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Deloitte Ireland

2021 Gender Pay Gap Report

December, 2021



Foreword

We are pleased to share Deloitte Ireland's first Gender Pay Gap report.

In this report we share our ambition and strategy on how we will achieve a better gender balance within our business. We believe reporting on the gender pay gap will support us in meeting our targets.

The pending legislation will be a positive step towards increasing the focus on the barriers to women participating at the most senior leadership levels. Our view is that this requirement will lead to important conversations and tangible actions, in a greater number of organisations, on how we work towards increasing the representation and influence of women at all levels of business and society.

Within this report, we publish our gender pay gap and gender bonus pay gap based on the expected legislation which excludes partners. However, we recognise that this is a limited measure given that partners, as the owners of the business, is where we must see meaningful change in gender balance. We have, therefore, included an additional section in this report on how we are thinking about the make-up of our partnership, and how we are holding ourselves accountable regarding our ambition of better balance.

Progress will only be sustained when we are measuring and reporting on relevant metrics, across all levels of our business. Using data is a key part of our strategy, as we know it will provide us with valuable feedback and guide our actions to where they will have greatest impact. Identifying and communicating this full picture is what we believe will drive constructive action.

This has been a focus for us for some time. Throughout the pages in this report, you will see the improvements we have made in addressing the causes of the gender pay gap in our business; most notably in the number of women in senior leadership roles. In this regard, the gender pay gap is a useful metric, and highlights that we have more males in our most senior, highest paying roles. We are taking a number of actions to increase the proportion of senior female leaders, which we believe will, in turn, reduce our gender pay gap.

Foreword

While progress is being made, obstacles do remain. Long-standing challenges have been exacerbated by a number of factors recently, including, for example, the competitive labour market, and the pronounced and disproportionate impact the pandemic has had on women. This calls for increased focus and creativity. We are committed to progressing our gender balance action plan and are resolute in our target of 35% female partners by 2025.

In addition to our gender balance action plan, we have also outlined our broader inclusion ambition and the initiatives we are implementing to help us achieve a more diverse workforce that represents society and brings diversity of thought, to drive success. Recently, we were proud to support Business in the Community Ireland on their report, <u>Diversity and Inclusion in Focus</u>, in addition to signing its inclusive workplace pledge, Elevate.

At Deloitte Ireland, we remain focussed on our inclusion ambition – for the benefit of our people, our clients, our business, and indeed the societies in which we operate.

Regards,



Harry Goddard CEO, Deloitte Ireland



Niamh Geraghty Partner, People & Purpose,

Deloitte Ireland

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Our five principles for embedding an inclusive culture are: providing equal opportunities; developing people to succeed and thrive; driving and evolving our culture and behaviours; leveraging the Deloitte brand and platform; measuring and reporting on our progress.



A comparison of our figures over the past few years shows an improving picture, with our average gender pay gap reducing. We believe this is as a result of a continued focus to ensure we build a strong pipeline of future female leaders through the application of a gender lens on our recruitment, promotion, performance and development processes. This is also evidenced in the increasingly balanced headcount at all levels, which in turn reduces our gender pay gap.

While we continue to make strides that create meaningful change for our people we know we still have a lot to do, and much to



learn.



Meaningful and sustained change takes time; while our gender pay gap currently is as a result of having fewer women with less tenure in senior positions, we are moving in the right direction and have huge ambition to do better.



We are 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 progress.



Improving the proportion of female partners has been an executive-led priority since 2012. We have increased our proportion of female partners from 13% in 2012 to 27%. We have set an ambitious goal of having 35% female partners by 2025 and to achieve this are taking steps to not only attract more women into our firm, but to retain and support them to progress.

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Fostering inclusion has always been at the heart of our firm. Everyone at Deloitte, no matter who they are or where they are from, should feel able to be their true self, be heard and supported, and have a real sense of belonging.



leaders.



Measuring and reporting our progress will be key to us achieving our targets. The gender pay gap and the percentage of female

partners are among the metrics we are using to measure progress and drive action around gender balance at all levels of the firm.

