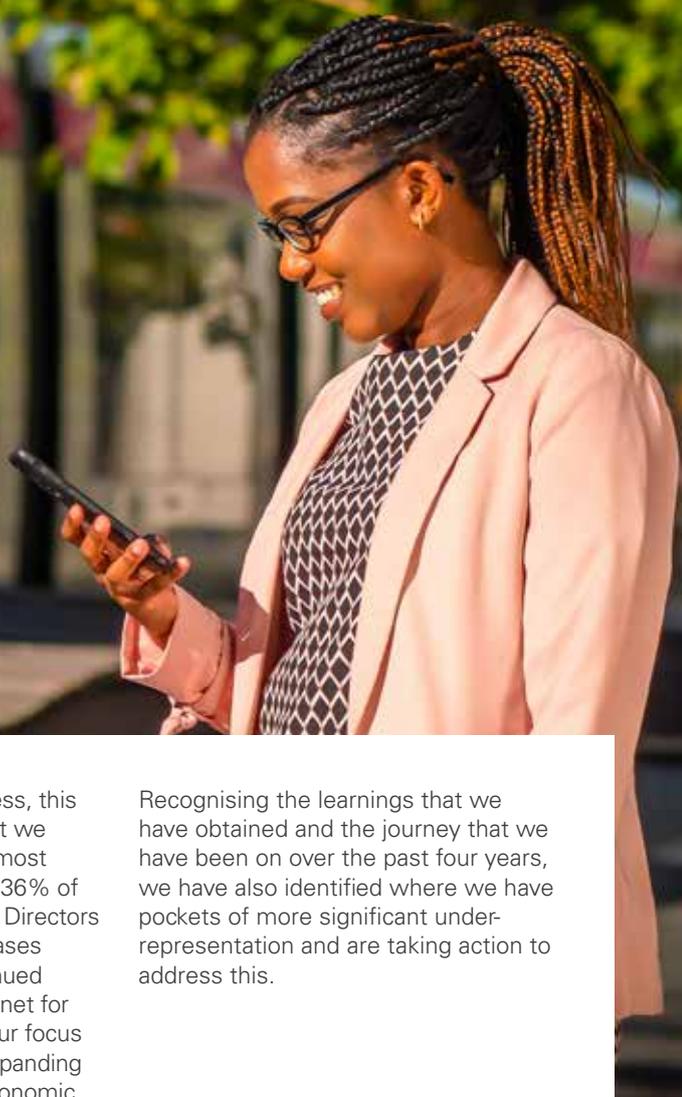




Workforce and student recruitment diversity data

2018 Annual Review



We continue to see inclusion, diversity and social equality as a commercial imperative for KPMG. Our 2018 target zones¹ across Gender, Ethnicity, Disability and Sexual Orientation were set back in 2014 and, every year, we have continued to report progress against these metrics in our Annual Report.

Whilst we have made progress, this has not been at the pace that we would like. Positively, in our most recent round of promotions, 36% of our Partners and 39% of our Directors were female, both 7% increases on last year. Given our continued commitment to being a Magnet for Talent, we have intensified our focus on inclusion and diversity, expanding the remit to include socio-economic diversity. We are also launching a multi-year **Fairer Futures** campaign underpinned by our new targets which we aim to achieve by 2022.

Recognising the learnings that we have obtained and the journey that we have been on over the past four years, we have also identified where we have pockets of more significant under-representation and are taking action to address this.

Workforce diversity

	Grade	2014 Population (%)	2015 Population (%)	2016 Population (%)	2017 Population (%)	2018 Population (%)	2018 Target (%)
Female	Partner	15	14	16	18	19	25
	Director	23	26	26	28	31	36
	Senior Manager	36	38	40	42	43	46
BAME ² (Black & Mixed Ethnicity)	Partner	7 (0.9)	7 (1.2)	7 (1.3)	8 (1.3)	8 (1.4)	9 (2.2)
	Director	9 (1.2)	9 (1.4)	10 (1.5)	11 (1.6)	11 (1.9)	14 (4.4)
	Senior Manager	14 (2.0)	15 (2.2)	16 (2.7)	16 (2.7)	17 (2.8)	18 (4.1)
Disability ³	Overall	1.4	1.5	1.4	1.3	6.4*	2.8
Lesbian, Gay, Bisexual	Overall	3	3	3	3	2.4	4.1

1 The reporting of representation in our organisation is based on the collection of diversity data from employees who choose to declare as part of the diversity monitoring exercise.

2 BAME stands for Black, Asian and Minority Ethnic.

3 In 2018, in consultation with the Business Disability Forum and to ensure best practice, we updated our diversity monitoring questionnaire to combine responses in relation to both disability and long term conditions. This accounts for the significant increase between 2017 and 2018. Long term conditions are not limited to, but include diabetes, autism, asthma, dyslexia, arthritis, or mental health conditions.

