



Diversity and Inclusion at Osborne Clarke

# Our pay gap report

# Introduction

**This year has seen further consolidation of our commitment to creating an inclusive culture at Osborne Clarke, one of the guiding principles which underpins our 2025 business strategy.**

For a number of years we have reported our ethnicity pay gap alongside our gender pay gap, and analysed what's happening in both our employee and partner groups, as well as the combined workforce. Our investment in sound foundations such as diversity data management means that this year we have introduced social class and disability pay gap reporting for the first time. We know that transparently reporting and scrutinising these figures leads to a better understanding of their contributing factors, and to engagement and action on closing these gaps: within our own organisation, across the legal sector and in wider society.

Increasing representation of groups currently underrepresented in leadership positions remains the key to bringing down our pay gaps, and we continue to see gradual progress towards the targets we have set for female and ethnic minority representation in partnership. I am committed to supporting the hard work of our Diversity Champions, our employee networks and our Responsible Business Team in embedding the practices we need to bring about change.

Our 2023 **OC for Good report** illustrates this effort. In the year preceding the pay gap snapshot date we reaffirmed our Diversity and Inclusion strategy and published our full Race Action Plan, with strategic actions to improve representation by recruiting, developing and retaining diverse talent across the firm. We launched our Inclusion Allies programme, welcomed our first cohort of students from the 10,000 Black Interns scheme and reconfirmed our commitment to Business In the Community's expanded Race at Work Charter. We were recognised in the Inclusion and Diversity category at the South West Business Leader Awards and our OC Careers Speaker Series was shortlisted for Best Talent and Inclusion Initiative at the Lawyer Awards.

More recently we have been ranked 19th in the Social Mobility Employer Index, recognising our collaborative approach to the creation of non-traditional routes into law, for example by growing the number of Solicitor Apprenticeships across the sector and engaging with diverse groups of young people through our community outreach programmes. We also achieved Disability Confident Level 1, committing to break down employment barriers for disabled people.

There is no doubt that the structural causes of pay gaps are still in place, but our data tells us things are changing. Over the next two years of this strategic cycle, we will further embed our programmes that are driving this change and continue to challenge ourselves to create the diverse and inclusive workforce that helps drive Osborne Clarke's success.



**Conrad Davies**  
Managing Partner



# Executive Summary

**This report shares a snapshot of data from April 2023. During the reporting year we reaffirmed our Diversity and Inclusion strategy and published our full Race Action Plan, with strategic actions to improve representation by recruiting, developing and retaining diverse talent across the firm. We put in place many of the programmes we expect to drive change in the coming years, working closely with our business leaders to embed an understanding of the drivers of our pay gaps, developing local education programmes and ensuring our people have access to the tools, information and support they need to realise their potential at the firm.**

Throughout the years we have been reporting our gender pay gap, we have pushed for greater transparency by also publishing our partner, combined and ethnicity pay gaps. Gender and ethnicity diversity continue to be areas of focus for us in this strategic cycle, but we have long been aware of the need to develop this insight for other groups underrepresented in our industry. That is why, for the first time this year, we are also including social class and disability pay gaps in our reporting.

Our reportable mean employee gender pay gap has fallen this year to 17.6%, the lowest it has been since we began reporting in 2017. Our median gender pay gap is also down this year to 26.4%, its lowest since 2018. The gender bonus gaps also fell; the mean to 20.9% (down from 28.9% in 2022) and the median to 24.6% (down from 33.0%). As in previous years, regional pay differences (London, Bristol), and occupational segregation (the clustering of one gender in particular roles) continue to be the key drivers of our pay gaps.

While female representation in the partnership remained static during the reporting period at around 25%, the partner mean gender pay gap has reduced to 9.94% (down from 11.66% last year). Of the 22 people who joined the partnership in the reporting year, eight were women, with three of them entering the partnership through our internal promotion process.

The mean ethnicity pay gap has fallen from 14.4% in 2022 to 9.7% in 2023, with the median remaining at 3.7%. Ethnic minority representation has increased overall from 12% to 14% of those who disclosed their ethnicity. The most significant increase is again in the lower quartile (up from 13% to nearly 18% year on year) but we have also seen an encouraging increase in representation in the upper quartile, from 8% to 11%, which is likely to be behind the fall in the mean.

