

# UK Gender Pay Gap Report 2021

Global events over the past two years have established diversity and inclusion as a business-critical issue more so than ever before. The pandemic heightened existing inequalities in the workplace and beyond, and the impact of the Black Lives Matter movement following the death of George Floyd compounded the need to accelerate change.

We are still navigating our way through COVID-19, and it may be a while before we fully appreciate the long-term effect on our people and our business, but it is crucial that our progress doesn't falter. Pay gap reporting remains a helpful tool for understanding the composition of our business and helps us target our attention where we need it most. So, this year, alongside our gender pay gap, we are publishing our ethnicity pay gap for the first time, to reinforce our commitment to improving the representation of people from ethnic minority backgrounds at the firm.

We have taken several steps to ensure diversity and inclusion is championed at the most senior levels of our business. In 2020 we established the Global Diversity Leadership Group (GDLG), comprising Partners representing our Global Board, Executive Committee and Strategy Committee, supported by our Diversity and Inclusion Manager, Chief People Officer and Chief Marketing Officer. Their role is to raise the profile of diversity and inclusion, ensure it is considered as part of our business strategy, and influence change from the top down.

Alongside the GDLG, our Global D&I Advisory Group, employee networks and local D&I committees are building the momentum needed to drive progress. For our London office, our D&I

ambitions are spearheaded by our D&I committee, which is co-chaired by Partners Elizabeth Lang and Zoe Feller.

We want to be transparent and honest about our progress – whilst there are some encouraging signs in this report, we are not where we want to be. Change takes time, but with the insights from this data, we can sharpen our focus and ensure our plans deliver the change we want to see.

**Nicholas Perry**  
*Partner - Head of London*



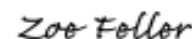
**Andrea Pankhurst**  
*Head of Human Resources  
UK*



**Elizabeth Lang**  
*Co-Chair of D&I Committee*



**Zoe Feller**  
*Co-Chair of D&I Committee*



## Statement of Accuracy

We confirm the data reported here is accurate and meeting the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

## Definitions and methodology.

### What is a Pay Gap?

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 require all employers with 250 employees or more to publish data on their gender pay gap.

A pay gap is the difference between the average hourly pay of men and women across an organisation, expressed relative to men's earnings. This is not the same as equal pay - equal pay means that men and women in the same or similar role and performing equal work will receive equal pay. We are confident that men and women performing the same or a similar role receive equal pay.

**Pay Gap Reference Period:** The snapshot date for the pay gap is 5 April 2021. As we pay monthly, the reference period for this report is April 2021 and includes pay after deductions for salary sacrifice benefits for all employees and salaried partners. Those who received reduced pay during this period have been excluded as per the regulations.

As equity partners are remunerated differently and there is no statutory guidance (reporting on partner pay is not a statutory requirement) on how to calculate the pay gap for partners, we have used each partner's entitlement to profit share for the 12-month period up to and including April 2021.

**Bonus Gap Reference Period:** Includes bonus payments made within the 12 months up to and including the reference period April 2021. In accordance with the Regulations, we have calculated our gender bonus gap using actual bonuses paid to employees working part-time rather than full-time equivalent amounts.

**Mean:** The difference between the average rate of hourly pay or bonus for men and the average hourly rate of pay or bonus for women. The average is calculated by adding up all values and dividing the result by how many values were in the list.

**Median:** The difference between the 'middle' rate of hourly pay or bonus for men and the 'middle' rate of hourly pay or bonus for women, when listing all numbers in numerical order. If there is an even number of results, the median will be the mean of the two central numbers.

**Ethnicity Pay Gap:** There is no statutory guidance (reporting on ethnicity pay gap is not a statutory requirement) on how to calculate the pay gap. We have compared average pay for employees identifying as from an ethnic minority background to determine our ethnicity pay gap. Those who have chosen not to disclose their data have been excluded from the calculations.

## Statutory Reporting

### Employee Pay Gap Figures

Year	Mean	Median
2021	21.6%	38.0%
2020	20.4%	39.2%

As a result of the Covid 19 pandemic we froze all salaries in April 2020 and applied increases as of 1 May 2021. As the reference period for this report is April 2021 the salaries were the same as 2020, hence the figure has changed very marginally, the mean increasing slightly and the median decreasing. Overall, we have more women than men (60:40) but proportionately more men in the upper pay quartiles. In the reference period we also excluded 18 women from the calculation and 1 man due to parental leave.

### Employee Bonus Gap Figures

Year	Mean	Median
2021	34.3%	33.3%
2020	42.9%	58.3%

### 44% of men received a bonus compared to 32% of women

It is encouraging to see that bonus gap has reduced this year for both mean and median bonus gap. We have awarded 113 bonuses to women and 96 to men, however as we have more women than men in the total population this shows as a higher percentage of men receiving a bonus.

## Pay Quartiles

Year	Lower Men	Lower Women	Lower Middle men	Lower Middle Women	Upper Middle men	Upper Middle Women	Upper Men	Upper Women
2021	20.1%	79.9%	33.8%	66.2%	51.5%	48.5%	53.4%	46.6%
2020	28.1%	71.9%	31.1%	68.9%	48.9%	51.1%	55.6%	44.4%

We continue to have more women in lower quartiles, but we have seen an increase in the upper pay quartile.

We have a higher proportion of women in secretarial and junior business team roles, which predominantly fall within our lowest pay quartile. While these roles are competitively rewarded by reference to the market, the fact that so many of them are held by women has the effect of reducing the average pay and bonuses of women in our firm.

