

Diversity and Inclusion at Osborne Clarke

Our gender and ethnicity pay gap report

Data from April 2019



Introduction

At Osborne Clarke we're proud to be different. We want to be ourselves at work yet feel that we belong. We actively promote an inclusive culture and celebrate diversity. We recognise our individuality and aim to break down any barriers that stop people reaching their full potential.

Our Diversity and Inclusion strategy focuses on: **gender, LGBTQ+, age, ethnic diversity, social mobility, and mind and body.** We believe that, by improving inclusion in each of these areas, we will improve our working lives, build our collective intelligence and ensure that our firm is as unique and diverse as the communities we're part of and the clients we work with.

Pay gap reporting gives us data that helps us to identify issues and monitor our progress. By understanding what lies behind the figures we can focus on activities that will drive sustainable change. In this report you will find our pay gap data, but we will also explain what this tells us about the causes of the gap – and what we are doing to address these causes throughout our firm.

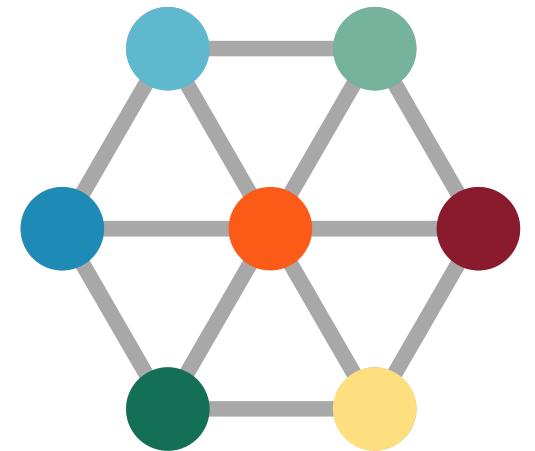
Gender pay gap

This report shares data from April 2019. We now have three years of data and you will be able to see changes over that period and track our progress. We believe that looking at the overall direction of travel (and comparing our 2019 data against 2017) is our best indicator of sustainable progress rather than focusing on year-on-year fluctuations.

In this report we look at employee data about pay and bonuses as that's what's required by law and allows for consistent comparison with previous years and across organisations. However, we go beyond that and also look at our Partner data and our employee and Partner data combined. While this is not required by law, because Partners are not employees, we firmly believe this helps to give a more accurate representation of the pay gaps across our firm.

Ethnicity pay gap

Although ethnicity pay gap reporting is not required by law, we also report on this using the same measures as when calculating the gender pay gap. The extra insight this provides helps us to track our progress towards being a diverse and inclusive employer from more than one viewpoint.



About the report

What is the pay gap?

The gender pay gap measures the average difference in hourly earnings between all of the women and all of the men within an organisation. This is different to equal pay, which focuses on pay for women and men doing the same work. The UK has a gender pay gap of around 17% (Office for National Statistics). That means the average working man in the UK gets paid 17% more than the average working woman.

The reasons for a gender pay gap are not straightforward. There are still far more men in higher paid senior roles across all industries, and women still tend to be the majority in roles that attract comparatively low salaries. Things are changing and increased understanding of these complex issues helps us to remove obstacles and create opportunities for individuals to fulfil their potential.

The ethnicity pay gap is calculated in the same way but, instead of comparing the pay of women and men, we compare two binary groups, BAME and non-BAME.

Means and Medians

In this report we often present both the mean and median results:

- **Mean** is the average of all the data when added together
- **Median** is the mid-point of the data when the results are in value order

Quartiles

We have split the firm into four equal salary-based quartiles to illustrate how the gender balance of our organisation influences our mean gender pay gap. This means that we've ordered the entire range of salaries we pay (from the highest to the lowest) and split them equally into quarters, so the highest salaries make up the upper quartile and the lowest salaries make up the lower quartile. We've looked at the gender representation in each of these groups.

Quartiles are important when viewing data as they help us to understand the representation of the different groups at different levels within the organisation, how this affects the gender pay gap and where we should focus efforts to drive change.