We identified a mean class pay gap of 19.2% and a mean disability pay gap of 8%. Both are driven by larger pay gaps in our legal practice groups than in business services areas. This first year of analysis gives us helpful insights and we will monitor the effects of our diversity and inclusion programmes on these gaps over the coming years.

We continue to work towards our targets to reduce our gaps by achieving 30% women and 6% ethnic minorities in partnership by 2025.

## 2022-2023 highlights

- ✓ Refreshed our Diversity & Inclusion strategy to set out five strategic principles that support the achievement of our vision
- ✓ Published our full Race Action Plan to increase ethnic minority representation and progression
- ✓ Launched our Inclusion Allies programme to empower our people with the knowledge and skills they need to take meaningful action and drive an inclusive culture
- ✓ Hosted our first cohort of students from the 10,000 Black Interns scheme, resulting in one training contract
- ✓ Collaborated with clients on diversity and inclusion forums, focused on topics including neurodiversity, social diversity and gender identity
- ✓ Ranked 19th in the 2023 Social Mobility Employer Index, a jump of seven places from our previous ranking, in recognition of social diversity performance over the reporting year
- ✓ Launched a new workplace wellbeing strategy to tackle the work-related root causes of poor mental wellbeing
- ✓ Winner of the Inclusion and Diversity category at the South West Business Leader Awards

**“This year we have continued to embed the outcomes of our 2021 review of recruitment: training our people in inclusive hiring skills, reviewing the way we design and promote our job vacancies, applying contextualised recruitment systems. The reduction in our pay gaps demonstrates that our processes are having good diversity outcomes.”**



**Alex Van Hattum**  
Head of Recruitment

# 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 14% (Office for National Statistics). That means the average working man in the UK gets paid 14% more than the average working woman.**

The reasons for a gender pay gap are complex. 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. The pay gap tends to be wider in higher paid roles and in workers over the age of 40.

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, those who identify as coming from an ethnic minority or mixed background and those who identify as coming from a white background.

For disability pay gaps, we compare the pay of those who have disclosed to us that they are living with a disability, and those who are not. The definition of a disability according to the Equality Act 2010 is that you have a physical or mental impairment that has a substantial and long-term negative effect on your ability to do normal daily activities.

To inform our class pay gap we ask about three social diversity markers and compare the pay of those who have one or more of these characteristics, to those with none:

- They were eligible for free school meals
- When they were aged 14 the highest income earner in their household was in a technical, craft, routine, semi-routine manual or service occupation, or was long-term unemployed
- By the time they were 18 the highest level of qualification achieved by either parent or guardian was below degree level

## 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 balance of our organisation influences our mean 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.

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

To determine which employees are in scope for our pay gap calculations, we use the government definition of 'relevant employees'. Relevant employees are all those employed on our snapshot date who have a contract of employment or are self-employed and not permitted to subcontract any part of their work. We count all individuals, including those who are part-time, job-sharing or on leave.

We use this list of relevant employees to create a list of 'full-pay relevant employees'. Anyone who was not paid their usual full basic pay or piecework rate because they were on leave at the snapshot date, including maternity, paternity or shared parental leave, sick leave, study leave or other forms of leave, is excluded from the calculation.

We replicate these definitions when we determine the scope for partner pay gaps.



# Our results

## Employee gender pay gap: Our 2023 employee pay and bonus gaps

### Our gender pay gap based on salary

- Our mean gender pay gap for 2023 is 17.6%. This is nearly 10% lower than the figure we reported in 2022, and a 3% reduction on the 2022 analysed\* mean gap of 20.3%, which gives a more accurate assessment of the downward trend. It is a 7% reduction on our 2017 baseline. More of our most highly paid 'outlying' employees are men, which means the average pay for men in our employee group is still higher than the average pay for women.
- Our median pay gap is 26.4%, 3% lower than the 2022 reported figure and a 5% fall against the median baseline. The middle ranking female is paid a lower salary than the middle ranking male employee, because of the clustering of women in the lower quartile of our employee group.
- Our adjusted gap is 3.97%. This is within the +/-5% boundary considered 'good' by UK, EU and US standards, and indicates that almost all of the unadjusted mean pay gap can be explained by other factors such as job level, location and tenure. Job level continues to be the largest contributor: we have a higher proportion of men in our higher pay quartiles and an overrepresentation of women in our lower quartiles.

