

ALLEN & OVERY

# UK Pay Gap Report

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2022

ALL  
IN

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# Data in a broader context

In our sixth Pay Gap Report, we are continuing to build a more detailed picture of our business by including data on socio-economic background for the first time, as well as publishing our longer term three-year trends across other areas within the report.

Year on year, figures will always fluctuate to some degree as our workforce shifts. This is more pronounced with smaller groups – such as those identifying as LGBTQ+ or as having a disability – because people leaving or joining small groups has a bigger impact on pay gaps. But while we know fluctuations will occur each year, we need to look out for any larger gaps to make sure we understand what is causing them and are confident the trend is moving towards closing those gaps.

## Key findings

It is positive that our overall combined gender pay gap for all UK partners and employees has fallen this year – but what tells us more is when we break down our data into smaller groups by pay quartile and role type, as we do with gender and ethnicity where we have big enough populations overall to do so.

In most cases, the three to five year trends show pay gaps decreasing across these groups. The changes are generally small – one or two percentage points each year – because our workforce does not change significantly over the course of a year. But where we can see that gaps are not decreasing, we actively look into this at a more granular level to understand why.

What we also consider, alongside the data, is the broader context of progress towards our DE&I objectives: for example, with **gender**, the proportion of women partners in the UK is now at 27% (as at 1 May 2022), up from 20% in 2018.

With our London **race and ethnicity** targets, we are now at 24% Black and ethnic minority representation across legal and business teams (up from 19% in 2020), so making good progress towards our target of 25% by 2025. We are making similar progress within our partnership and have already exceeded our ethnic minority target for trainees overall, although not our target for Black trainees so we are pushing our work in that area.

For LGBTQ+, disability and socio-economic background, a focus has been on ensuring we increase the proportion of people who self-report – ie tell us how they identify – so that we build a good level of insight to inform the work we do.

Reporting figures are up across all these groups this year – with the proportion of colleagues who identify as having a **disability** growing from 3% to 6% since 2020 (6% as at 1 May 2022). This shows, we hope, that more people are comfortable telling us they have a disability, which means we can put the right support and adjustments in place. It also helps us as a business understand different conditions and disabilities.

Our reporting rate for our **LGBTQ+** community is also up this year, with trends showing more colleagues in junior roles reporting that they identify as LGBTQ+. This is very positive for us, as it shows people feel comfortable being open about their identities earlier in their careers. It does, however, have the effect of increasing our overall mean pay gap because having more junior colleagues in the LGBTQ+ population brings down the average hourly salary, thereby widening the pay gap. This becomes more pronounced if one or two people leave at the more senior level. The median gap – which compares the middle figure for LGBTQ+ and non-LGBTQ+ (and is less impacted by those on the lowest and highest salaries) has gone down this year.

With **socio-economic background** – which we include for the first time – we have worked to build a more comprehensive picture and now have a reporting rate of 61%, which gives us a good starting point to analyse pay gaps and support the work of our Social Mobility Working Group.

In recognition of the progress we have already made, the Social Mobility Foundation has recently ranked us 13th in the Top 75 of its UK Social Mobility Employer Index, moving up for the fourth consecutive year from a position of 24th last year.



## Interpreting the data

It is important to say that pay gap reporting is not a comparison of what we pay people doing the same roles – that is known as equal pay. The exact definition of each pay gap figure is explained in the data sections throughout the report.

Equal pay is something we monitor throughout the year and across all role types at A&O to ensure we are paying our people fairly for equivalent roles. We also have real-time processes to evaluate decision making on rewards – for example discussions on bonuses – in order to ensure that data and evidence are driving our decisions. It is encouraging, therefore, that most of our bonus gaps have fallen this year.

Publishing pay gap data is an exercise in looking back at a snapshot of our business at a certain point in time. But it's also important to look forwards at what we believe we need to do to continue making progress with each area of diversity, so we have again published key points from our action plans in the report.