In March 2021, we launched a refreshed gender balance strategy and commitment to increasing our proportion of female senior

We also continue to see a marked increase in the number of women in senior positions; for example, on 1 September 2021, 45% of

our director promotions were women. This is up from 38% in 2019. In 2021, we also had the largest number of promotions ever;

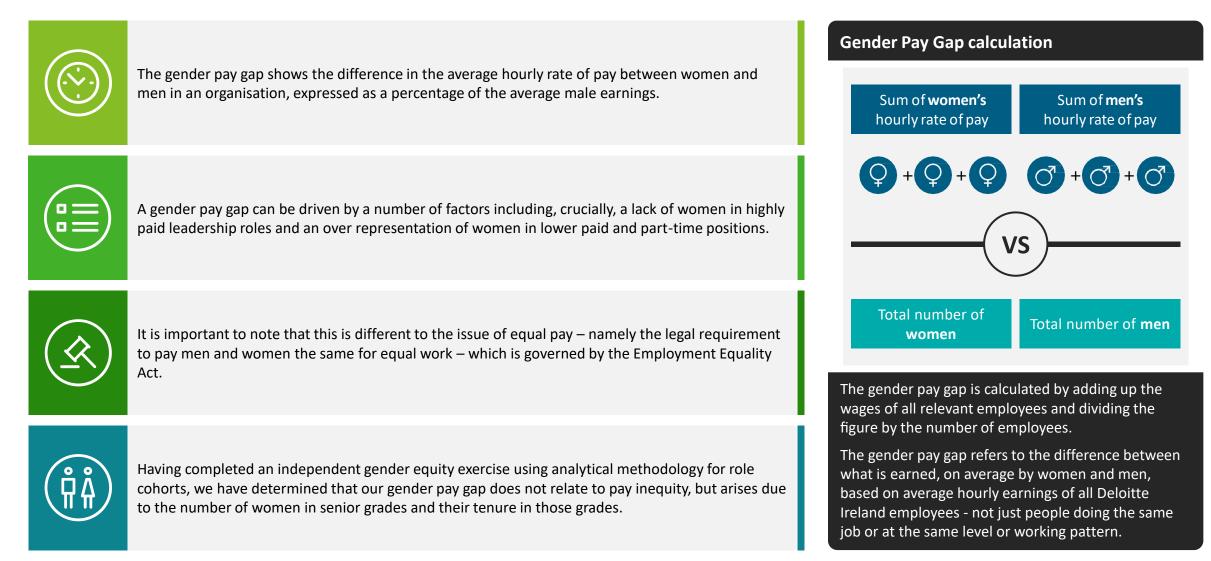
indicating that an even greater pipeline of future leaders, male and female is being developed.



We remain focused on the actions required to bring about the steady, relevant, and sustained change required to close our gender pay gap.

* Our headcount and gender pay gap calculations are calculated based on those who have identified as female within Deloitte Ireland

Gender pay gap reporting explained



At a glance



Headline gender pay figures for Deloitte Ireland

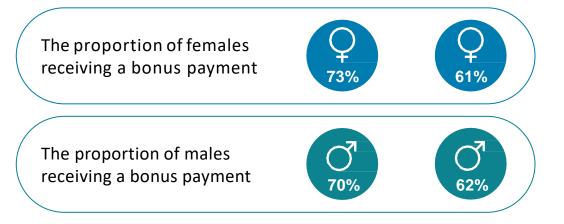
The metrics here show our overall gender pay and bonus gap based on hourly rates of pay as at the snapshot date of 1 September 2021, and bonuses paid in the year to 1 September 2021.

Under the Regulations, we will be required to report our gender pay gap data for each separate legal entity that has at least 250 employees.

This would exclude some of our employees, notably those working for Deloitte Northern Ireland.

Because we consider it important to review, and be transparent about, the picture for all employees, we have included all our employees in our salary and bonus gap calculations.

Deloitte Ireland	2021	2018
Gender pay gap	6.8%	10.1%
Gender bonus pay gap	12.6%	23.6%



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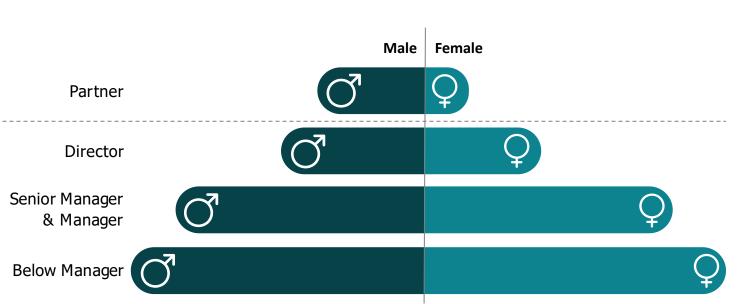
Understanding the gap

Our gender pay gap, as at September 2021, arises because fewer senior positions within the firm are held by women; and those women in senior roles have, on average, less tenure.

