

Introduction from Helen Brand, chief executive

This report is another landmark for ACCA as an employer, as it's the first time we've published the gender pay gap for our UK workforce.

New regulations require relevant UK employers with 250 or more employees to publish information on their gender pay gap. Although this legislation does not apply to ACCA, we're publishing our report as a clear and visible sign of our commitment to equality and diversity. It's also best practice in governance.

The gender pay gap indicates the differences in the average pay between men and women, regardless of the nature of their work, across all jobs, at all levels of the organisation.

As such, it's an important figure, and one which I'm proud we are making public and sharing with our employees.

Our gender pay gap is lower than the UK's national statistic of 17.4% mean and 18.4% median – ACCA's is 8.8% and 9.3% respectively.

I and ACCA's Executive Team recognise that the reasons behind any gender pay gap need to be understood, and that it may be possible to reduce our gender pay gap by undertaking specific actions.

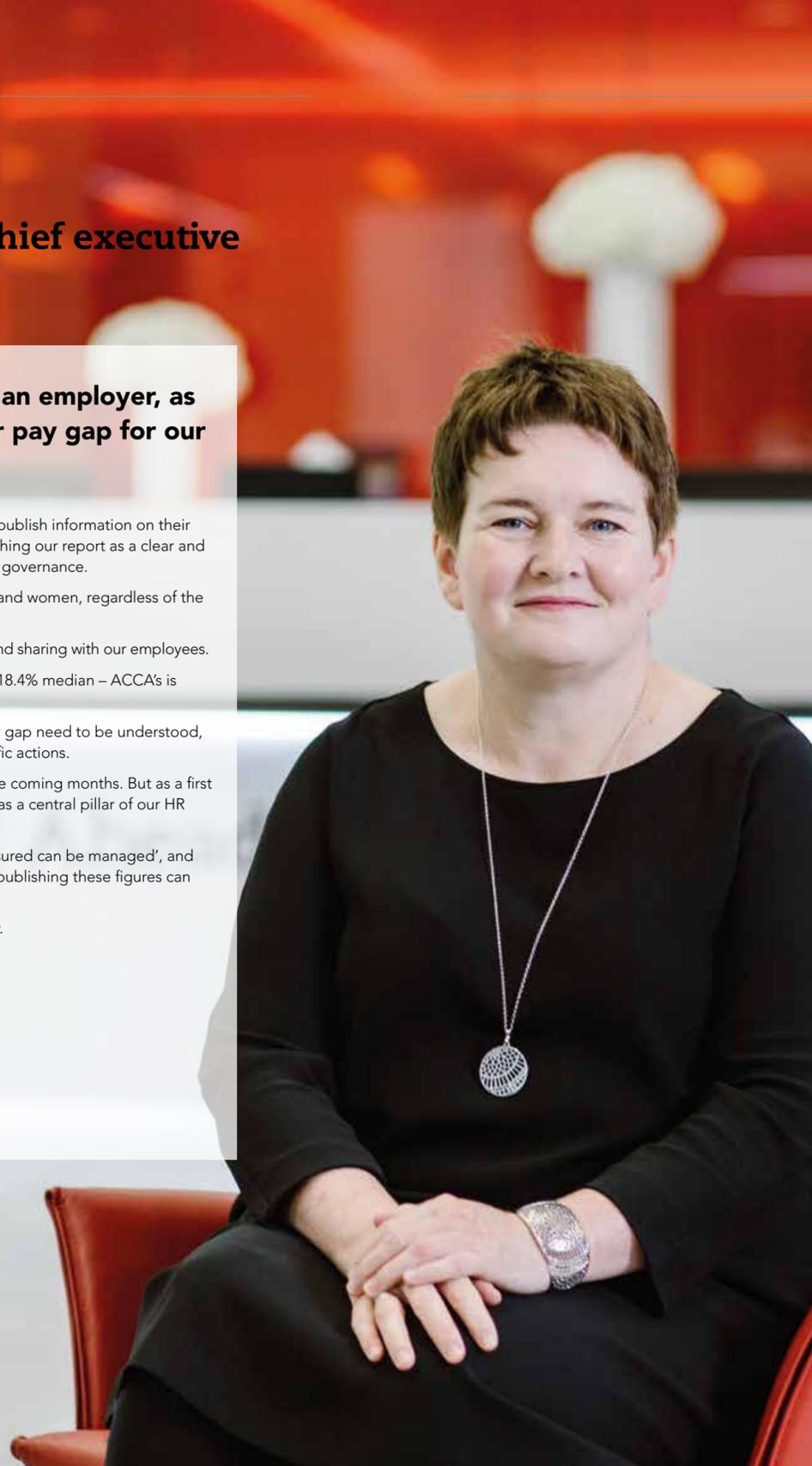
We'll be exploring what actions we can take to reduce our gender pay gap in the coming months. But as a first step it's vital that as a modern day employer we share and understand this data as a central pillar of our HR policies.