## Culture change

Improving diversity at senior levels is fundamentally a long-term process of business change. Central to that change is our culture – something Fiona Cumming (Regional DE&I Partner for the UK) and our Senior Partner Wim Dejonghe talk about further on in this report.

We are seeing so much competition for talent in today's market, both in attracting and retaining it, that we have to work harder to define what we want our culture to be – to be explicit about our commitment to our colleagues and what we ask in return.

That is what our Employee Value Proposition – 'Belong. Excel.' – is all about, something we've done a lot of work on over the past year. It is a commitment to work continuously on our culture so that we are a workplace where everyone feels comfortable and confident, and where different ideas, experiences and backgrounds are respected and valued. We know that's what enables people to do their best work, and gives colleagues confidence that they can build a sustainable career path here.

As Fiona says, that takes concerted action towards specific goals that we hold people accountable for and measure our progress against.

We know that the more we improve our diversity at senior levels, the more any persistent pay gaps will shrink. We need to evaluate our data closely each year to make sure we fully understand where and why we have larger pay gaps, but also interpret this in the context of our broader work on diversity, equity and inclusion across A&O.

That combination of transparency, measurement and listening is what will enable us to keep on making progress and creating the positive changes we want.



**Sasha Hardman,**  
Global HR Director



**Click to view Sasha's  
profile on [allenoverly.com](https://allenoverly.com)**

# 1. Gender

## 1.1 Combined partner and employee gender Earnings gaps

This section shows the total annual Earnings gaps for our combined UK partner and employee population in our London and Belfast offices (currently this is outside the scope of the Regulations).

Our mean and median combined UK partner and employee gender Earnings gaps as at 5 April 2022:

### 2022

Mean	55.7%
Median	39.6%

### 2021

Mean	59.0%
Median	41.4%

### 2020

Mean	59.9%
Median	46.4%

Partners are remunerated differently from employees so the most accurate way for us to calculate the combined pay gaps is to look at the total annual Earnings of all UK partners and the total annual FTE (full-time equivalent) Earnings of our UK employees. This is done on an annual rather than hourly basis as all of our partners receive a share of the firm's profits as opposed to a salary.

## Definitions at a glance

### Earnings:

Is the equivalent of total compensation. For partners this means total annual earnings. For employees this means FTE salary, FTE bonus, firm pension contributions and other benefits the firm pays for and on behalf of our employees.

### Negative Earnings gap (-%):

A negative percentage figure indicates an Earnings gap in favour of women.

### Mean:

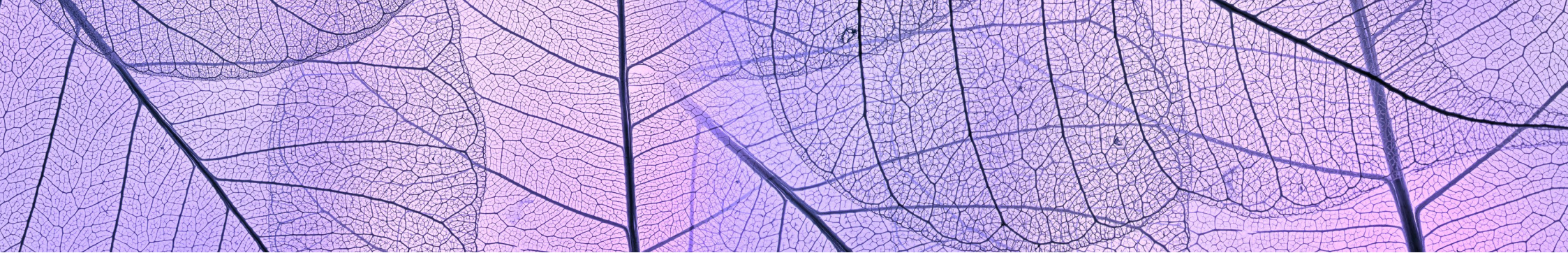
The difference between the mean (average) total annual Earnings for all UK partners and employees who are men, and the mean total annual Earnings for all UK partners and employees who are women.

