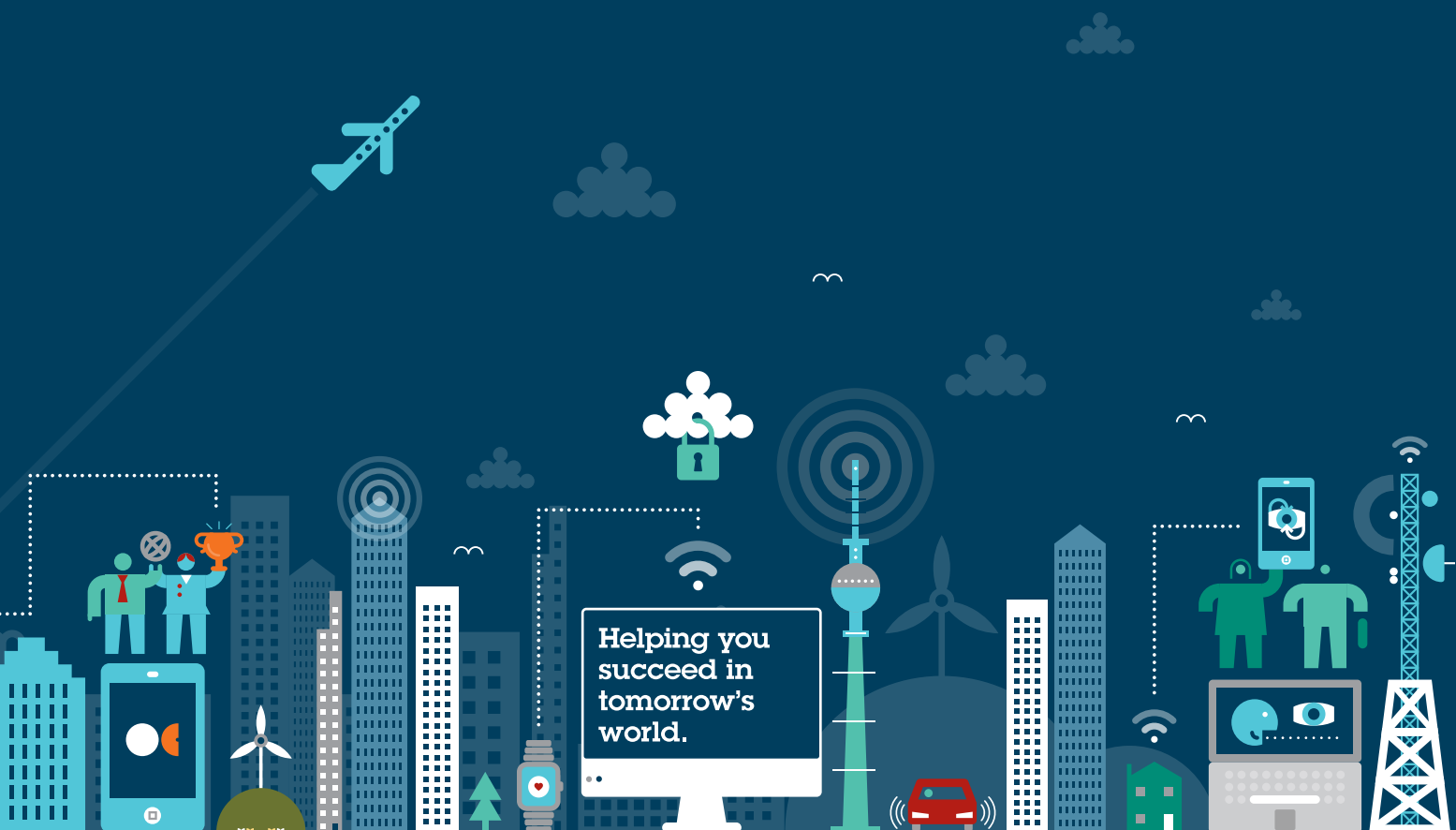


# Gender pay gap report

Data from April 2018



# Our gender pay gap ambition

At Osborne Clarke, we're proud to be different. We celebrate diversity and actively promote an inclusive culture. We recognise that we're all individuals and we each bring something unique to the firm.

