



ICAEW GENDER PAY GAP REPORT 2023



INTRODUCTION

ICAEW constantly strives to ensure equity and fairness is at the heart of everything we do. One of the five themes of our 10-year strategy is to 'strengthen the profession by attracting talent and building diversity', and we know that to attract, develop and retain talent within our own organisation means assessing, understanding and adapting on an ongoing basis.

Although 65% of our people are women, men continue to dominate our most senior positions, which has a significant impact on our gender pay gap. We are pleased to report a decrease in both our mean and median gender pay gap calculations, for the second year running, and we are particularly proud of this cumulative drop of 10.7% to our mean gap since 2021.

We know we need to do more to consistently narrow the gap. While it will take time to achieve parity, we continue to act where needed to ensure our policies and practices remain fair, and to explore ideas that will help us address specific challenges.

In 2022 we focussed on our data and how this could help us to understand the drivers to our gender pay gap. We committed to identifying and nurturing our internal talent, so that all had an equitable chance of progressing to the most senior levels of the organisation.

We have achieved these aims and our focus in 2023 will build on our successes by developing and delivering a development programme aimed specifically at the most senior roles in the organisation looking at how leaders impact levels of trust and empower autonomy. We are also committed to raising awareness of the impact of the menopause and will provide menopause awareness training for managers and menopause workshops will be available for our employees. We will continue to use the findings from our data to drive positive change and adapt our policy approach.



Handwritten signature of Michael Izza in black ink.

Michael Izza, Chief Executive

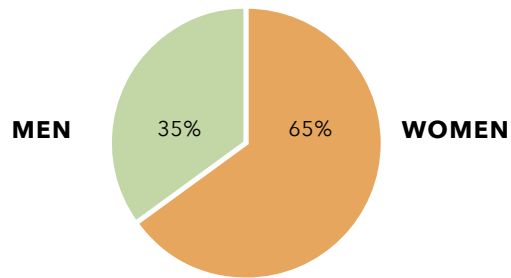
Handwritten signature of Alison Davies in black ink.

Alison Davies, Director, People

OUR GENDER PAY GAP

ICAEW's gender pay gap figures and workforce composition on 5 April 2023:

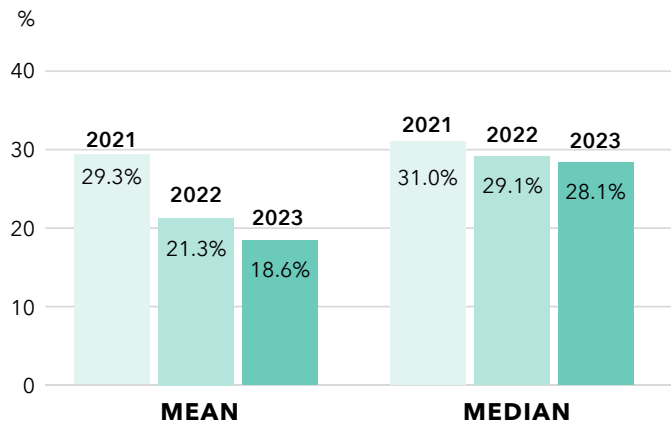
OUR UK WORKFORCE



OUR GENDER PAY GAP

Gender pay gap: Defined as the difference between the average earnings of men and women in the organisation on the annual snapshot date of 5 April, expressed relative to men's earnings.