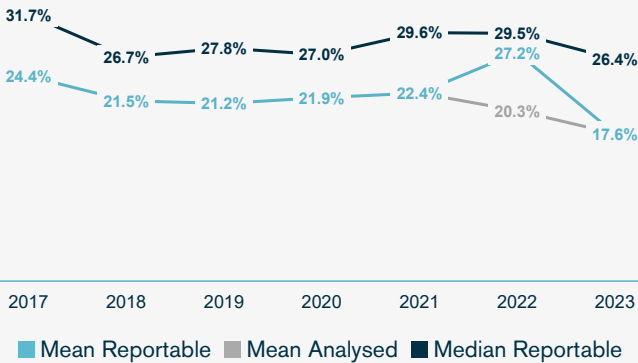
- While women continue to be overrepresented in the lower quartiles, there has been improved female representation in the upper quartiles this year. Women made up 57% of Senior Associate hires and 75% of Associate Director hires, for example. Recruitment of men into the lower quartile is also contributing to closing the gap.

### Our gender pay gap in our bonus payments

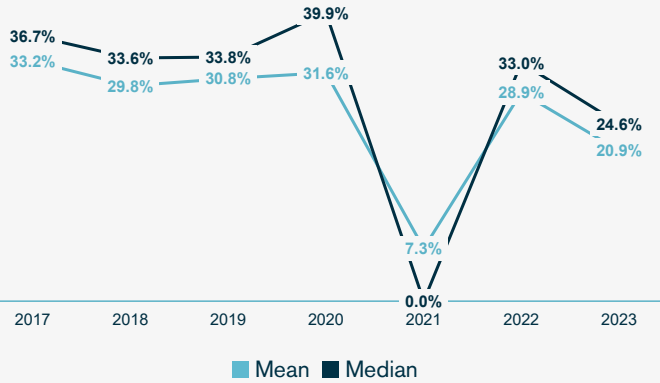
- The mean bonus pay gap fell to 20.9% (compared with 28.9% in 2022) and median to 24.6% (down from 33.0%). Bonus gaps reached their lowest levels since we began reporting in 2017 (with the exception of 2021 when performance-related bonuses were not paid).
- The proportion of women who received a bonus this year increased to 79.5% (compared with 76.9% in 2022).

\* Last year's mean pay gap was disproportionately impacted by a one-off initiative that was remunerated via payroll and had the effect of masking the long-term trends in pay at the firm. We therefore conducted two analyses of our data, which we referred to as our 'reportable' pay gap and our 'analysed' pay gap. The reportable gap included the full scope of our employee cohort, while the analysed pay gap excluded the initiative as an exception. Median pay gaps, bonus gaps and partner pay gaps were unaffected.