There's an often used phrase in the accountancy profession – 'what can be measured can be managed', and this phrase is very apt in relation to reporting this data. As we say in this report, publishing these figures can be a catalyst for change.

As chief executive, I commit to ensuring that this data will be published annually.



Helen Brand
Chief Executive
ACCA



What is the gender pay gap?

The gender pay gap shows the differences in the average pay between men and women (regardless of nature of their work) across all jobs, at all levels of the organisation.

It is different from an equal pay comparison, which would involve direct comparison of two people or groups of people carrying out the same, similar or equivalent work.

THE REGULATIONS

Although ACCA does not fall into the category of UK employers required to publish their gender pay gap, we welcome The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and the opportunity to voluntarily report.

We are committed to embracing opportunities to champion equality and embrace diversity and we believe in the power of transparent reporting to act as a catalyst for change. We hope by embracing the reporting we not only have a benchmark for our employees but also encourage our members to do the same.

The regulations require companies to report the following statistics as at the snapshot date (5 April 2017):

- mean gender pay gap
- median gender pay gap
- mean bonus gender pay gap
- median bonus gender pay gap
- proportion of males and females receiving a bonus payment
- proportion of males and females in each pay quartile.

ACCA'S GENDER PAY GAP

We are pleased to report that ACCA's gender pay gap is lower than the UK's national gender pay gap of *17.4% mean and 18.4% median.

* reported by ONS in October 2017



Whilst our gender pay gap is favourable compared to the UK's national statistic, we recognise that the reasons behind any gender pay gap need to be understood and that it may be possible to reduce our gender pay gap by undertaking specific actions.

The hourly rate used in the gender pay gap calculations includes basic pay, shift pay, allowances and pay for leave.

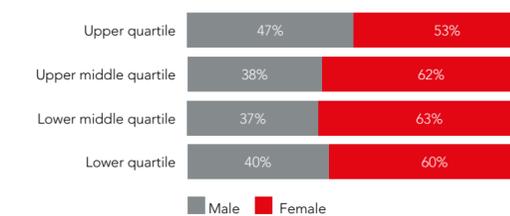
Mean gender pay gap calculation

- 1 Total of all male hourly rates / number of males = male mean hourly rate (A)
- 2 Total of all female hourly rates / number of females = female mean hourly rate (B)
- 3 (A – B) / A x 100 = mean gender pay gap

Median gender pay gap calculation

- 1 Midpoint of all male hourly rates (C)
- 2 Midpoint of all female hourly rates (D)
- 3 (C – D) / C x 100 = median gender pay gap

GENDER IN EACH PAY QUARTILE



Both genders are proportionally well represented in each pay quartile with the exception of the upper quartile, where there is a reduction in the proportion of females and an increase in the proportion of males.

What is the gender pay gap?

Pay quartiles are created by ranking all employees by their hourly rate, from the lowest to the highest and allocating employees equally into four pay bands. The lower quartile represents the lowest hourly rates and the upper quartile represents the highest hourly rates.

