

UK DIVERSITY PAY REPORT

2023



Foreword

Last year, we wrote that our business and our people were facing significant challenges, from geopolitical uncertainty to inflation and the cost-of-living crisis. While inflation and energy costs have eased a little, these challenges remain, and serve to remind us of the inequalities that society faces, and the importance of our role as a firm in continuing to make real progress in diversity and inclusion in our own workplace.

In May 2023, we published our [latest update on our diversity targets](#), where we announced that the firm had met its target of 10% ethnic minority colleagues in the partnership two years ahead of schedule. This is an important milestone and represents some of the progress that we have made. At the same time, we are behind in our goal of 35% of the partnership globally being women, with that figure presently standing at 29%.

We remain committed to progressing towards our diversity goals, continuing to focus on using data to understand trends in our business, increase transparency, and drive accountability. Our diversity pay reporting is one of many tools that supports us to do that, which is why we continue to extend our reporting to include voluntary data related to partners (currently excluded under the reporting requirements), and ethnicity pay reporting.

Rebecca Carter

Rebecca Carter
London Office Managing Partner

Katherine Wenbourne

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Chief People and Talent Officer



Our action plan

Our pay gaps continue to be driven by the under-representation of ethnic minorities and women in the most senior roles within our business, and the over-representation of women in more junior business services and administrative roles. We have set ethnicity and gender targets to accelerate our progress and increase representation in the partnership. Our ethnicity targets also focus on increasing representation at more junior levels. You can read an update on our targets, including examples of actions that we have been taking [here](#).

Our action plan targets the things that we believe will have the greatest impact in the long term:



Monitoring pay and progression in our talent pipeline

We monitor pay and promotion decisions by gender and ethnicity so we can identify trends, check progress, and take appropriate action.



Resource allocation

We know that equality of opportunity is key to progression and reward. We continue to apply increased scrutiny to how we allocate resource, and to increase the reach of our structured work allocation programme, now in five of our practice groups, which supports us in ensuring that the distribution of work is equitable.



Development and sponsorship opportunities

As part of MyCareer, every associate benefits from a dedicated career manager to help develop and sponsor their career at the firm. We also run some targeted programmes for underrepresented groups and their career managers.

New programmes include:

Our Women’s Partner Pipeline Programme, launched to support those women who are a few years out from partnership and their partner sponsors. The aim is to support a high proportion of those women through a successful transition to partnership.

As part of our [Ethnicity Action Plan](#), we are running two programmes to support ethnic minority colleagues to navigate their careers in the hope that they stay and progress with us. High potential business services colleagues are taking part in Mission Include, a cross-company mentoring programme that focuses on building and strengthening pipelines to achieve greater levels of leadership diversity for underrepresented groups. Associates are participating in Articles Plus, a programme in partnership with diversity experts, Rare, to support associates with their career development.



Flexible working

The last few years have transformed the way we work, prompting more open conversations about our work and life commitments, and our people’s wellbeing needs. We are committed to maintaining this principle of flexibility, supporting colleagues to manage their work and personal lives.



Recruitment

We want to make sure that our recruitment processes are open and attractive to all. We are committed to seeking gender balanced and diverse shortlists for experienced hires, and increasing the representation of minority ethnic lawyers in our firm. We apply these principles internally, and also require the same of the recruitment agencies that we work with to source candidates.



Processes and policies

We continue to review our processes and policies, removing practices that can disadvantage particular groups, and ensuring that they reflect the inclusive and progressive firm that we aspire to be. This year we embedded our global policies supporting new parents and those on the path to becoming parents, and in January 2024, we launched our public holiday exchange policy which enables colleagues to exchange up to three public bank holidays of their choice. Whilst this policy is for everyone, one of the key aims is to offer some additional flexibility to colleagues from diverse cultural and religious backgrounds.

Ethnicity pay 2023

Following gender pay reporting principles, this report compares average earnings of Black, Asian and Minority Ethnic (BAME) and White colleagues at the firm as at 5 April 2023, and bonuses paid in the preceding 12 months.

We recognise that the representation and experiences of minority ethnic colleagues differs and that using the binary categories of Black, Asian and Minority Ethnic (BAME) and White in this reporting is imperfect. Due to the size of the individual populations we cannot report on specific ethnic groups.

The data below is based on 74% of our total UK population; those who have not disclosed their ethnicity data are not included. Based on this data, approximately 23% of our UK colleagues are from ethnic minority backgrounds, a 4% increase in BAME representation from last year. This increased representation is distributed across all pay quartiles as our business has grown.

The key cause of our pay gap is that we have fewer minority ethnic colleagues in our most senior roles. These gaps are different from equal pay; we are committed to ensuring our people are paid equally for doing equivalent jobs across our business.