### Median:

The difference between the 'middle' Earnings rate for all UK partners and employees who are men, and the 'middle' Earnings rate for all UK partners and employees who are women, when total annual Earnings are ranked in numerical order.

### Regulations:

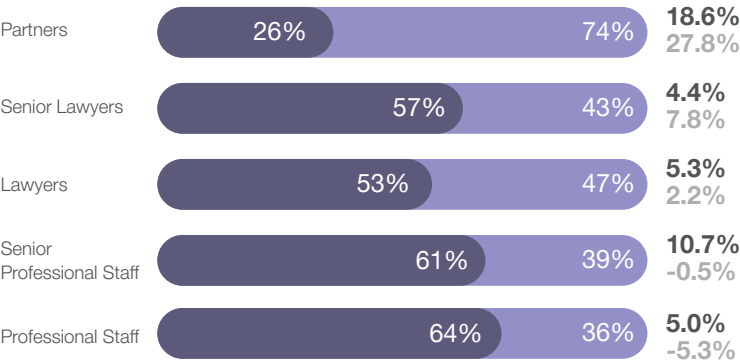
The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017



# Gender Earnings gaps for our UK workforce by role type

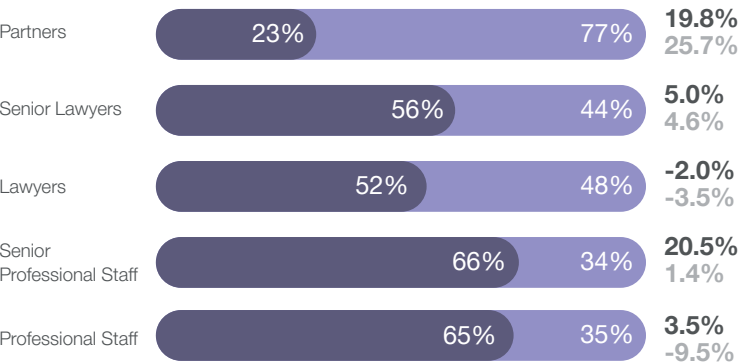
Our mean and median UK gender Earnings gaps by role type as at 5 April 2022:

## 2022

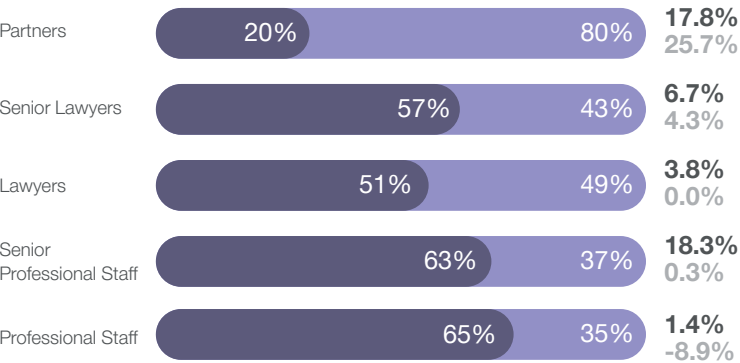


- Proportion of women in role type
- Proportion of men in role type
- Mean Earnings gap
- Median Earnings gap

## 2021



## 2020





## 1.2 Employee gender pay gaps for London

In accordance with the Regulations, this section shows the difference between the average hourly pay for men and women in London, regardless of their role or seniority. This is not a comparison of how much we pay men and women in the same or similar roles (equal pay).

Our mean and median gender pay gaps as at 5 April 2022:

2022

Mean	15.4%
Median	29.5%

2021

Mean	13.2%
Median	27.5%

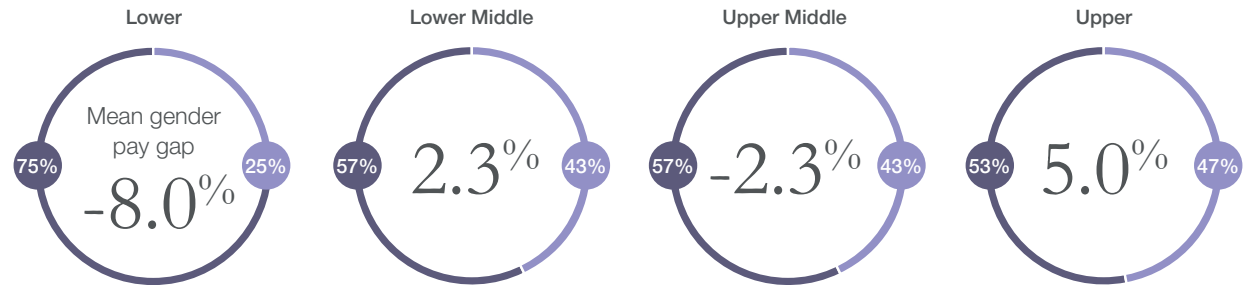
2020

Mean	16.1%
Median	28.7%

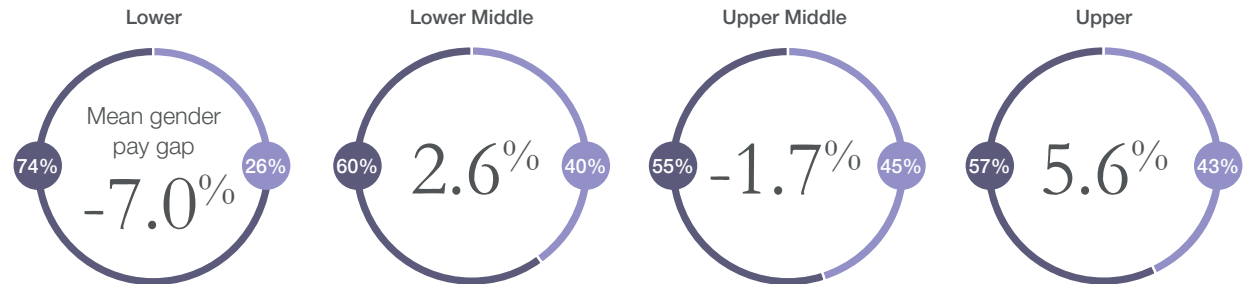
- Proportion of women in pay quartile
- Proportion of men in pay quartile

## London hourly pay gap quartiles

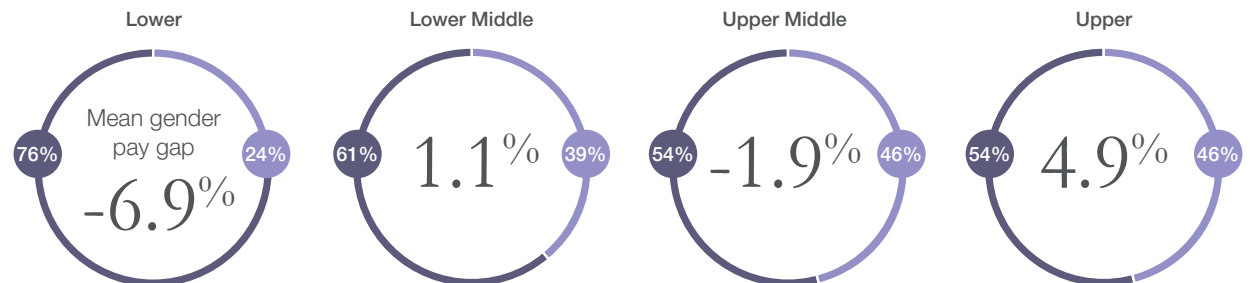
2022



2021



2020



## London bonus pay gap

The proportion of our men and women who were paid a bonus in the 12 months ending 5 April 2022:

### 2022

Men	74.9%
Women	80.6%

### 2021

Men	95.7%
Women	96.2%

### 2020

Men	76.1%
Women	79.1%

Our mean and median gender bonus gaps for the 12 months ending 5 April 2022:

### 2022

Mean	26.3%
Median	44.1%

### 2021

Mean	27.9%
Median	30.2%

### 2020

Mean	36.5%
Median	50.0%

In accordance with the Regulations, we have calculated our gender bonus gap using actual bonuses paid to employees. As we currently have more women than men working part-time, and bonuses are prorated based on working hours, this widens the bonus gaps. However, the bonus gaps reduce to **21.2%** (mean) and **42.6%** (median) when looking at bonuses on a full-time equivalent basis.