### Employee gender pay gap



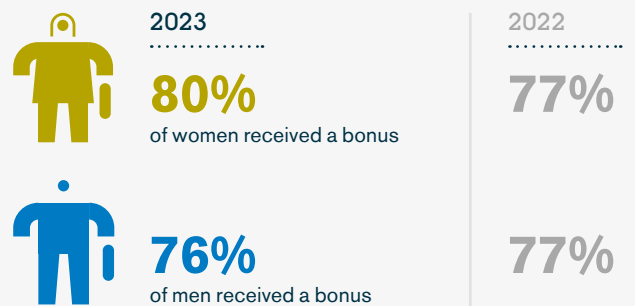
### Bonus pay gap



### The gender split of our employees



### The gender split of bonus recipients



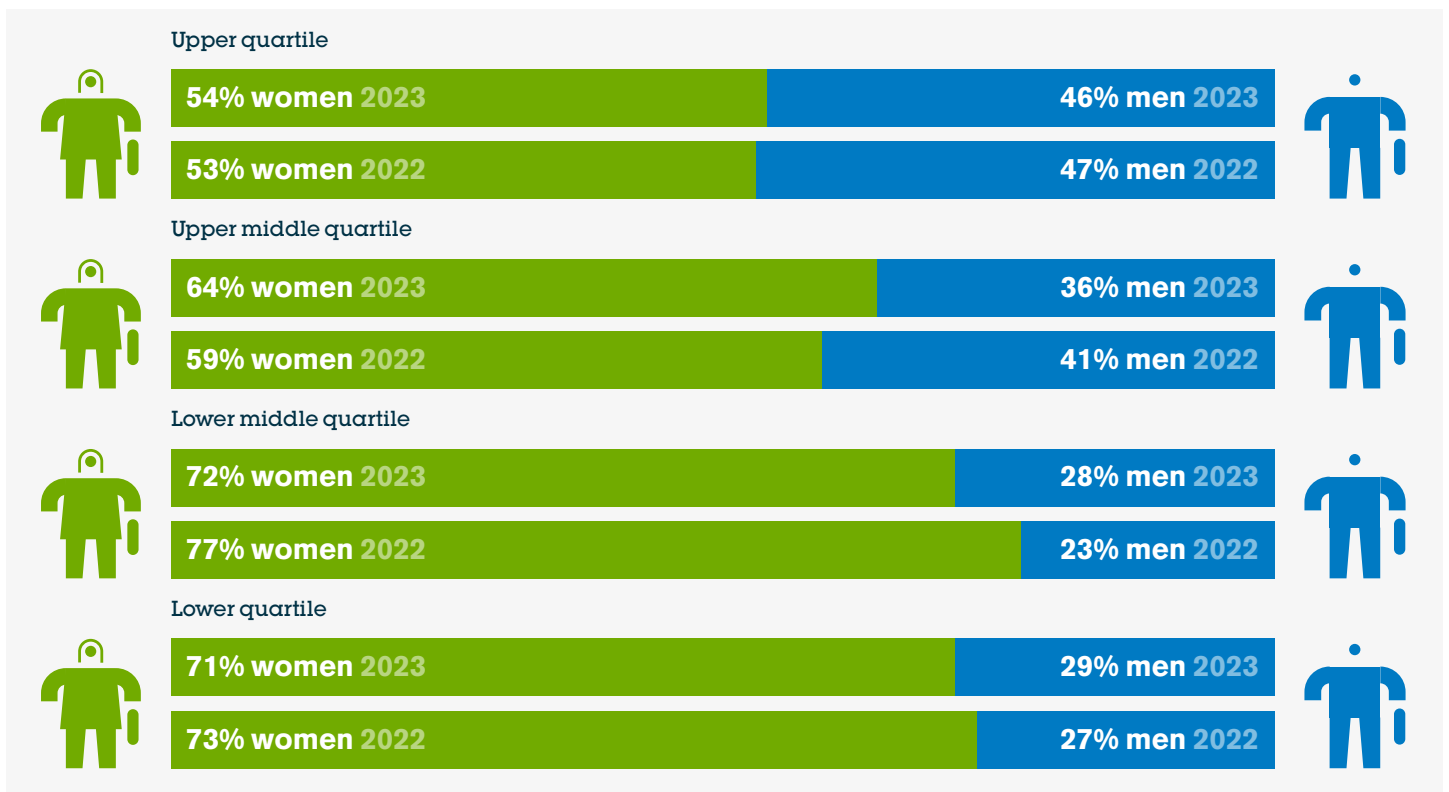
# Our results

## Gender: representation across quartiles

### Our employee gender pay gap based on salary quartiles

Grouping employees into four equal salary quartiles demonstrates how representation of women in different quartiles may affect the pay gap. To do this we order the entire range of salaries from top to bottom and split an equal number of those salaries into four quarters. We then look at the gender representation in each of those quarters.

- Women make up two thirds of our firm overall (65%). They have traditionally held the majority of roles in all four quartiles but been heavily overrepresented in the lower quartiles. This reporting year we have seen a 5% decrease in the representation of women in the lower middle, and a 5% increase in the upper middle quartiles, both of which have contributed to reducing the pay gap.
- Compared with our baseline year, the proportion of women who make up the combined lower and lower middle quartiles has reduced by 7%. Representation in the combined upper and upper middle quartiles has returned to 2017 levels, having fallen in the intervening years.
- Women continue to be overrepresented in roles that attract salaries in the lower end of the pay range. This keeps the median wage of women down in the Lower Middle Quartile, while the median man is still in the Upper Middle Quartile.
- The regional nature of the firm is a significant contributor to the pay gap. London continues to account for over a third of our employees, but only one fifth of our support services. Administrative and secretarial services are predominantly concentrated in our Bristol office, although Bristol saw the most significant decrease in the gender pay gap this year.