Snapshot of our ethnicity pay gap



The percentage of BAME colleagues in every pay quartile has increased.



The mean and median hourly pay gaps for the firm including partners, and for employees only, have increased.



The mean hourly pay and bonus gaps for employees have both increased.

Pay (including partners)

2023

43.7%

Mean

25.0%

Median

2022

39.1%

Mean

21.8%

Median

2021

42.8%

Mean

12.7%

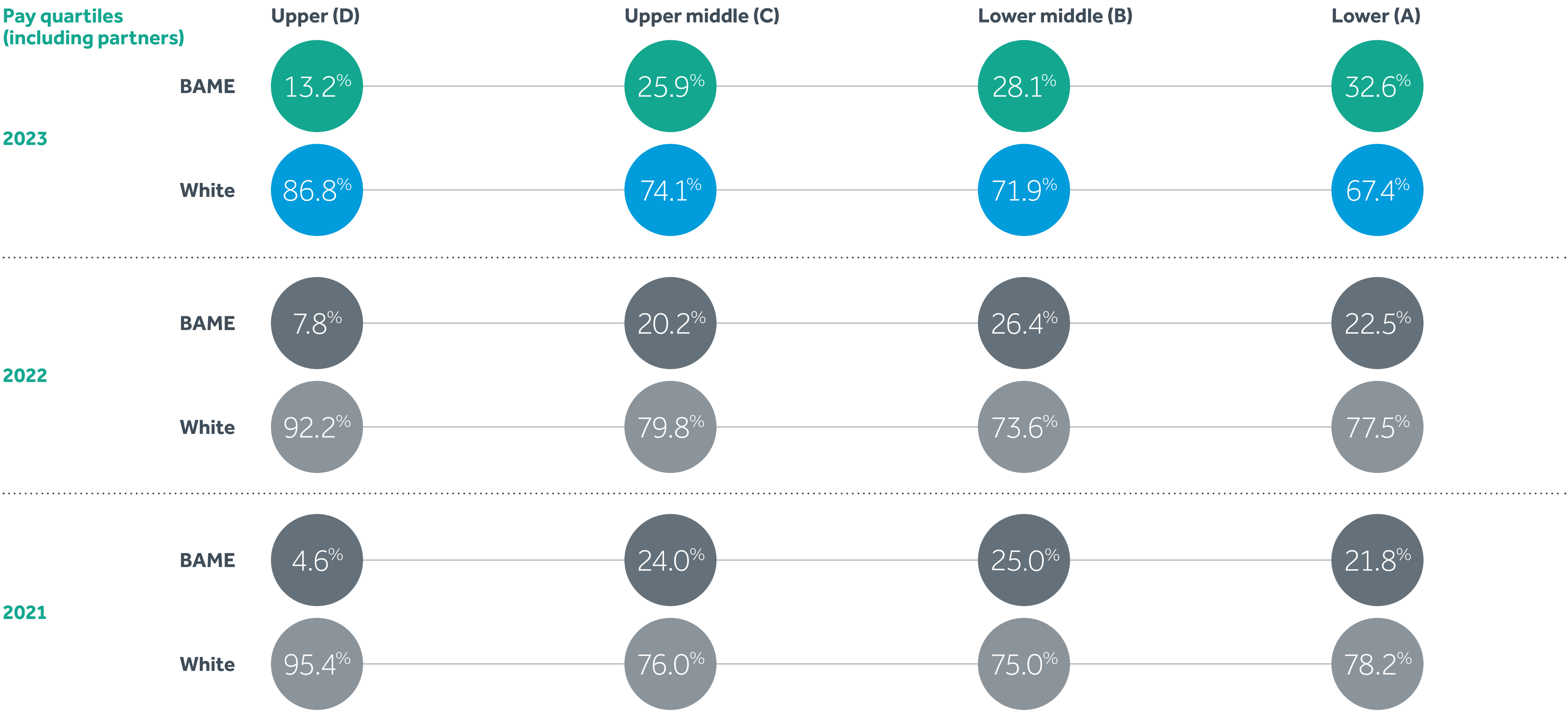
Median

Definitions at a glance

Mean: The difference between the mean (average) hourly pay for all BAME and all White employees.

Median: The difference between the 'middle' rate of pay and bonus for all BAME employees and all White employees, when pay and bonus are ranked in numerical order.