## Gender pay at Osborne Clarke

As this is our second year of reporting we can track our progress by comparing our 2018 results with our 2017 results across our gender and ethnicity pay gaps. The results are from April each year and we are publishing our results earlier than required.

In this report we look at employee data about pay and bonuses, which is what's required by law. However we go beyond that and also look at our Partner data and our employee and Partner data combined – as we feel this helps to give a more accurate representation of the pay gaps across our firm.

Although ethnicity pay gap reporting is not required by law, we report on this because we're committed to being a diverse and inclusive employer that values and rewards the unique contribution we each make. All of this insight helps to shape our diversity strategy going forward.

## What is the gender pay gap?

The gender pay gap measures the average difference in hourly earnings between all of the men and all of the women 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 18%. Which means that the average working man in the UK gets paid 18% more than the average working woman.

In the legal sector, the average gender pay gap is more than 20%. 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. But things are changing, and understanding these complex issues helps us to break down barriers and remove obstacles to gender equality.

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

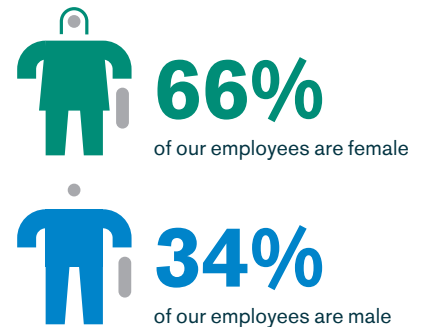
- **Mean** is the average of all the data when added together
- **Median** is the mid-point of the data when the results are in value order



# Our results

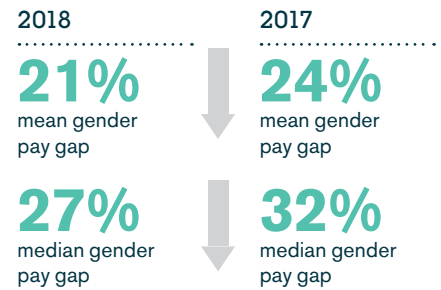
## We are delighted that our diversity strategy is already delivering results

- In 2018 our employee gender pay gap decreased across both the mean and median results
- The employee bonus gender pay gap also decreased for both the mean and median
- We now have more women in higher paid roles and 50% of our Executive Board and Practice Group Heads are female
- The mean and median gender pay gap for Partners both dropped significantly to 16%



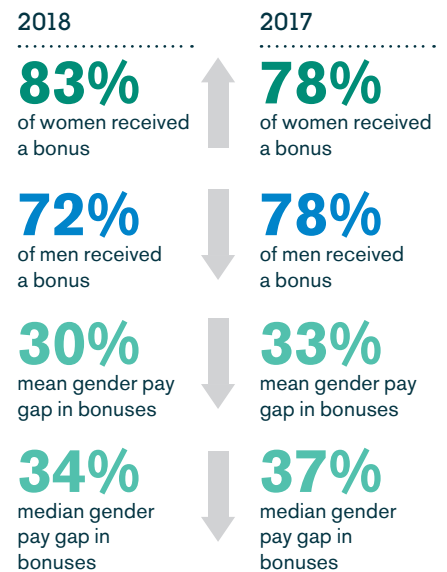
### Our gender pay gap based on salary

- Our mean gender pay gap for 2018 is 21%. This is a 3% decrease in actual terms and 12.5% in relative terms when compared with 2017
- Our median gender pay gap for 2018 is now 27%. This is a 5% decrease in actual terms and 15.6% in relative terms when compared with 2017
- We will continue to proactively address the causes of the gender pay gap but we are pleased that there has been a definite improvement in just 12 months



### Our gender pay gap in our bonus payments

- We paid larger bonuses in 2018 compared to 2017, and in 2018 more women than men received a bonus. The percentage of women receiving a bonus went up to 83% and the percentage of men receiving bonuses went down to 72%
- The mean gender pay gap of bonuses in 2018 was 30%. This is a 3% decrease in actual terms and 9% in relative terms when compared with 2017
- The median gender pay gap of bonuses was 34% in 2018. This is a 3% decrease in actual terms and 8.1% in relative terms when compared with 2017