“It’s been encouraging to see an increase in the proportion of women in higher paid roles, largely as a result of investing in the specific development support that women need at crucial stages of their careers. I’m looking forward to seeing our OC Careers programme continue to grow its impact for all our people.”



**Lara Burch**  
Partner and Head of Bristol office

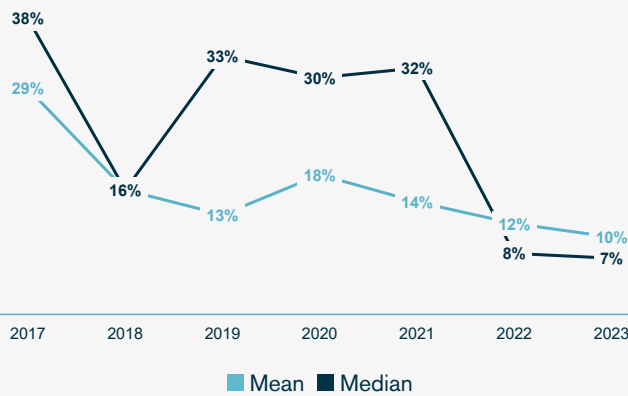
# Our results

## Our partner and combined gender pay gaps

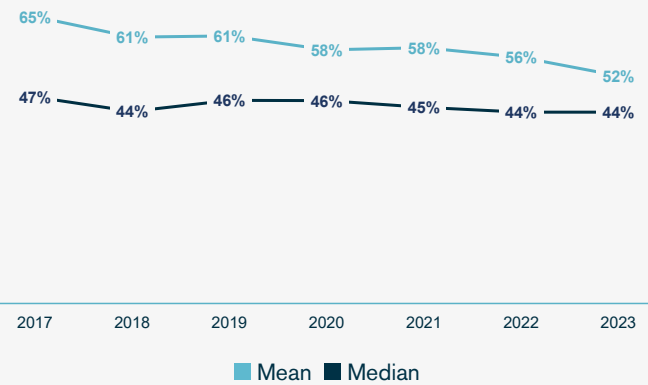
- With a smaller cohort and smaller salary range, the Partner gender pay gap tends to fluctuate more than the Employee pay gap, but is subject to the same influences of outliers on the mean and clustering on the median pay gaps.
- The mean Partner pay gap has fallen to its lowest level since we started reporting in 2017: 10% compared with a 29% baseline; and the median partner pay gap has fallen again to 7%.
- During the reporting year the firm added 22 new partners, of whom 8 (36%) were female. Due to those leaving the partnership the proportion of female partners at the snapshot date is static at 25%.

- Representation overall is therefore not the sole driver of the reduction in the partner pay gap. In addition to recruitment and promotion, progression within the partnership is a factor. The distribution in salary continues to even out between men and women at different levels of both fixed share and equity partnership.
- The combined partner and employee mean pay gap has fallen to 51.8%, a decrease of 13% overall since we started reporting in 2017.
- The combined median gap has remained static year on year, at 43.6%.

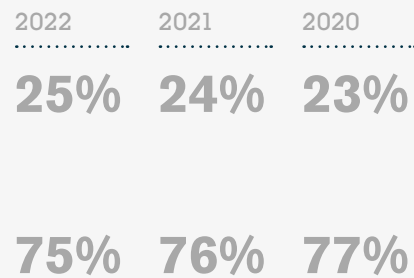
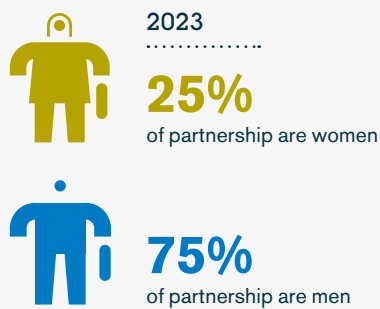
### Our partner gender pay gap



### Our combined gender pay gap



### The gender split of our partnership



“We are working to build and strengthen our international community of women in leadership roles. This year we refreshed our International Female Partner Network and hosted a panel discussion with the Women in Leadership Europe Network. Recruitment and progression of female partners is a common attention point across Osborne Clarke International.”