Ethnicity pay 2023



Ethnicity pay 2023

Hourly pay (excluding partners)

2023	
15.1%	27.6%
Mean	Median
2022	
10.7%	20.1%
Mean	Median
2021	
12.7%	12.9%
Mean	Median

Bonus (excluding partners)

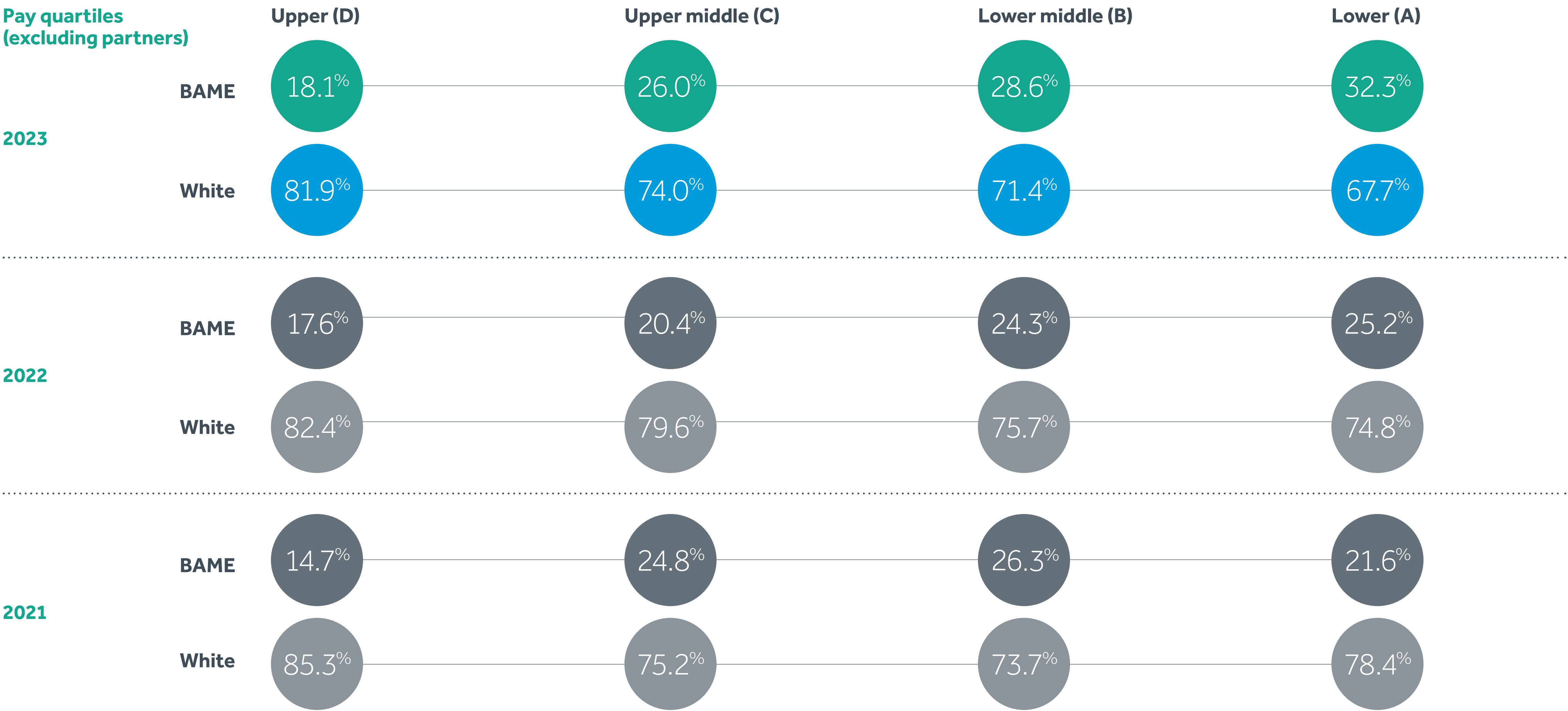
2023	
27.1%	22.7%
Mean	Median
2022	
-2.6%*	9.7%
Mean	Median
2021	
32.6%	3.4%
Mean	Median

*The minus on this figure indicates that the average bonus that ethnic minority colleagues' received was 2.6% higher than that of white colleagues.

Percentage receiving a bonus (excluding partners)

2023	
39.1%	48.7%
BAME	White
2022	
54.3%	59.2%
BAME	White
2021	
47.1%	51.2%
BAME	White

Ethnicity pay 2023






Gender pay 2023

Once again, this year we are voluntarily including data on the gender pay gaps for our London-based partners and also for our combined London-based partner and employee population.

The most significant cause of our gender pay gap continues to be the composition of our workforce. We have a higher proportion of men in our most senior roles and more women in our more junior business services and administrative roles, which predominantly fall into the lowest pay quartile. These gaps are different from equal pay; we remain committed to ensuring our people are paid equally for doing equivalent jobs across our business.