Our results ●

Headlines

In 2019, the mean gender pay gap has remained the same compared with 2018, with an overall downward trend from 2017

We have more women in higher paid roles and 50% of our Practice Group Heads (our most senior leaders) are female

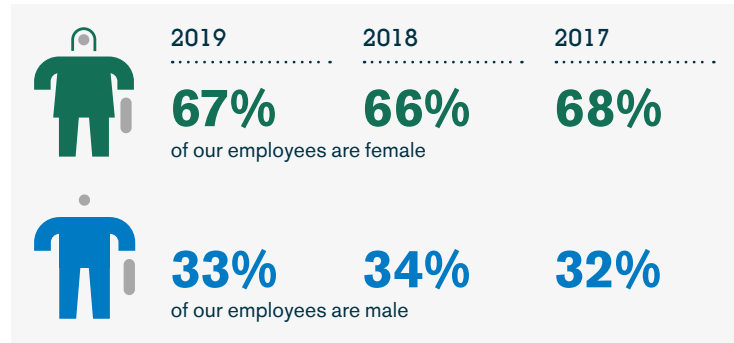
We have seen modest increases to the median gender pay gap in 2019, yet this remains on a downward trend overall



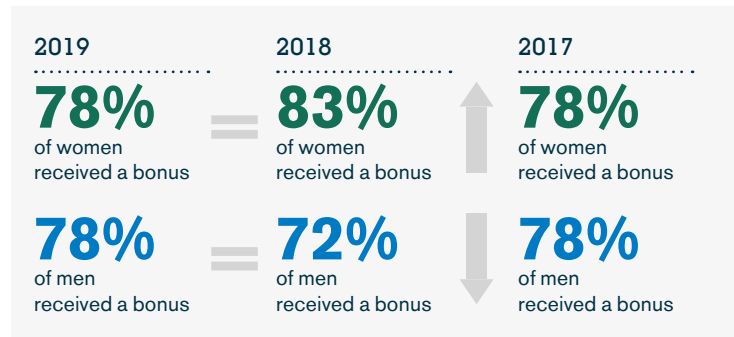
Our results ●

Employee gender pay gap

The gender split of our firm in percentages

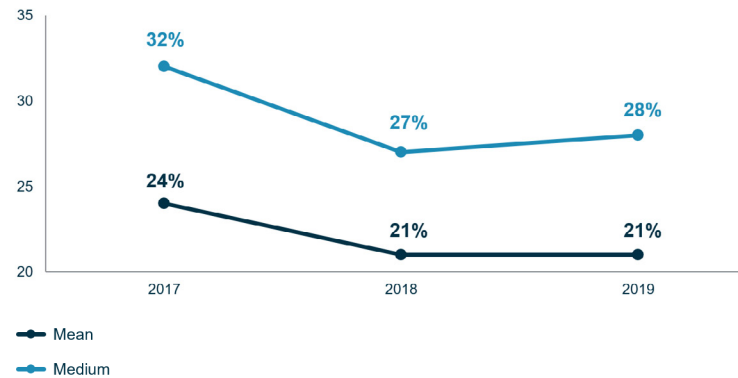


Bonus Pay Gaps



Data shown compares 2018 and 2019 to 2017

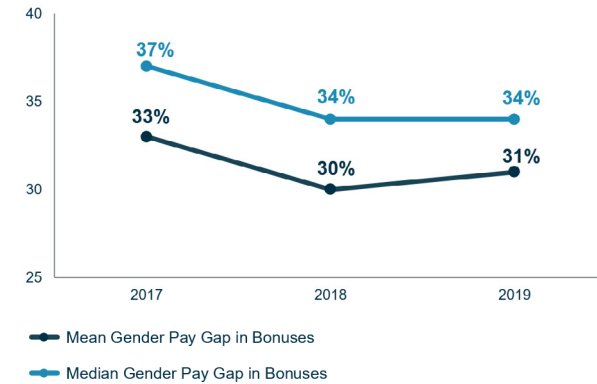
Mean and Median Pay Gaps



Our gender pay gap based on salary

- Our mean gender pay gap for 2019 is 21%. The gap has reduced by 3% since we started reporting in 2017
- Our median gender pay gap for 2019 is 28%. A 4% improvement overall