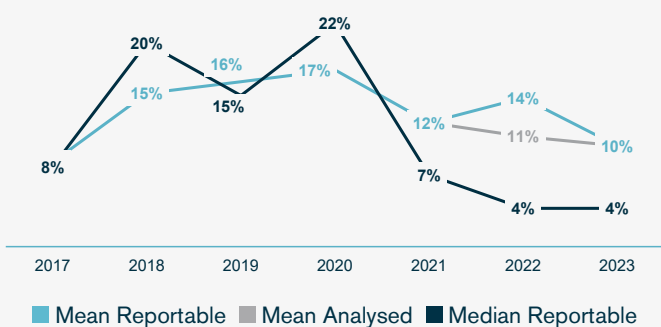
**Veronique Allemane**  
International People Development Manager

# Our results

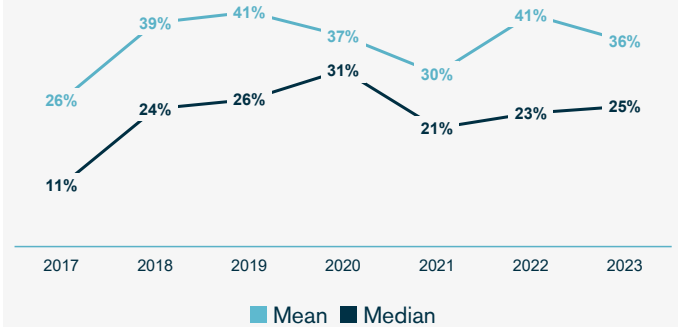
## Our ethnicity pay gap

- Ethnic minority representation among employees has increased by two percentage points to 13.14% (13.76% of employees who have disclosed their ethnicity – we saw a slight fall in disclosure rate to 95.51% this year).
- Most notably, representation has increased in the upper quartile, and subsequently the mean ethnicity pay gap has fallen nearly five percentage points to 9.7%. While we continue to grow representation at the firm, we expect this figure to continue to fluctuate year to year.
- Representation has also increased in the lower quartile, which means the middle ranking ethnic minority employee is still paid less than the middle ranking white employee. This has resulted in a year on year increase in the median ethnicity pay gap (up three points to 6.1%).
- Paralegal and PA job levels have again experienced the highest rates of recruitment of racial and ethnic minority employees, which is driving the increase in ethnic minority representation in the lower pay quartiles (up to 18% in this reporting year). This is positive for the long term, although in the short term this occupational clustering prevents the pay gaps from closing.
- In a reversal from 2022, the pay gap is more significant among business support services roles this year. Business support roles are predominantly based in our Bristol office, where ethnic minority representation is lower than in London.
- The proportion of ethnic minority representation in our partnership remains low although it has increased from 2.7% in 2022 to 3.75% in 2023. When we combine the data for Partners and Employees our pay gaps are less favourable to ethnic minority employees. The mean combined pay gap is 36.2% and the median is 24.7%.

### Our employee ethnicity pay gap



### Our combined ethnicity pay gap



“I was really pleased to be asked to share my career journey with OC REACH network members. It’s important to develop all of our people and being able to support the ethnic minority cohort in our OC Careers development programme has been a highlight of the year for me.”



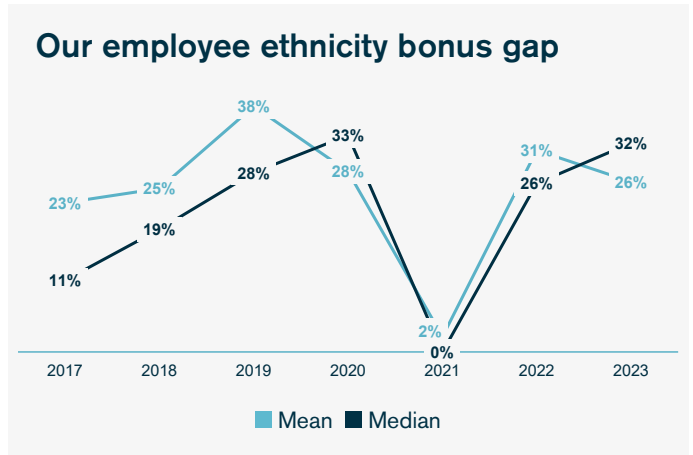
**Rob Adjetey**  
Partner, Construction Disputes



# Our results

## Our ethnicity bonus gap

- Our bonuses are generally linked to a percentage of pay, and therefore are likely to reflect differences in representation across quartiles and pay.
- The mean bonus gap has fallen almost five percentage points year on year (26.3% compared with 31.1% in 2022), but the reverse is true for the median bonus gap (32.3% compared with 26% in 2022).
- The fall in both mean and median bonus gap in 2021 is attributable to a pause in performance-related bonus payments in the preceding year, a decision taken by the firm in response to the COVID-19 pandemic.