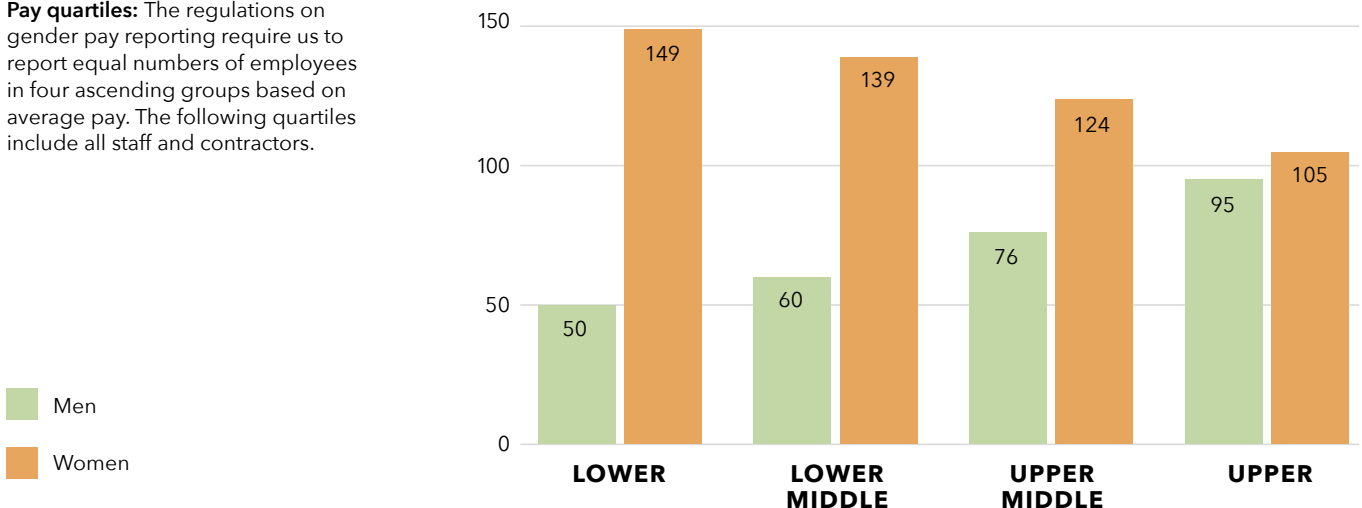
Mean and median: The mean figure is the difference between the average of men's and women's pay or bonuses. The median figure is the difference between the midpoints in the ranges of men's and women's pay or bonuses.



OUR PAY QUARTILES

Pay quartiles: The regulations on gender pay reporting require us to report equal numbers of employees in four ascending groups based on average pay. The following quartiles include all staff and contractors.

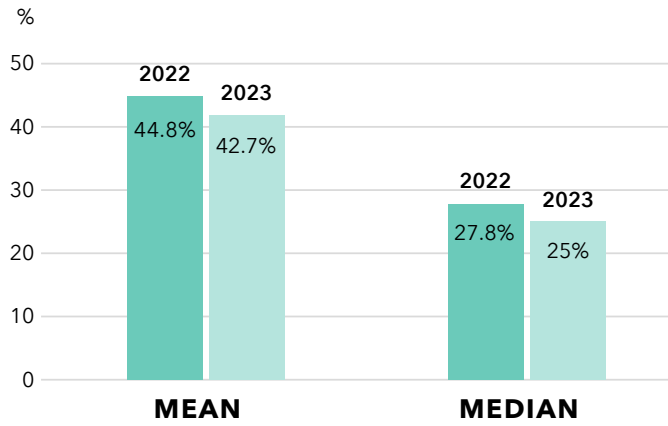
Total number of employees



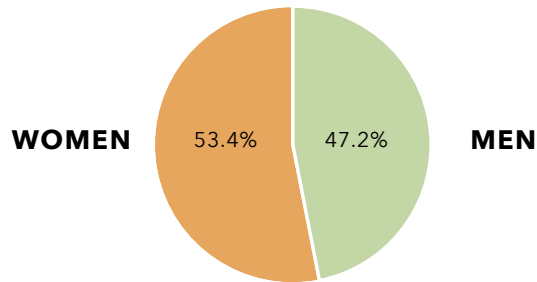
OUR GENDER PAY GAP (continued)

OUR BONUS GAP

Bonus gap: Organisations must report on bonus payments made during the 12 months prior to the snapshot date of 5 April 2023. The following includes all staff and contractors.



PERCENTAGE OF EMPLOYEES RECEIVING A BONUS



BREAKING DOWN THE GAP 2023

You can view the 2022 ICAEW gender pay gap report [here](#).