Mean and Median Bonus Pay Gaps



Our gender pay gap in our bonus payments

- The mean gender pay gap in bonuses for 2019 is 31%. This is an overall decrease of 2%
- The median gender pay gap of bonuses for 2019 is 34% – an overall decrease of 3%
- The percentage of men and women receiving a bonus has evened out in 2019

Our results ●

Our gender pay gap based on salary quartiles

We've split the firm into four equal salary-based quartiles to illustrate how the gender balance of our organisation influences our mean gender pay gap. This means that we've ordered the entire range of salaries we pay (from the highest top to the lowest) and split them equally into quarters, so the highest salaries make up the upper quartile and the lowest salaries make up the lower quartile. We've then looked at the gender representation in each of these groups.

- Women hold the majority of roles in each quartile, as overall we have a 2:1 ratio of women to men in our firm
- The proportion of women drops steadily as we move up the quartiles
- The proportion of women in the upper quartile is continuing to increase
- The proportion of men in the lower two quartiles is low and this means that women are carrying out most of the roles in the lower end of our salary range. This is driven by the higher proportion of women fulfilling certain roles, such as PA or administrative positions

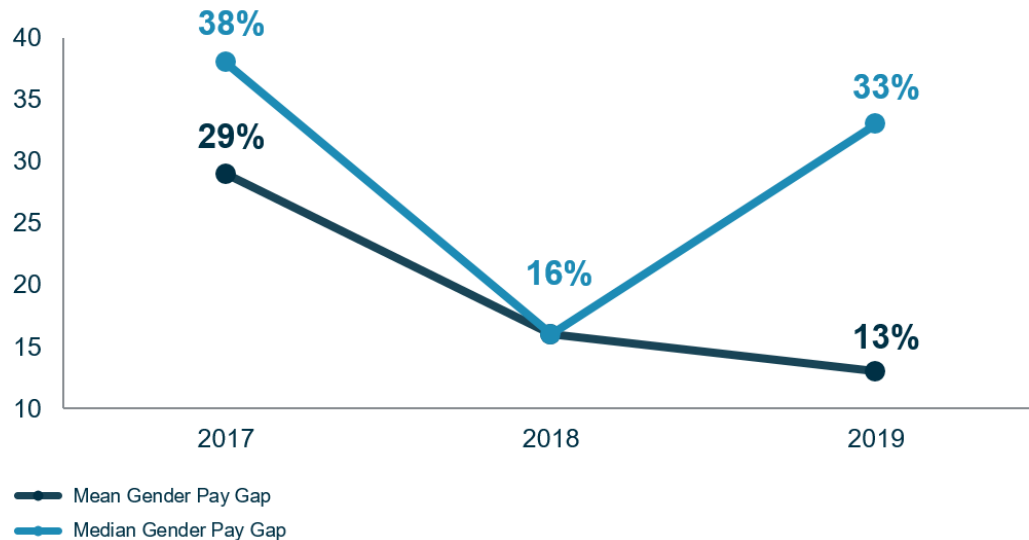
	2019		2018		2017	
Upper quartile	Women 55% ↑	Men 45% ↓	Women 53% ↑	Men 47% ↓	Women 52%	Men 48%
Upper middle quartile	Women 60% ↓	Men 40% ↑	Women 58% ↓	Men 42% ↑	Women 63%	Men 37%
Lower middle quartile	Women 77% =	Men 23% =	Women 77% =	Men 23% =	Women 77%	Men 23%
Lower quartile	Women 75% ↓	Men 25% ↑	Women 76% ↓	Men 24% ↑	Women 79%	Men 21%

Data shown compares 2018 and 2019 to 2017

Our results

Our Partner pay gap

Osborne Clarke remains committed to transparency, so we also report our Partner figures, as this provides a complete picture of gender pay at the firm.