GENDER BONUS GAP

ACCA operates an annual merit award, which would be considered a 'bonus' under the regulations. In the snapshot reference year, female employees received higher bonuses, on average, than male employees, as indicated by the negative bonus gap:



All employees at ACCA are eligible to be considered for a performance related merit award and all employees with the same performance rating receive the same % of salary as a merit award.

Mean gender bonus gap calculation

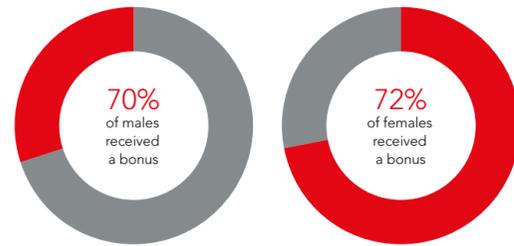
- 1 Total of all male bonus payments / number of males = male mean bonus (E)
- 2 Total of all female bonus payments / number of females = female mean bonus (F)
- 3 (E – F) / E x 100 = mean gender bonus gap

Median gender bonus gap calculation

- 1 Midpoint of all male bonus payments (G)
- 2 Midpoint of all female bonus payments (H)
- 3 (G – H) / G x 100 = median gender bonus gap

What is the gender pay gap?

PROPORTION OF EACH GENDER IN RECEIPT OF A BONUS



The proportion of males and females in receipt of a merit award were broadly similar and we are confident that our merit award programme provides equal opportunity to both genders.

UNDERSTANDING OUR GENDER PAY GAP

The analysis undertaken to complete this report indicate that ACCA attracts and recruits both male and female candidates at all levels of the organisation and across all career paths – females represent over half of ACCA's UK workforce.

We offer flexi-time, family friendly policies, home working and part-time working arrangements with 14.3% of female employees working part-time compared with 2.1% of male employees. Work-life balance continues to be a top ranking global trend. 3% of our total employee population work condensed hours, 8% work part-time and 2.5% are established home workers. Recruitment of part-time roles at ACCA has increased by 75% in the past year. This is a positive indicator that we are on a journey to realise the full potential of workforce flexibility.

Employee development and career progression is key to achieving ACCA's strategy and we have invested significantly in this area and will continue to ensure that opportunities are available to all employees, regardless of gender or length of service.

Both genders are proportionally well represented in each of the pay quartiles with the exception of the upper quartile, where there are proportionally fewer females than in the other three pay quartiles.

ACCA'S ACTION ON THE GENDER PAY GAP

This report is useful in presenting high level analysis in relation to the gender pay gap and highlighting areas that may need further investigation to identify and address issues of workplace diversity and inclusion.

ACCA are already making changes that may contribute to reducing our gender pay gap further:

In 2017, we introduced a new grading structure, underpinned by a robust job evaluation methodology to ensure all roles at ACCA are sized appropriately. Updated salary ranges, linked to external market salary benchmarks, have been implemented alongside the grading structure to ensure all employees are paid within a defined range of the market rate for their role.

From 2018, salary increases will be awarded based on the employee's contribution and comparison of salary against market benchmarks, to ensure pay progression is fair and equitable and that there is a link between performance and salary level.

We have held workshops to understand the impact of our pay policies on the gender pay gap and our pay policies will be reviewed in 2018.

We recognise that there are various factors, in addition to pay frameworks and policies that may contribute to a gender pay gap and we are committed to investigating the underlying reasons for our gender pay gap and addressing any contributing policies or practices. Conscious inclusion training will be rolled out for all people managers. This aims at making considered decisions increasing awareness of our own bias and the impact this can have on the decisions we make and the behaviours we exhibit.

Our core values guide our every-day behaviours and decisions at ACCA and are fitting when applied to the question of how to reduce the gender pay gap. We will provide a workplace that offers opportunity, free from artificial barriers and support all employees to develop their careers. We will respect and value difference in people and diversity will be embraced. We will act ethically, treating people fairly and honestly. Our core values will be our guiding principles in our journey to narrowing our gender pay gap.

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The UK gender pay gap