Whilst women now make up 47% of our overall workforce, in September 2021, only 27% of our partners and 43.3% of our directors (the grade attracting the highest level of remuneration) were women.

- The data shows a steady reduction in our gender pay gap – decreasing by 3.3% since 2018, to 6.8% today.
- When looking at bonuses, there has been a significant reduction compared with 2018. The average bonus gap has decreased by 11% to 12.6%.
- While we maintain focus on increasing the number of women in senior positions, we are also working hard to minimise any in-grade gaps. Our analysis shows that the average gender pay gap within grade pools is around 3.7% (7.6% in 2018).





The ownership of our business

Our equity partners invest into the capital of the firm over their career, growing their shareholding and sharing in both the risk and reward associated with ownership. Each partner's earnings are determined by reference to the level of capital they hold and the firm's previous year's profitability. The gender pay gap legislation will not require us to disclose the earnings gap for our partners (as owners rather than employees of the business), however we believe it's important to share how we are thinking about the make-up and gender balance in our partnership.

Our demographics today tell us





The average tenure of our female partners is 7 years compared to 10 years for our male partners

Of the partners that are within 10 years of retirement, 89% are male

Increasing the proportion of female partners has been a leadership priority since 2012, and is a long-term commitment which we have been making steady progress towards achieving.

We have set a goal of having 35% female partners by 2025. To achieve this, we are taking steps to not only attract more women into our firm, but to retain and support them to progress. All of our executive leadership team have diversity targets included in their objectives.

In a partnership, profits and shareholdings change annually. If we take all employee remuneration, together with partner distributions of profit for one year...

...we would have an assumed gender pay gap of **31.3%** for the person sector.

for the period up to September 2021.

We appreciate that this is an imperfect measure. It is not directly comparable to situations where everyone in an organisation is an employee who receives base salary and bonus. However, we see it as an important internal KPI. By being transparent and holding ourselves accountable through measurement, we will succeed in our ambition to have better gender balance in our partnership.



29% of our executive leadership team are women



Our gender balance action plan

In 2021 our CEO and leadership team agreed our refreshed gender balance strategy. This extensive and detailed plan – which was derived through analysis of our career lifecycle from a gender perspective and extensive consultation with our employees over a few years – comprises a number of targeted interventions and, most critically, a focus on our culture and ways of working. Our plan includes the following actions:

- Using targets and metrics to build and monitor the talent pipeline;
- Sponsorship, mentoring and development opportunities;
- Strengthening our gender balance network;
- A range of support for all working parents, including enhanced leave policies;
- Normalising flexible working;
- Continuing to build a culture of diversity, respect and inclusion.

Gender balance is an Executive-led priority and targets are included in leaders' objectives.

We continually measure progress. All Executive reporting on talent is analysed and reported by gender, and progress against targets is reported to the Executive on a quarterly basis.

We have set targets to accelerate the pace of change and we've seen our female partner numbers increase annually as a result. As of today (September 2021) this stands at 27%.

While our data shows that we have identified – and are focussing on – the correct actions, it also shows that meaningful and sustained change will take time and consistent focus by our most senior leaders.

We know that some of the actions we are taking to improve the gap over the longer-term may have short-term distorting effects, for example, increasing the number of women at student entry may have an initial negative impact on our gap.



More about our gender balance aims and actions

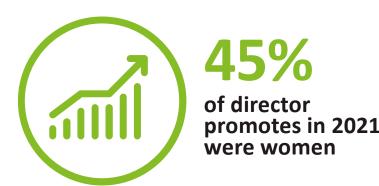
Whilst targets help maintain our focus, we know that what's really important is ensuring we have the right interventions in place. Our gender balance strategy is focused on five areas; making gradual changes alongside bold moves to accelerate progress. These five areas are: providing equal opportunities; developing people to succeed and thrive; driving and evolving our culture and behaviours; leveraging our brand and platform; and, measuring and reporting on progress.