## Percentage of employees receiving a bonus

2023

**65%** ↓ Ethnic minority employees

**82%** ↑ White employees

2022

**69%** ↓

**81%** ↓

2021

**89%** ↑

**95%** ↑

2020

**79%**

**83%**



# Our results

## Our disability and class pay gaps: Establishing our baselines

### Our disability pay gap

- Employees who identify as having a disability represent 6.4% of those who disclosed. The disclosure rate for this diversity characteristic is 90.0%.
- The mean disability pay gap is 8.1% and the median is 12.1%. Relative to overall representation across the employee population, those with a disability are marginally overrepresented in the lower and lower middle pay quartiles.
- The legal practice groups are the main contributors to the disability pay gap. In business services both mean and median pay gaps are negative, favouring those with a disability.
- The relatively small sample size means limited significance can be drawn from our analysis at this stage. As a business we will continue to monitor this pay gap and aim to grow disclosure and representation of disabled people at the firm.

### Our class pay gap

- Employees from working class backgrounds represent 57.7% of those who chose to disclose\*. They are overrepresented in the lower and lower-middle pay quartiles. The disclosure rate for this diversity characteristic is 80.8%.
- The mean class pay gap is 19.2% and the median is 36.4%.
- In business services roles both the mean and median pay gaps are around 5%. The overall pay gaps are mainly driven by structural imbalances in legal services roles, with overrepresentation of employees from working class backgrounds in the lower quartiles and underrepresentation in the upper two quartiles.
- The class pay gaps are almost entirely occurring at our London office where working class employees are more significantly underrepresented in higher paying roles. This is in contrast to our Bristol office where there are higher levels of social diversity in higher paying roles.

\* See page 4 for information on how the class pay gap was calculated.

### Our disability pay gap

2023

**8.1%**

Mean pay gap

**12.1%**

Median pay gap



### Our class pay gap

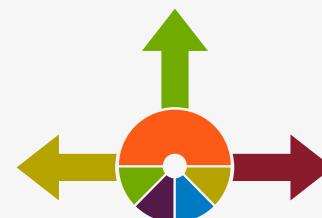
2023

**19.2%**

Mean pay gap

**36.4%**

Median pay gap



**“We’re consistently impressed with the high-calibre talent we work with through our Bridge programme and partnerships including the 93% Club and the Social Mobility Business Partnership. The success of our solicitor apprenticeship programme is evidence that traditional qualification models and hierarchical attitudes need to be disrupted.”**



**Tom Harding**

Partner and OC Social  
Diversity Champion



**Katherine Kirrage**

Partner and OC Social  
Diversity Champion

# Understanding our results

## Key drivers for our pay gaps

Analysis of our employee pay data indicates that when the data is adjusted for factors that legitimately affect pay variances, such as length of experience, age, tenure, job level or location, the remaining unexplained mean gender pay gap is 3.97%. This is within the +/-5% boundary considered 'good' by the UK, EU and US standards, but we still need to focus on hiring, progressing and retaining diverse talent.

A number of factors are contributing to our pay gaps:

- We have a disproportionate number of women in lower and lower middle salary quartiles. Many of these roles are within our business services and support functions which are predominantly based in Bristol.
- This regional variation is a significant factor in our pay gap. Our London office is home to a higher proportion of the earners who sit in our upper two quartiles, with London salaries exacerbating the gaps.
- Recruitment into lower paid roles is weighted more heavily towards women, and ethnic minorities, with regional variation playing a part here too; recruitment into higher paid roles was again predominantly in London.