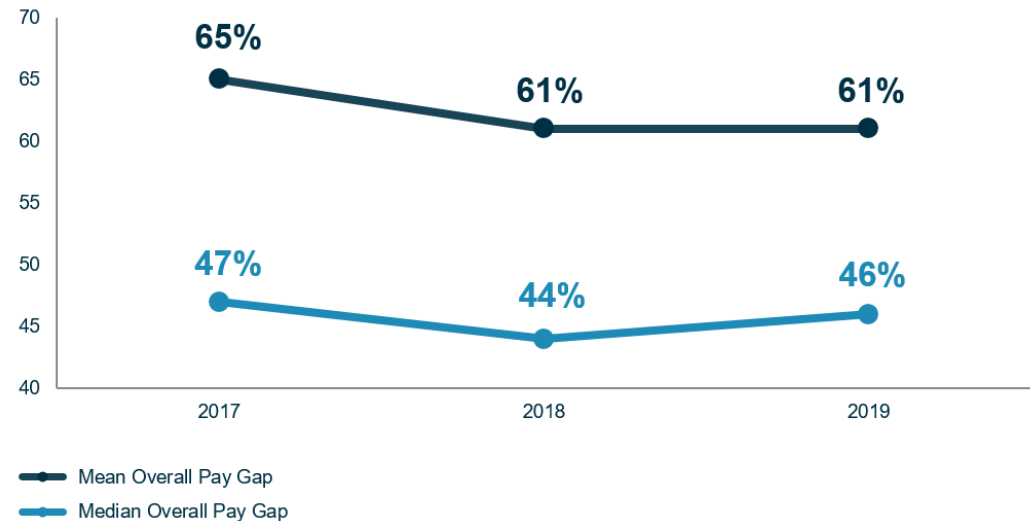
- The mean gender pay gap is now 13%, a decrease of 16% since 2017
- The median gender pay gap is now 33%, a decrease of 5% since 2017

In 2019 63% of our partner promotions were women. We expect this will have an impact on our partner pay gap next year.

Data shown compares 2018 and 2019 to 2017

Our overall pay gap

Bringing together the Partner and employee pay gap data gives us a metric that we can use to understand the gender pay gap across our firm, rather than creating a distinction between employee and partner.



- The mean gender pay gap is 61%, a decrease of 4% overall
- The median gender pay gap is 46%, a decrease of 1% overall

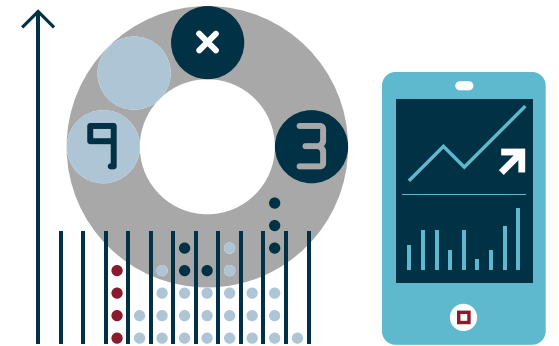
Our results

Our ethnicity pay gap



- The mean ethnicity pay gap is 16% an increase of 8% overall. This is because we have seen increased representation of this community in the last 3 years
- The median ethnicity pay gap is 15% an increase of 7% overall
- The proportion of BAME employees receiving bonuses this year is 71% while 79% of employees identifying as non-BAME received them
- Those whose ethnicity is unknown have not been included in the calculations

Data shown compares 2018 and 2019 to 2017



Understanding our results ●

Why we have a pay gap

Pay gap reporting is an important measure of equality, diversity and inclusion. The causes of both the gender and ethnicity pay gaps are multi-faceted and deep-rooted, and we recognise that this is only one measure available to us. That's why we report on the changing diversity of our firm internally to our people and to many of our clients.

We don't expect change to be quick or straightforward. For example, as more women are promoted to partnership, this will increase the proportion of women in the lowest partner pay quartile, and may adversely affect our gender pay gap. Even so, it is a sign of progress.

Equally, as we continue to focus on attracting more people from the BAME community, this could continue to affect our ethnicity pay gap, but it is progress towards a more diverse business.

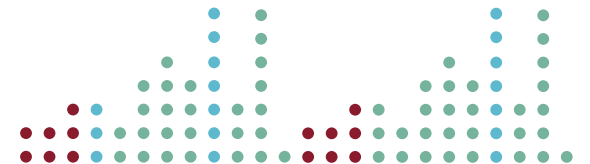
We do expect the overall improvement to continue, and will work with determination to address the causes of the pay gap.