UNDERSTANDING THE GAP

OVERVIEW

We are glad to report that the mean gender pay gap has decreased by 10.7% since 2021. We are especially proud that our mean gender pay gap has decreased for two consecutive years.

Our pay gap continues to be influenced by two factors: 1) the gender division for contractors and consultants; and 2) men occupy the more senior roles in the upper two quartiles. Small changes to either of these critical categories continue to have a significant impact on our gender pay gap.

The analysis revealed that ICAEW women are represented across all quartiles and that we have improved on the gender split of consultants hired in 2023, compared to 2022. While the lower pay quartiles show a larger percentage of women and underrepresentation of men, there are 52.5% of women in the upper pay quartile. This figure is very similar to the 2022 number of 52.4% and represents a good retention rate of women in senior positions across the organisation. Despite this, the overall trend indicates that the percentage of men from the lower to upper quartile increased incrementally (50 to 95 respectively), while the opposite is true for women (149 to 105, respectively). In addition to this incremental growth, men occupy the most senior levels within the quartiles.

CONSULTANTS AND CONTRACTORS

- Contractors and consultants generally fall within the upper pay quartile, and therefore influence the overall gender pay gap considerably. Although we have seen an increase of 19 consultants since 2022 (up to a total of 30 in 2023), this year there has been a significant increase in women in consultant and contractor roles.
- In 2022, 63.6% of the consultants and contractors were men, while in 2023 we see an even split of 50% men and 50% women in consultant and contractor roles. This may have contributed to the narrowing in the gender pay gap, compared to previous years.

EQUAL PAY

It is important not to confuse Gender Pay with Equal Pay. Equal pay is defined as men and women being paid the same for same or similar work. We are confident that ICAEW does not have an equal pay issue and we regularly and proactively review and benchmark salaries to ensure that men and women are rewarded equally for the same or similar work.

We are aware that men are more likely than women to negotiate salaries and we follow principles of equal pay in our recruitment strategies when appointing into comparable roles.

We also conduct bi-annual Equal Pay reviews, and this work is supported by ensuring role profiles are up to date and accurate, which also assists us in benchmarking consistently.

CONTRACTORS		
Year	Men	Women
2023	50% ▼	50% ▲
2022	63.6%	36.4%

UNDERSTANDING THE GAP (continued)

QUARTILES

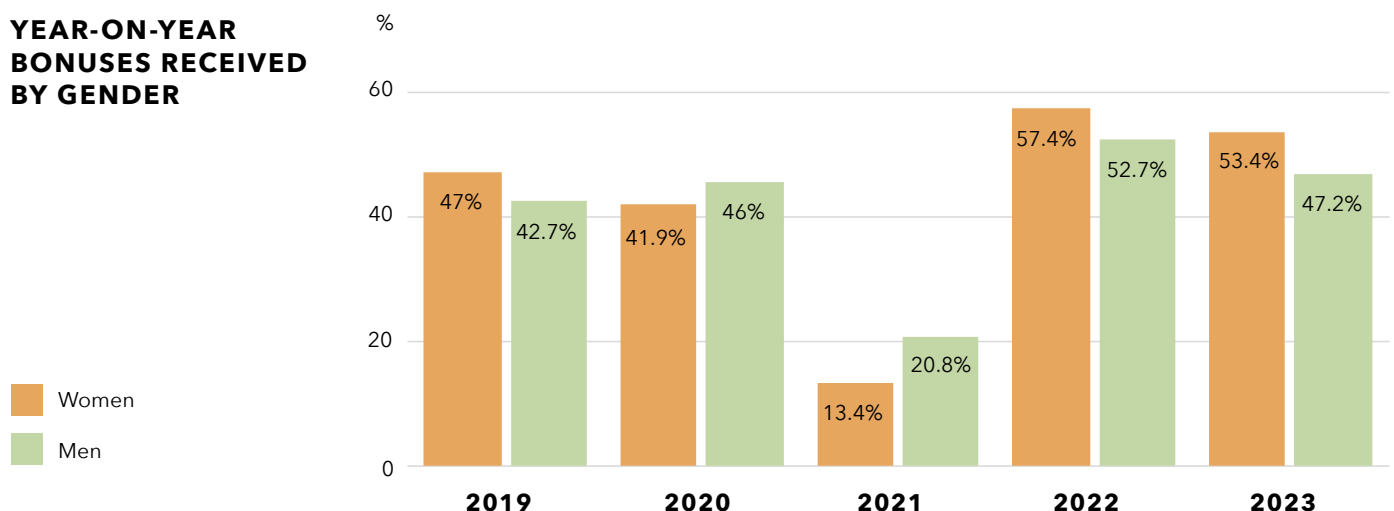
- We continue to see an even spread at the upper quartile with 52.5% of positions occupied by women. This represents an 0.1% increase from 2022. The existing pay gap is due to most senior positions in the upper pay quartile still being occupied predominantly by men.
- While the representation in the upper quartile remains largely unchanged from 2022, we have seen a small decrease of women in the most senior positions at ICAEW in 2023. At this level, even small changes have a significant impact on the gender pay gap.