01. Providing equal opportunities

Mitigating systemic bias and adopting policies that encourage diversity and inclusion

- We continue to increase the diverse representation of our people (including women) in our video content, imagery, case studies and representation at our student attraction events.
- Our job descriptions are written in gender-neutral language and show our commitment to flexible working.
- We strive for gender-balanced candidate shortlists. In the year to September 2021, 44% of experienced hires and 45% of graduate or entry-level recruits were women. Our aim is for this to be 50%.
- In 2021, we committed to having 50/50 participation on our talent programmes for leaders, to accelerate and build a balanced talent pipeline.
- In 2020, we refreshed our approach for identifying future talent. This includes a development framework to ensure a diverse set of leaders.
- In 2021, we launched a number of new policies to support people through a variety of life events that can be challenging or require extra supports and/or leave, such as surrogacy, fostering, fertility treatments, miscarriage and menopause. We also enhanced our policies around maternity leave, parents' leave and compassionate leave.



More about our gender balance aims and actions (Contd')



02. Developing people to succeed and thrive

Targeted development to ensure we have a strong, diverse pipeline of future leaders

- We are focused on building the pipeline for the long-term and particularly in areas where women are under-represented. We have, therefore, partnered with <u>iWish</u> and schools in disadvantaged areas to create Transition Year work experience and intern opportunities for girls and women.
- In 2021, we launched a sponsorship programme for newly promoted female directors to help their transition and accelerate development.
- To help break down traditional caring stereotypes and boost women's career progression we have increased the paid leave for new male and female parents. Since its introduction in April 2021, we have seen a significant increase in applications for parents' leave from male employees.

Girls from disadvantaged backgrounds have benefited from one of our Transition Year programmes in the past year



03. Driving and evolving our culture and behaviours

Creating an environment where everyone can thrive, driven by leaders who role model every day inclusive behaviours at all times

- Since 2015, we have focused on embedding formal and informal agile working – ensuring that all of our people are able to work in a way that enables them to balance a successful career with commitments outside of work. This is set to further accelerate as we introduce new ways of working through late 2021 and early 2022 as part of our Deloitte Works programme.
- Mandatory, firmwide, inclusive leadership training has been provided to our leaders since 2018. In 2020, we launched a mandatory digital unconscious bias programme to everyone.
- In 2021, we rebranded our 'Women's Initiative Network' to the 'Gender Balance Network' to reflect that everyone is welcome and that involving all perspectives will move us towards our targets. We hope the rebranding will encourage even more people to join, incorporate a healthy diversity of views in our dialogue around gender issues, and challenge our thinking.

60% of our people wish to flex the way they work

Almost

More about our gender balance aims and actions (Contd')



04. Leveraging the Deloitte brand and platform

Using the breadth of our influence and strength of our brand to drive societal change

- We are members of the <u>30% Club</u> and participated in their 2018 report on gender balance in professional services. We collaborate with the 30% Club to deliver a 'Board Readiness' programme for senior females.
- In 2020 we partnered with <u>iWish</u> to reach 10k+ schoolgirls to inspire them to consider careers in STEM.
- We featured in Universum's 100 Most Attractive Employers in Ireland.



05. Measuring and reporting on progress

Being transparent about our goals and holding leadership accountable for making progress towards them.

- Our target is to have 35% female partners by 2025 (with an interim target of 30% by 2023).
- As of today (September 2021) 27% of our partners are women, up from 13% in 2011.
- All of our executive have diversity targets included in their objectives.



A gradireland

Student Voice award 2021



Our broader 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 gender balance 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:



Ethnicity & Multiculturalism

In 2020 we launched a new Multicultural Network with the aims of celebrating diverse cultures, creating awareness of multicultural and ethnic inclusion and building a community of support for people from different backgrounds.





In line with our <u>Valuable 500</u> commitments, we are striving to ensure our working environment is accessible, inclusive and welcoming for all.

We have piloted and launched an Inclusion Passport in 2021 to support people with disabilities, neurodiverse conditions and/or medical conditions to more easily access supports that will enable them to thrive at work.



Social mobility

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

In 2021 we signed up to <u>Elevate</u>, an inclusive workplace pledge, committing to measurable targets.





LGBT+

We continue to support our LGBT+ colleagues to feel safe and be themselves via our established LGBT+ network and allies community, as well as collaboration with external advocacy groups.

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