A one-off Covid-related bonus increased the overall proportion of employees who received a bonus last year.

## 1.3 Employee gender pay gaps for Belfast

Our Belfast office (which is a separate legal entity) houses A&O's Support Services Centre and our Advanced Delivery Legal practice. Currently, the Regulations do not cover Northern Ireland, but as in previous years we have chosen to report these figures on the same basis as applies to the rest of the UK.

Our mean and median hourly gender pay gap for Belfast employees as at 5 April 2022:

### 2022

Mean	15.9%
Median	17.1%

### 2021

Mean	10.4%
Median	16.9%

### 2020

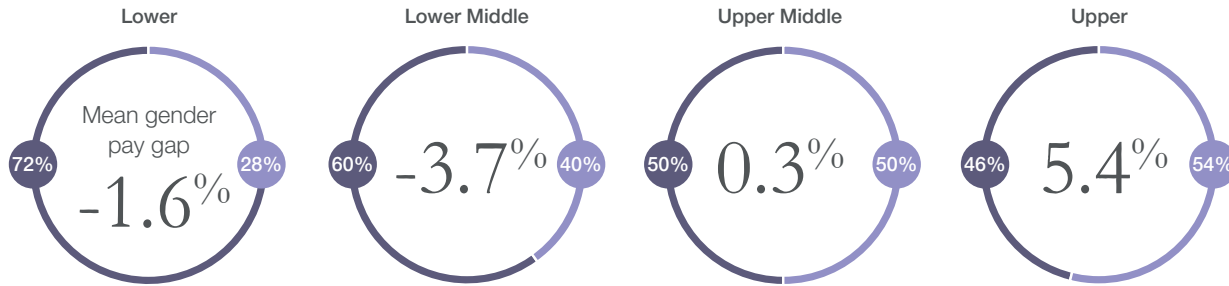
Mean	11.4%
Median	17.8%



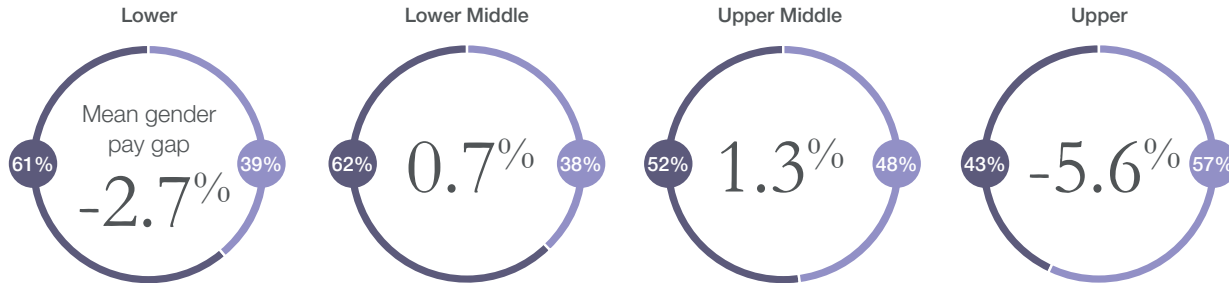
## Belfast hourly pay gap quartiles

- Proportion of women in pay quartile
- Proportion of men in pay quartile

2022



2021



2020



## Belfast bonus pay gap

The proportion of our men and women who were paid a bonus in the 12 months ending 5 April 2022:

2022

Men	71.7%
Women	71.1%

2021

Men	97.8%
Women	97.6%

2020

Men	72.7%
Women	77.1%

Our mean and median gender bonus gap for the 12 months ending 5 April 2022:

2022

Mean	47.8%
Median	2.4%

2021

Mean	40.9%
Median	13.5%

2020

Mean	43.5%
Median	14.9%

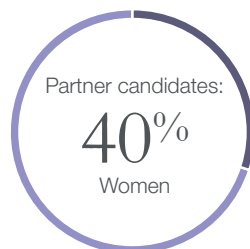
When we calculate bonuses on a full-time equivalent basis, the mean bonus gap reduces to **43.9%** and the median bonus gap reduces to **-0.4%**.