We have expanded our successful Black Heritage⁴ reverse mentoring scheme, broadening the reach beyond members of our Executive Committee to a number of Partners across the firm. This programme gives leaders insights and understanding about background, experiences and day-to-day life at KPMG from our more junior Black Heritage employees, in turn helping to create a more inclusive culture in our firm and helping tackle any potential barriers to progression.

We have continued to embed the focus on socio-economic diversity across the firm. We have introduced new social mobility interventions – from increased outreach in social mobility cold-spots, to managing the secretariat for Access Accountancy. We were delighted to be recognised with the top spot in this year's Social Mobility Employer Index.

Our parental occupation data – seen as a key socio-economic background indicator by experts such as the Bridge Group, UCL Institute of Education and the Cabinet Office – has improved marginally over the past year; with a higher response rate and a more representative workforce overall.

Employee's parental occupation⁵

	2018	2017	2016
<i>Response rate</i>	58%	48%	39%
Higher managerial, administrative and professional occupations	55%	56%	58%
Intermediate occupations	14%	13%	11%
Routine and manual occupations	19%	16%	16%
Never worked / Long-term unemployed ⁶	0%	N/A	N/A
Prefer not to say / I don't know	12%	15%	15%

Employee's school type at age 11 to 16⁷

	2018	2017	2016
<i>Response rate</i>	67%	63%	56%
UK state school	60%	61%	60%
UK selective state school	16%	14%	14%
UK independent / fee-paying school	21%	22%	23%
Prefer not to say / I don't know	3%	3%	3%

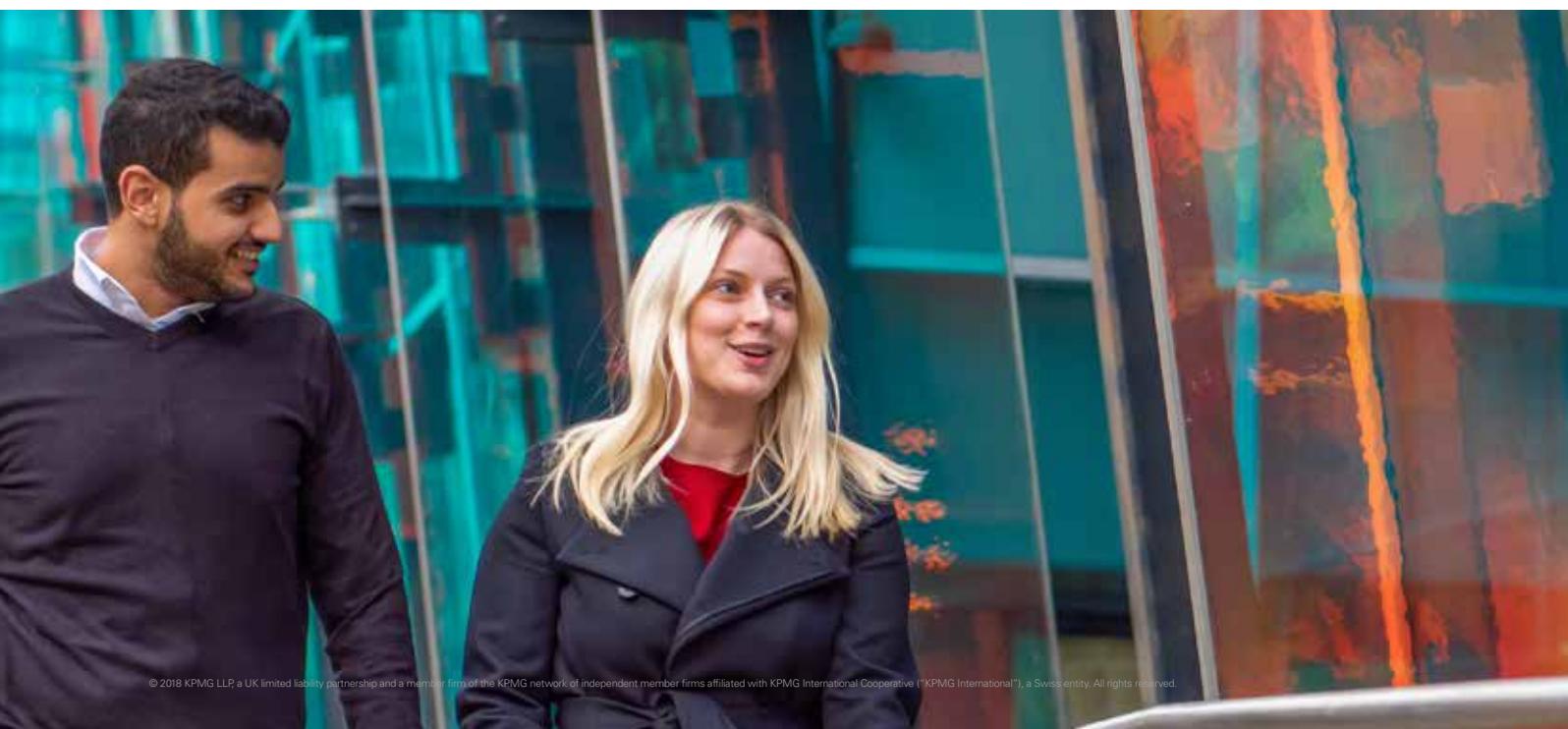
As part of our new Fairer Futures campaign we have set new inclusion, diversity and social equality targets which we aim to achieve by 2022 (see inclusion, diversity and social equality targets section). In support of our leading work on social mobility, once our employee parental occupation response rate reaches above 75% and we have a more complete picture of our current workforce, we will also explore setting a socio-economic background target. We have a focused action plan to help us achieve our targets and commitment from our leadership to drive change.