The key drivers of our pay gaps are:

- **Fewer women in higher-paid roles** still continues to be a big driver of the gap. While promoting or recruiting women directly into the higher paid quartiles can result in a small reduction of the mean gap in particular, long-term parity needs to be addressed by concentrating on the middle-earning women. Investing in supporting women to move into mid-paying roles and beyond will have more of a long-term positive outcome on the gender pay gap. We can see some evidence of progress if we look at the quartile data this year.
- **Unbalanced representation** is a factor behind our pay gap. The recruitment of women into lower-paying roles, particularly in Business Services and Business Support, continues to be an issue. Our ethnicity pay gap data shows that we have recruited proportionally more people from the BAME community, but into junior roles.

A key focus for us is to ensure we retain, support and promote that talent through to more senior roles.

This is why we believe our continued focus on our diversity and inclusion strategy is the best way to improve the gender pay gap and ethnicity pay gap. Our pay gap is the symptom of our diversity challenge; delivering better representation and opportunity to all our people.



Understanding our results ●

Our approach

Here is a taste of some of the ways we're working to sustain and improve our inclusive culture and to increase diversity:

Gender

A Senior Associate development programme for women has been running since 2017, alongside other development programmes open to all. This year-long programme includes individual coaching and workshops. Some 50% of the 2017 cohort have already achieved promotion, as have 21% from the 2018 cohort.

Re-focusing our lawyer career paths: since last year, we have begun providing a broader range of options and more flexibility in our career paths.

Coaching for anyone taking a period of extended family leave: people who are taking a period of maternity, adoption or shared parental leave are offered a comprehensive one-to-one coaching service before, during and after their period of leave. This helps them and their manager prepare for their leave and the transition back into work. It also enables them to think about and plan their career progression.

Enhanced shared parental leave pay: we offer enhanced shared parental leave pay to the same level as our enhanced maternity pay because it's important that parents, regardless of gender, are supported to spend time with their families without worrying about their finances. We hope that this encourages more men to take time out to care for their young families and supports women to return to work when the time is right for them. We also run regular sessions to encourage people to take shared parental leave and share their experiences with their colleagues.

Ethnic diversity

We have a thriving **BAME network** that aims to develop an inclusive environment for BAME people at Osborne Clarke.

Our BAME Network runs a **mentoring and work experience** scheme for BAME students interested in law – we have provided both mentoring and work experience for a number of students.

Stepping Up: we support this Bristol City Council initiative to improve BAME representation in senior leadership roles. Senior leaders from Osborne Clarke have acted as mentors to participants and we have provided stretch work assignments for the mentees.

Understanding our results

An inclusive workplace

We have established **Diversity Groups** that work closely with the firm's leadership and employees to ensure everyone has a voice and can influence the firm's direction.

RARE contextual recruitment: we use contextual recruitment in our graduate and legal apprenticeship recruitment. Putting academic results in the context of the student's background means we can truly look at their potential.

Apprenticeships for both legal and non-legal roles: We offer a wide variety of apprenticeships (solicitor apprenticeships and non-legal apprenticeships), creating an alternative route into employment to the graduate one.

As a **Stonewall Diversity Champion**, we take part in the Stonewall Workplace Equality Index to ensure we're creating the most inclusive environment for LGBT+ colleagues. We also fully engage with local Pride events.

Sharing insight and creating opportunities for young people from disadvantaged backgrounds: we work with the **Social Mobility Business Partnership** (SMBP) and Vision Path to reach out to hundreds of young people to gain work experience and an insight into law, and to develop employability skills.



We have trained dozens of **mental health champions** who support the mental wellbeing of colleagues.

In 2019, we achieved the **National Equality Standard**.

Our Managing Partner, Ray Berg, is a passionate advocate for equality, inclusion and diversity and is a recognised change-maker. He has been recognised as a male champion for gender equality at the Management Today 'Hero for Change' and an 'Advocate Role Model' at the Outstanding Hero Awards in 2019. He is a member of the 30% Club, an organisation working towards gender balance on boards and in senior management, and a trustee of the Social Mobility Business Partnership.

To find out more about our approach and strategy visit our [Diversity and Inclusion](#) and [Career](#) pages.