BONUSES

YEAR	MEAN BONUS PAY GAP	MEDIAN BONUS PAY GAP
2023	42.7% ▼	25.0% ▲
2022	44.8%	27.8%
2021	23.8%	19.4%
2020	60.5%	35.5%
2019	65.1%	29.6%

- We are glad to report a 2.1% reduction in the mean bonus gap compared to 2022. This reduction is due to 5.5% fewer men receiving a bonus in 2023 compared to 2022, but only 4% fewer women receiving a bonus in 2023 compared to 2022.

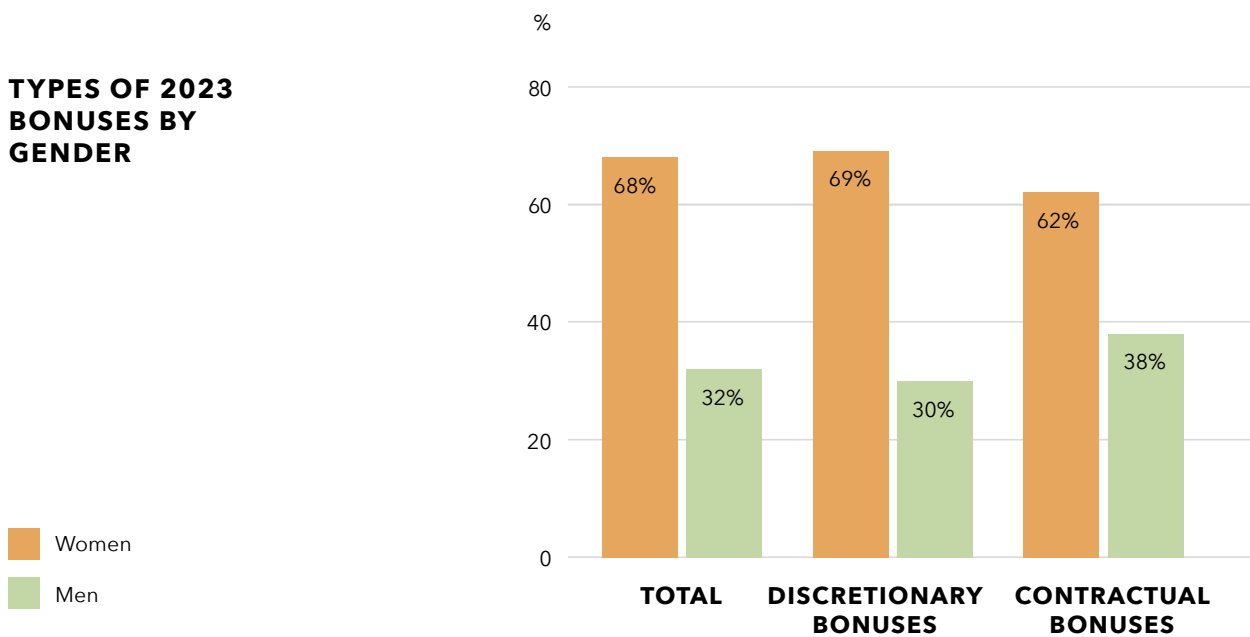
YEAR-ON-YEAR BONUSES RECEIVED BY GENDER



UNDERSTANDING THE GAP (continued)