Snapshot of our gender pay gap

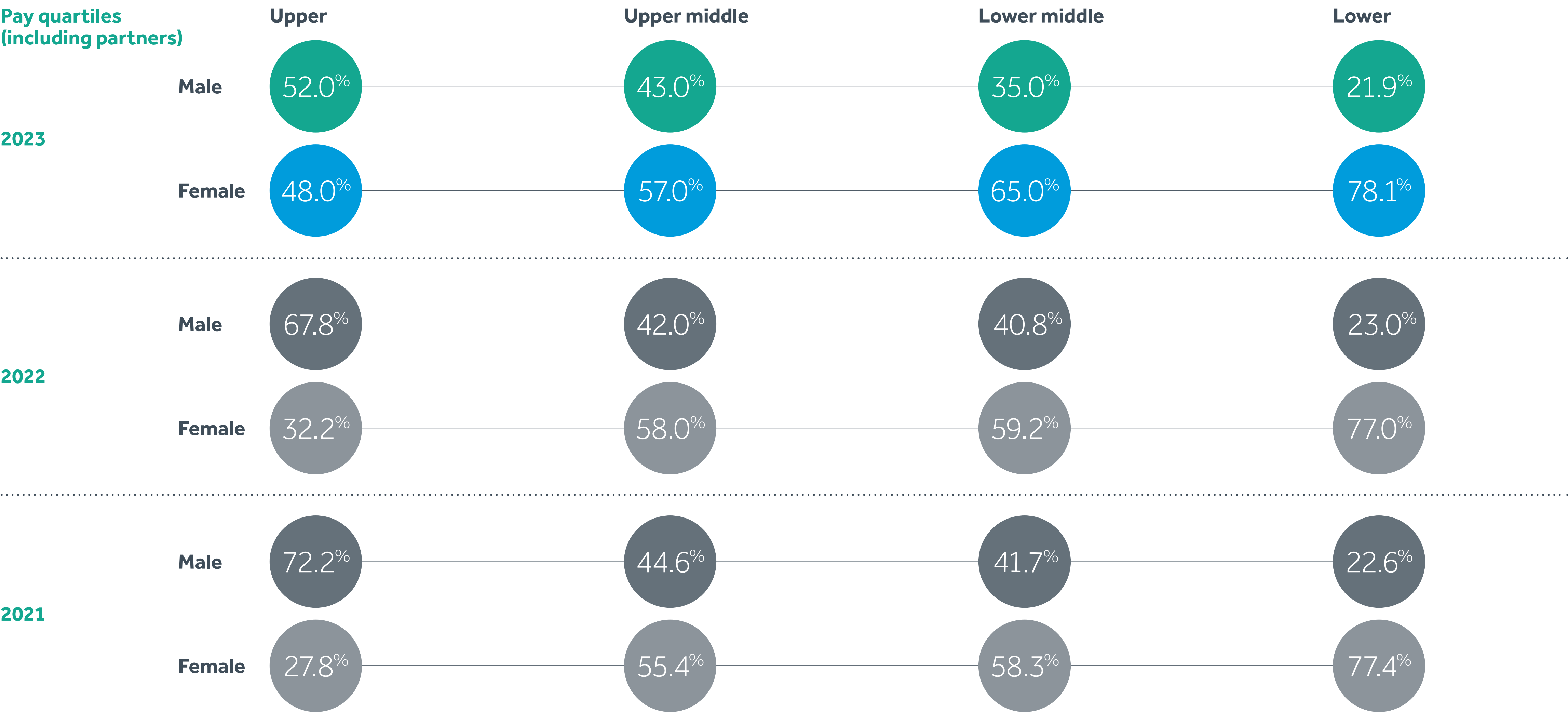
-  The percentage of women, including partners, in our top pay quartile has increased.
-  Our mean hourly pay gap for the firm, including partners, is relatively unchanged; the median has decreased.
-  The mean hourly pay gap for employees has decreased; the bonus gap has increased.

This section shows the pay gap for our combined partner and employee population. These figures include total annual earnings (salary and bonus).

Pay (including partners)

2023	
50.6%	35.6%
Mean	Median
2022	
50.5%	42.0%
Mean	Median
2021	
51.5%	33.6%
Mean	Median

Gender pay 2023



Statutory reporting: Our employee gender pay data

Hourly pay (excluding partners)

2023	
19.7%	32.3%
Mean	Median
2022	
24.6%	44.3%
Mean	Median
2021	
24.5%	27.2%
Mean	Median

Bonus (excluding partners)

2023	
40.3%	45.4%
Mean	Median
2022	
33.1%	39.8%
Mean	Median
2021	
51.0%	67.6%
Median	Mean

Percentage receiving a bonus (excluding partners)

2023	
45.1%	39.4%
Male	Female
2022	
57.5%	49.9%
Male	Female
2021	
56.0%	46.2%
Male	Female

Statutory reporting: Our employee gender pay data