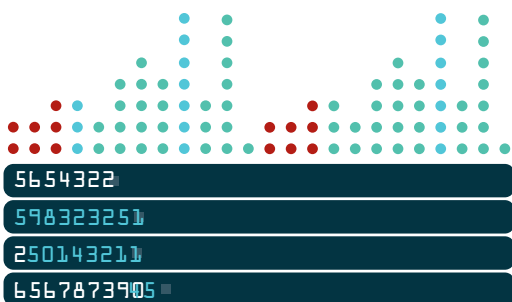
# Our results

## Our gender pay gap based on salary quartiles

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

	2018		2017	
	Women	Men	Women	Men
Lower quartile	76% ↓	24% ↑	79%	21%
Lower middle quartile	77% =	23% =	77%	23%
Upper middle quartile	58% ↓	42% ↑	63%	37%
Upper quartile	53% ↑	47% ↓	52%	48%

- Women continue to hold the majority of the roles in our upper quartile of salaries in 2018
- This is also still the case in our upper middle quartile. However, the percentage has decreased in this quartile in comparison with 2017 so we'll continue to focus on enabling women to progress from lower paid to higher paid roles, as this is key to closing the gender pay gap
- Men are still underrepresented in the lower two quartiles and this means that the majority of roles at the lower end of our salary range are carried out by women. This continues to be a significant driver of the gender pay gap and is something we're committed to addressing



### Our Partner pay gap

Transparency is important to us, so whilst the regulations do not require us to report our Partner figures we believe it is important to provide a complete picture of gender pay at Osborne Clarke.

- The mean gender pay gap dropped significantly to 16%, which is a decrease of 13% in actual terms and 44.8% in relative terms
- The median results saw an even more dramatic change decreasing to 16%, which is 22% in actual terms and 57.9% in relative terms
- This is a very positive sign as we work to balance gender pay and remuneration

2018

**16%**  
mean gender  
pay gap

**16%**  
median gender  
pay gap

2017

**29%**  
mean gender  
pay gap

**38%**  
median gender  
pay gap

### Our overall pay gap

Though we are not required to publish our combined gender pay gap data for Partners and employees we feel it is an important and inclusive result to report on. The data we have used includes salary and bonus for employees, and Partner remuneration. It is based on a comprehensive methodology to balance out pay and remuneration structures and provide a metric we can use to understand the gender pay gap across our firm.

- The mean overall gender pay gap at Osborne Clarke went down by 4% in actual terms and 6.2% in relative terms
- The median result was 3% lower in actual terms and 6.4% in relative terms
- This is a positive trend across our widest data group. But there is clearly more work to do to ensure balanced gender representation across our firm, and we're continuing to find ways to improve

2018

**61%**  
mean gender  
pay gap

**44%**  
median gender  
pay gap

2017

**65%**  
mean gender  
pay gap

**47%**  
median gender  
pay gap

### Our ethnicity pay gap

- Our ethnicity pay gap results show an increase across both the mean and the median when compared to 2017. The mean has increased to 15% and the median has jumped to 20%
- The overall representation of BAME employees increased by 2% in actual terms and 25% in relative terms. As at April 2018 10% of our employees identified themselves as BAME. However, we've recruited more BAME employees into roles that are at the lower end of our salary range and this has caused an increase in the ethnicity pay gap this year
- We paid a higher proportion of bonuses to BAME employees in 2018 compared with how many received bonuses in 2017, and in comparison to the proportion of employees who identify as White British who received a bonus in 2018 (72%)
- Our focus needs to remain on ensuring BAME employees are fully represented at all levels of the firm and are supported to progress

2018

**15%**  
mean ethnic  
pay gap

**20%**  
median ethnic  
pay gap

2017

**8%**  
mean ethnic  
pay gap

**8%**  
median ethnic  
pay gap

2018

**83%**  
bonus to  
BAME employees

2017

**80%**  
bonus to  
BAME employees

In order to analyse the pay gap, two binary groups have been created - White and BAME. Those unknown have not been included in the calculations.