- Although more women than men received bonuses in 2023, and we have observed a reduction in the bonus gap, it remains high at 42.7%. Bonuses are paid out proportionate to salary and men remain over-represented in the most senior positions and upper pay quartiles. The higher salaries in senior positions result in larger bonuses, which drives the bonus pay gap.
- For comparison, in 2023, 417 bonuses were awarded to employees, 84.9% of those were discretionary, while 15% of those were contractual. Out of the total 417 bonus payments, 68% went to women, while 32% were awarded to men.

TYPES OF 2023 BONUSES BY GENDER



69% of all discretionary bonuses were awarded to women, and 62% of all contractual bonuses.

These figures reveal that while there are no gender biases at play in the allocation of bonus payments across the organisation, the base salary and seniority of certain roles play a part when considering the gender pay and bonus gap.

NARROWING THE GAP

We remain committed to narrowing our gender pay gap and are developing a detailed Gender Pay Gap Action Plan to guide us in achieving this. We know that initiatives aimed at narrowing our pay gap will make ICAEW a more attractive employer within a competitive talent market. Specifically, it will increase the chances of attracting, retaining and developing talented women as ICAEW employees. Taking steps to narrow the gap can not only make organisations more attractive in a competitive recruitment market but can also positively affect retention and progression of talented women.

WOMEN IN FINANCE CHARTER

ICAEW is a signatory to HM Treasury's [Women in Finance Charter](#), pledging to support the progression of ICAEW women into senior roles in the financial services sector. In 2017, we committed to having 40% of our senior management team made up of women by March 2020. We exceeded this target in June 2019 (44%) and women now comprise **54.55%*** of our senior management team (as of August 2023). The Charter sets an annual plan to address some of the areas relevant to this report, in particular the longer-term approach to developing employees in middle and upper grades to progress to higher or more senior positions.

* The data for the Women in Finance Charter includes our international employees and excludes contractors.

INCLUSIVE LEADERSHIP TRAINING

During 2023, we will develop an Inclusive Leadership programme to further gender equality and champion inclusive leadership. This programme impacts the most senior roles at ICAEW. This programme will be aimed at directors and above, where the gender pay gap might be more prominent, and provides an all round exploration of inclusive leadership and how leaders impact levels of trust, alignment and autonomy across the organisation.

Chartered accountants are talented, ethical and committed professionals. ICAEW represents more than 208,000 members and students around the world. 99 of the top 100 global brands employ ICAEW Chartered Accountants.*

Founded in 1880, ICAEW has a long history of serving the public interest and we continue to work with governments, regulators and business leaders globally. And, as a world-leading improvement regulator, we supervise and monitor around 11,500 firms, holding them, and all ICAEW members and students, to the highest standards of professional competency and conduct.

We promote inclusivity, diversity and fairness and we give talented professionals the skills and values they need to build resilient businesses, economies and societies, while ensuring our planet's resources are managed sustainably.

ICAEW is the first major professional body to be carbon neutral, demonstrating our commitment to tackle climate change and supporting UN Sustainable Development Goal 13.

ICAEW is a founding member of Chartered Accountants Worldwide (CAW), a global family that connects over 1.8m chartered accountants and students in more than 190 countries. Together, we support, develop and promote the role of chartered accountants as trusted business leaders, difference makers and advisers.

We believe that chartered accountancy can be a force for positive change. By sharing our insight, expertise and understanding we can help to create sustainable economies and a better future for all.

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* includes parent companies. Source: ICAEW member data
February 2024, Interbrand, Best Global Brands 2023