4 By Black Heritage we mean employees who have self-identified as the following Census 2011 categories: Black African, Black Caribbean or Any Other Black background, Mixed White and Black Caribbean and Mixed White and Black African.

5 Coded using the National Statistics Socio-Economic Classification.

6 New category added in 2018.

7 In this category, % breakdown excludes those individuals who attended school outside of the UK between the ages of 11-16.





Graduates, school leavers and apprentices

Female graduate, school leaver and apprentice offers accepted

Programme	2018	2017	2016
Graduate intake	49%	49%	50%
School leaver ⁸ and apprentice intake	49%	46%	47%

BAME graduate, school leaver and apprentice offers accepted

Programme	2018	2017	2016
Graduate intake	39%	35%	37%
School leaver ⁸ and apprentice intake	38%	41%	37%

Parental occupation graduate and apprentice offers accepted – 2018⁹

	Graduate	Apprentices
Higher managerial, administrative and professional occupations	62%	37%
Intermediate occupations	11%	37%
Routine and manual occupations	14%	21%
Prefer not to say / I don't know	13%	16%

Eligible for Free School Meals graduate, school leaver and apprentice offers accepted

Programme ^{10, 11}	2018	2017	2016
Graduate intake	11% (9%)	11% (9%)	11% (10%)
School leaver ⁸ and apprentice intake	19% (4%)	19% (3%)	18% (5%)

State educated graduate, school leaver and apprentice offers accepted

Programme ^{10, 11, 12}	2018	2017	2016
Graduate intake	66% (4%)	65% (4%)	64% (4%)
School leaver ⁸ and apprentice intake	88% (3%)	86% (1%)	83% (1%)

8 For 2017 and 2016, 'School Leavers' included the Audit School Leaver (ASL) Programme. The ASL programme is closed for new applicants so for 2018 'School Leavers' only includes Apprentices; which includes Business Support.

9 2018 was the first full recruitment cycle with parental occupation data. Those who accepted an offer prior to the question being added were left blank and included under 'Prefer not to say / I don't know'.

10 The percentage of those that respond prefer not to say / I don't know is outlined in brackets.

11 In the case of 'eligible for Free School Meals' and 'state educated' respondents who attended school outside of the UK are removed. The percentages represent all other respondents.

12 State school attendance includes state selective as this was separated as an option in 2016. 2018 is the first full recruitment cycle with this data but has not been included as the comparisons are not like-for-like.

Apprentices and graduates are a critical part of our firm's talent, so it is essential we attract, recruit and retain diverse talent from an early stage. Our student programmes are designed to provide the extensive support, learning and varied exposure to help kick-start a rewarding career at KPMG.

Outreach activity is focused on delivering sessions to build employability skills, which together with our online Digital Skills Builder and live online chats, provide students with invaluable advice both before and during the recruitment process.

This year has seen the roll out of the One+1 programme which provided quality work experience placements to 85 students and undergraduates from a lower socio-economic background. We also held our first Black Heritage Talent Week, where students had the opportunity to learn more about KPMG and develop vital employability skills. Together with our existing Discovery work placement programme for lower socio-economic background students and Women in Tech/Women in Deal Advisory programmes, we ensure that work experience opportunities are available to a broad talent pool.



We attract candidates using targeted marketing techniques, which increasingly use a broad use of channels such as digital, social media and video to best capture the imaginations of the generations entering the workforce today. The content we produce allows our own people to share their varied KPMG stories as part of this narrative. You can see this authentic story-telling in our new film for Apprentices, which features four trainees on the KPMG360 Programme, sharing their experience of being a trainee and providing insight into the choices they made when deciding to embark on the apprenticeship route with KPMG.

We continue to focus on our student and apprentice population and are incredibly proud to appear in the top ten of The Times Top 100 Graduate Employers list once again – marking our 20th year as a UK Top 10 Graduate Employer. KPMG has ranked #5 for Business Students in the Universum World's Most Attractive Employer rankings, an increase of four places from 2017 and our apprentices voted us twelfth in the 2018 Rate My Apprenticeship's Top 100 Apprenticeship Employers rankings – a jump of 37 from last year.

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