# Understanding our results

## Key drivers of our gender pay gap

Our gender pay gap strategy is ongoing – and part of our comprehensive diversity and inclusion strategy. Though we are showing a year on year improvement there are still some significant drivers of our gender pay gap which we will work hard to rectify through our recruitment, development and progression strategies.

- **We have proportionally fewer women in our highest paid roles** – we will continue to understand the reasons for this and remove any barriers that prevent our people from reaching their potential. We're deepening our investment in developing our female employees, and challenging the status quo when it comes to working practices in the legal sector
- **We have proportionally more women in our lower paid roles** – we still have a degree of occupational segregation, with a greater percentage of our lower paid roles being filled by women, and this is something we'll continue to address. We're not alone in this as it's a trend seen across the legal sector. Through our recruitment, development and progression strategies, we have been able to reduce the gender pay gap in our Legal Practice Groups
- **Interruptions to career progression** – this is a particular issue for women between the ages of 30 and 40 and follows national trends as more women than men take time off to care for young families. We hope to address this by thinking more creatively about how we support and enable female career progression. We have also radically overhauled our shared parental leave policy. With class leading financial support now available, we hope to encourage more men to share caring responsibilities

## Gender pay gap in different types of roles

So, what happens when we split the data by occupation?

### Legal Practice

Across our Legal Practice Groups the number of women in higher paid roles has increased and as a result the gender pay gap has reduced. This positive trend is also the driver behind our overall pay gap reduction.

### Business Services and Business Support teams

Our junior level roles all have negative pay gaps, so women are paid on average slightly more than men.

The pay gap increases for management level roles, but overall it remains below the firm wide average. There are more women than men across most of our Business Services and Business Support roles, so the pay difference is caused by having more men in senior roles.



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# The conclusion

**Our diversity and inclusion strategy is having a positive impact on the gender pay gap. Enabling more women to progress into senior roles would help to narrow our gender pay gap.**

## What we're doing to take our business forward

We're working tirelessly to improve the diversity of our workforce at all levels. We're confident that our continuing efforts will not only reduce our gender pay gap and help us achieve our diversity ambitions, but also ensure that people from all kinds of backgrounds, with all kinds of stories, have the freedom to progress, and equal opportunity to use their talents to the full at Osborne Clarke and for the benefit of our clients.

That's why, as a priority, we are continuing to implement and introduce strategies to increase inclusion and diversity at Osborne Clarke.

We're making progress but real change takes time. So though we are finding ways to speed up progress we know that it's a long-term commitment and one which we are fully behind.

### Our initiatives include:

- Networking groups for Women, LGBT+ and BAME employees
- Female Partner networking and development programme
- A comprehensive female development programme for Senior Associates, supporting women to move into senior legal roles
- Proactively trying to attract women to senior roles
- Ray Berg is a member of the 30% club, an organisation working towards gender balance on boards and in senior management
- Improved support for parents with young children and those with caring responsibilities through:
  - Actively promoting connected working
  - Increasing paid maternity/adoption/shared parental leave
  - Offering coaching to help parents to progress their careers and manage their work life balance

## Wellbeing

Our wellbeing programmes are designed to improve and maintain the physical and mental health of all our employees and include specific networks and resources for working parents too.

### Social mobility:

We believe that social mobility is an important tool in promoting inclusivity for all.

- We train our people to understand and manage unconscious bias, and we ensure our recruitment and promotion panels are fully trained
- We're increasing the number and type of apprenticeships we offer, including legal apprenticeships
- We partner with St Mungo's through Roll on Monday to help homeless people into employment
- We are active members of the Social Mobility Business Partnership
- We are signatories to the Social Mobility Pledge
- We use Rare Contextual Recruitment System, which helps us to increase the diversity of our trainees, spotting the best talent regardless of background

Please note: Figures have been rounded up or down to the nearest whole number. We confirm the data reported is accurate.



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