## Voluntary Reporting

### Associate Pay Gap

Year	Junior		Mid-Level		Senior	
	Mean	Median	Mean	Median	Mean	Median
2021	0.6%	-0.8%	-2.4%	-0.8%	-1.2%	-1.6%
2020	0.7%	0.7%	-0.2%	-0.1%	2.8%	2.9%

Associate pay gap remains evenly split when we break it down by grade. Although we employ an equal number of men and women as senior associates, more women were excluded from the data set than men. This data set reported 36 men and 24 women senior associates, therefore this contributes towards our overall pay gap.

### Partner Pay Gap

Year	Mean	Median
2021	-7.9%	15.6%
2020	-11.7%	-3.0%

This year saw some of our senior women partners retire but the percentage of women partners remained pretty static. The mean gap is still in favour of women, which is unusual for the sector, but the median is now in favour of men. As we see the impact of our initiatives to increase numbers of women partners, particularly internal promotions, this will continue to affect the pay gap as the proportion of newly promoted women increases. With pay for all newly promoted partners in their first few years lower than senior partners retiring, in the short term initiatives to increase numbers of women partners are likely to see the gap get worse before it improves.

## Combined Employee + Partner pay gap

Year	Mean	Median
2021	47.6%	49.1%
2020	44.1%	49.2%

Having more men than women partners is the main contributor to the combined pay gap and as commented above we are taking positive steps towards addressing this although we recognise that it may take several years to see the full impact of these initiatives.

## Ethnicity Pay Gap

Year	Mean	Median
2021	11.78%	20.56%
2020	15.48%	22.4%

In line with our commitment to increase representation of people from ethnic minority backgrounds at all levels in the firm, we are voluntarily reporting ethnicity pay gap data. We rely on our people voluntarily to provide their ethnicity data and 75% of our people have done so. Of that population, 14% identify having ethnic minority background. Because this number represents a relatively small number of staff even small changes to this group can cause a significant change to the overall mean and median ethnicity pay gap figures. However, we are pleased to report this year that both the mean and median figure have reduced. We are unable to report on our partner ethnicity pay gap as our voluntarily supplied data is not complete enough. We hope to be able to report on this for 2022.

## *Key Actions to address the pay gap*

### Improving gender balance

**The Mansfield Rule** – In 2021 we became one of the first firms to participate in the Mansfield Rule Certification pilot programme in the UK, an active step towards boosting diversity across our recruitment, promotion, and leadership. In order to achieve Mansfield certification, we must affirmatively consider at least 30% women, Black, Asian and Minority Ethnic lawyers, lawyers with disabilities, and/or LGBTQ+ lawyers for 70% or more of the following: equity partner promotions, fee earner hiring searches and openings, appointment to practice/sector group and office head leadership positions, election or appointment to Management, Executive & Strategic Committees and/or Board level, election to Chairperson, and participation in formal client pitches.

**Global Women's Development Programme (GWDP)** – Launched in 2016, the GWDP is designed to help retain high-performing women associates, develop a global network of women across the firm, to encourage more role model behaviour and most importantly, inform us as a firm of any gender specific barriers to progression. It has had an immediate impact on career results, with 40 who have attended being promoted either to partner or counsel globally.

**Reignite Academy** – We are members of Reignite Academy, who provide support to women interested in returning to work after long term career breaks. We have worked with them to successfully place candidates who are looking for a new challenge after taking an extended time out of the legal industry.

## Improving representation and retention of ethnic and racial minorities – key actions

**Legal CORE** - We were one of the first law firms to sign up as members to Legal CORE, which launched in 2021. Their mission is to increase the representation of Black, Asian and minority ethnic individuals in private practice. We will be taking part in a number of their events across this year.

**10,000 Black Interns** – This summer we are taking on our first intern through the 10,000 Black Interns programme, which seeks to offer 2,000 internships over the next five years across a range of different industries. Our intern will complete a six-week paid programme of work experience, which includes two weeks alongside our summer vacation students.

**Embrace** - Our multicultural employee-led network supports and celebrates the multicultural experience within the firm, raising awareness of cultural and historical moments of importance (such as Black History month) and giving back to multicultural communities through community engagement and assisting with diverse and inclusive recruitment to the firm. The network won The UK Diversity Legal Awards 2019 for Outstanding BAME Employee Network.

**The Halo Code** - In 2021, we adopted the Halo Code, the UK's first Black hair code, aiming to tackle afro-hair discrimination in schools and the workplace.

**Race Fairness Commitment** - We are signatories of the Race Fairness Commitment, which strives for racial equity within legal organisations through removing barriers to recruiting, retaining, and promoting ethnic minority talent, including a commitment to ending racial pay disparity.

**Race at Work charter** - We are signatories of the Race at Work charter, established by Business in The Community, which outlines seven key actions to amplify your commitment to improving quality of opportunity in the workplace

## Driving inclusive recruitment

**Contextualised recruitment** – We introduced the Rare Recruitment Contextual Recruitment System (CRS) in 2018. The Contextual Recruitment System delivers two outputs to employers: flags to measure disadvantage, and a Performance Index (PI) to measure outperformance against students at the same school. Since its launch in 2015, the System has processed over 100,000 applications. Firms using the system see an uptick of 50% in the number of people they hire from disadvantaged backgrounds.

**Employ-Ability** - We have partnered with Employ-Ability since 2017 to ensure our online application forms, interview guides and assessment centre exercises are disability inclusive. In 2019, we ring-fenced two roles on our Summer Vacation Scheme programme for candidates with a disability. Employ-Ability assisted with the sourcing of disabled candidates for these positions. We made offers to four candidates who were supported with any necessary adjustments in the workplace to ensure they are set up for success from their first day at the firm.

# Thank you

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