We partner with organisations addressing social diversity, including the Social Mobility Business Partnership, Visionpath, UK Youth and the City Century Initiative



We are a Stonewall Diversity Champion and a Disability Confident employer



We are signatories of BITC's expanded Race at Work Charter

**"We understand what is driving our pay gaps at Osborne Clarke and we are committed to reducing them. It is encouraging to see the fall in our gender pay gap this year, and there is cause for optimism as we approach the final year in our current strategic cycle and progress towards our representation targets. The development of our pay gap reporting into disability and class reminds us that we still have work to do to challenge the social structures affecting opportunities for our people."**



**Kate Millar**  
Head of Responsible Business

# Understanding our results

## Addressing our pay gaps

We are committed to driving down the pay gaps through strategic action, guided by our Gender and Race Action Plans:

Gender focus area	Objectives	What we've delivered this year
<b>Recruit</b>	Create and embed an inclusive recruitment process which delivers gender-balanced results at all levels of seniority	We onboarded specialist recruitment agencies to support our drive to increase the representation of women in our partnership.  We continued to roll out our inclusive hiring skills training to recruiting managers and worked with them to embed inclusive job design practices.
<b>Include and Retain</b>	Provide opportunities for progression and promotion which are fair and transparent and reflect the pool of talent available	We launched a new internal portal to help demystify some of our most senior roles – publishing case studies and information about partnership. Our OC Gender network and People Development team jointly hosted a live discussion panel to showcase women partner role models.  Our Family and Carers group teamed up with our Age network to provide more support to colleagues experiencing the menopause.
<b>Progress</b>	Challenge ourselves to create a culture and environment which meets the needs of a modern workforce	We consistently review our talent pipelines through a diversity lens to achieve fair progression outcomes.  The firm offers coaching and mentoring to all colleagues who believe it would further their career development.

Each Practice Group has modelled their own trajectory to meeting our ultimate goal of 30% women in partnership by 2025, and is putting in place actions that are appropriate to their own challenges.

Race focus area	Objectives	What we've delivered this year
<b>Recruit</b>	To increase ethnic minority representation in the junior lawyer talent pipeline	Following a successful first year in 2022, we have expanded our 10000 Black Interns programme to include client placements and collaborations and to host a larger number of students (12 in 2023). So far four training contracts and one full time Business Services role have been offered to interns on the scheme.  In addition to initiating a full review of our trainee recruitment process, which will be completed in 2024, we launched OC Scholars, our long term scholarship, work experience and mentoring programme, in 2023.
<b>Include and Retain</b>	To build cultural competence in the firm to improve retention and reduce the stay gap	We launched our Inclusion Allies programme to equip our people with the tools and knowledge to become active allies and empower them to take meaning action to support their peers.  We increased funding to our race and ethnicity network, supported the creation of a new multi-faith network and worked with our key business teams to develop engagement programmes and address local challenges and behaviours.
<b>Progress</b>	To provide targeted development, mentoring, sponsorship and coaching of racial and ethnic minority colleagues to support progression	We ran our second series of OC Careers, with a development pod comprised of ethnic minority colleagues. The group, with members from across the business, was highly engaged in the programme, with 100% of participants committed to taking action as a result of their participation. "The cohort group was my favourite part as we really did share ideas and encourage each other", reflected one colleague.

**"Our OC 50:50 Gender Action plan strives for equity in recruitment, progression and representation of women. In Business Transactions all partners have been through a gender inclusion leadership programme and we have become more engaged in moving the dial on representation of women – and other underrepresented groups – in our practice area."**



**Mark Wesker**  
Partner and Head of  
Business Transactions

## Osborne Clarke in numbers

# 1300+

talented lawyers

working with

# 330+

expert Partners

in

# 26

international locations\*

advising across

# 8

core sectors

with insight into

# 3

Transformational trends

driven by

# 1

client-centred approach

## Our locations around the world

### Europe

Belgium: Brussels

France: Paris

Germany: Berlin, Cologne, Hamburg, Munich

Italy: Busto Arsizio, Milan, Rome

The Netherlands: Amsterdam

Poland: Warsaw

Spain: Barcelona, Madrid, Zaragoza

Sweden: Stockholm

UK: Bristol, London, Reading

### USA

Miami, New York, San Francisco

### Asia

China: Shanghai

India\*: Bengaluru, Mumbai, New Delhi

Singapore

Osborne Clarke is the business name for an international legal practice and its associated businesses. Full details here: [osborneclarke.com/verein/](https://osborneclarke.com/verein/)

\*Services in India are provided by a relationship firm

[osborneclarke.com](https://osborneclarke.com)