76.3% – % of males to receive a bonus

Mean bonus pay gap as of 5 April 2021, excluding partners

41.9%

Reduced by 1.3% points from 2020 (43.2%)

82% – % of females to receive a bonus
76.3% – % of males to receive a bonus

This is the difference in average bonus paid between men and women who received a bonus, excluding partners. The total in-scope KPMG population for bonus gender pay reporting is 11,862 with a male/female split of 5,761/6,101.

Pay quartiles – colleagues

Q1 / Lower



Q2 / Lower middle



Q3 / Upper middle



Q4 / Upper



The total in-scope KPMG population for base pay gender pay reporting is 14,244, with a male/female split of 7,310/6,934. The quartiles set out the gender distribution across KPMG in four equally-sized quartiles.

Ethnicity

The ethnicity pay gap is the difference in average pay between all White and all ethnic minority employees, regardless of their role, level, length of service or location and any other differentiating factors.

We report our ethnicity pay gap on a voluntary basis.

Pay gap (including partners)

Median ethnicity pay gap as of April 2021, including partners

10.2%

Reduced by 1.5% points from 2020 (11.7%)

Mean ethnicity pay gap as of April 2021, including partners

35.4%

Reduced by 2.8% points from 2020 (38.2%)

The total in-scope KPMG population for base pay ethnicity pay reporting is 12,188 with a White/ethnic minority split of 8,338/3,850. Our ethnicity data is based on those individuals who have chosen to declare their ethnicity, which is 77% of the total in-scope population.

Basic pay (excluding partners)

Median basic pay gap as of April 2021, excluding partners

3.9%

Reduced by 3% points from 2020 (6.9%)

Mean basic pay gap as of April 2021, excluding partners

14.7%

Reduced by 1.7% points from 2020 (16.4%)

This is the difference in average pay between White and ethnic minority colleagues, excluding partners.

Bonus (excluding partners)

Median bonus pay gap as of April 2021, excluding partners

32.3%

Increased by 2.2% points from 2020 (30.1%)

79.8% – % of ethnic minority individuals to receive a bonus
76.3% – % of White individuals to receive a bonus

Mean bonus pay gap as of April 2021, excluding partners

41.4%

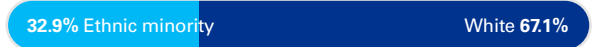
Reduced by 4.6% points from 2020 (36.8%)

79.8% – % of ethnic minority individuals to receive a bonus
76.3% – % of White individuals to receive a bonus

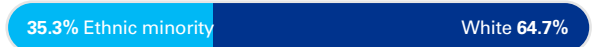
This is the difference in average bonus paid between White and ethnic minority colleagues who received a bonus, excluding partners. The total in-scope KPMG population for bonus ethnicity pay reporting is 10,198 with a White/ethnic minority split of 7,008/3,190.

Pay quartiles – colleagues

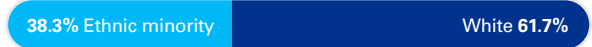
Q1 / Lower



Q2 / Lower middle



Q3 / Upper middle



Q4 / Upper



Sexual orientation

We report our sexual orientation pay gap on a voluntary basis. The sexual orientation pay gap is the difference in average pay between those who have declared themselves heterosexual and those who have declared themselves as Lesbian, Gay & Bisexual, regardless of their role, level, length of service or location and any other differentiating factors. It has been calculated using the gender pay gap statutory methodology. This data does not include employees that have not declared their sexuality.

Despite the progress we've made in recent years, our latest sexual orientation pay gap for April 2020 to April 2021 shows an increase, year on year. This increase has largely been driven by having a lower representation of colleagues who have declared as non-heterosexual at senior grades this year, compared to last year, as well as higher representation at junior grades, compared to last year. In part, this is down to our increased efforts to attract emerging talent into our firm, with university programmes such as Authenticity – our annual recruitment event for LGBTQ+ students – encouraging greater LGBTQ+ representation within our Apprenticeship and Graduate programmes. You can find out more about the action we're taking [here](#).

Pay gap

Median sexual orientation pay gap as of April 2021, including partners

4.6%

Reduced by 1.6% points from 2020 (3%)

Mean sexual orientation pay gap as of April 2021, including partners

9.6%

Reduced by 1.6% points from 2020 (8%)

Disability

The disability pay gap is the difference in average pay between employees who have declared themselves as having a disability and those who have declared that they do not have a disability, regardless of their role, level, length of service or location and any other differentiating factors. It has been calculated using the gender pay gap statutory methodology.

This data does not include employees that have not declared whether or not they have a disability. We report our disability pay gap on a voluntary basis.

Pay gap

Median disability pay gap as of April 2021, including partners

8.6%

Reduced by 1.4% points from 2020 (10%)

Mean disability pay gap as of April 2021, including partners

8.6%

Reduced by 1.4% points from 2020 (10%)

Black heritage

The Black heritage pay gap is the difference between all employees of Black heritage and all employees not of Black heritage, regardless of their role, level, length of service or location and any other differentiating factors.

We report our black heritage pay gap on a voluntary basis.

Pay gap

Median black heritage pay gap as of April 2021, including partners

9.1%

Reduced by 0.5% points from 2020 (9.6%)

Mean black heritage pay gap as of April 2021, including partners

33.7%

Reduced by 5.6% points from 2020 (39.9%)

Socio-economic background

In 2021, we reported our socio-economic background pay gaps for the first time and are one of the first organisations to do so. We've worked with experts in the field of social equality, the Bridge Group, to advise us on the most robust and reliable indicator of social mobility (parental occupation groups), the definition of socio-economic background and the terminology used.

As parental occupation is defined in three main groups, we are using a tiered methodology, recommended by the Bridge Group, to show several binary pay gaps. These outline the difference in average pay between employees who have declared their parental occupation in a specific group, comparing professional vs. lower socio-economic background, professional vs. intermediate and intermediate vs. lower socio-economic background.

We are reporting our socio-economic background pay gaps for the first time this year and on a voluntary basis.

Professional vs working class

Median socio-economic background pay gaps as of April 2021, including partners

8.6%

Mean socio-economic background pay gaps as of April 2021, including partners

-1.1%

Professional vs intermediate

Median socio-economic background pay gaps as of April 2021, including partners

2.2%

Mean socio-economic background pay gaps as of April 2021, including partners

3.2%

Intermediate vs working class

Median socio-economic background pay gaps as of April 2021, including partners

6.6%

Mean socio-economic background pay gaps as of April 2021, including partners

-4.5%

The total in-scope KPMG population, including partners, for base pay socio-economic background pay reporting is 10,444. This data covers over 70 per cent of our workforce and the pay gaps are based on hourly pay taken at 5 April 2021.

The mean socio-economic background pay gaps are calculated by adding up all of the pay of KPMG employees and dividing it by the number of employees. The median socio-economic background pay gaps, however, are calculated by lining up all of KPMG's employees' pay and finding the mid-point for 'professional', 'intermediate' and lower socio-economic background. The difference between the two mid-points in each instance is the median socio-economic background pay gap.

Further reading





kpmg.com/uk

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