## 1.4 Gender action plan

Having achieved most of the gender targets we set in 2018, we undertook a review of progress and set ourselves more ambitious targets in 2022 to ensure that we continue to stretch ourselves and see meaningful change. These targets include:



Grow the proportion of women lawyers at every level below partner to 50%.



Ensure that 40% of our partner candidates each year are women – working towards our ultimate goal of 50% women partners.



Continue to ensure at least 30% representation of women in leadership positions.

While our targets focus on lawyers, we also continue to work on representation of women at all levels within our business teams. On the whole, women are not under-represented in senior business roles in the same way as the most senior legal roles, but the picture varies across different business functions so we monitor this and take action where needed. Women in all roles face similar challenges, so our strategy is designed to benefit everyone.

27% women in our partnership\* in the UK, up from 20% when we first introduced gender targets in 2018

\*These figures are as at 1 May 2022 and are more current than the figures in the data sections, which are at 5 April 2022

### Our gender strategy – how we will achieve our targets

- One of the pillars of our strategy is to ensure that parenting is not simply perceived as a women's issue. In the last year, we have seen real progress in men using our enhanced paternity leave and shared parental leave opportunities, as well as being more open about taking on family responsibilities to normalise parenting for men as well as women. Embedding hybrid working is also giving people more flexibility in their working weeks.
- We continue to focus on intersectionality and have established a specific LGBTQ+ women's group, as well as holding events for our ethnic minority women and adapting training on racial micro-aggressions.
- We are increasingly looking at gender during different life stages, including support for women experiencing the menopause. We have also introduced a global domestic abuse policy.

### Areas of focus for 2023:

- Continue to build awareness of the specific issues faced at different stages of women's careers.
- Emphasise the role of male allies – this is something our Gender Equality Network is particularly focused on.
- Continue to monitor women in our talent pipeline to ensure they are receiving effective sponsorship and access to the opportunities that will help them to progress.

A&O has been listed in The Times Top 50 Employers for Women for the fourth year for working to tackle the drivers of gender inequality – from flexible working and family-friendly policies, to pay, reward and career progression.

## 2. Ethnicity

### 2.1 Combined partner and employee ethnicity Earnings gaps

This section shows the total annual Earnings gap for our combined UK partner and employee population in London and Belfast. As these fall outside the scope of the Regulations, we have calculated them in the same way as the combined partner and employee gender figures in section 1.1.

Our overall mean and median combined UK partner and employee ethnicity Earnings gaps as at 5 April 2022:

#### 2022

Mean	24.0%
Median	-29.4%

#### 2020

Mean	22.4%
Median	-41.1%

#### 2021

Mean	22.4%
Median	-35.1%

These figures are based on 91% of our colleagues in the UK who have recorded their ethnicity.

### Definitions at a glance

#### Ethnic minority:

Partners and employees who have reported their ethnicity as Black, Asian or minority ethnic.

#### Ethnicity Earnings gap:

The difference in average total annual Earnings between those who have reported their ethnicity as white and those who have reported their ethnicity as Black, Asian or minority ethnic in London and Belfast.

#### Negative Earnings gap (-%):

A negative percentage figure indicates a Earnings gap in favour of ethnic minority employees and partners.

#### Mean:

The difference between the mean (average) total annual Earnings for all ethnic minority UK partners and employees, and the mean total annual Earnings for all white UK partners and employees.

#### Median:

The difference between the 'middle' Earnings rate for all ethnic minority UK partners and employees and the 'middle' Earnings rate for all white UK partners and employees, when total annual Earnings are ranked in numerical order.



## 2.2 Ethnicity Earnings gap by group

Our mean and median ethnicity Earnings gaps by group, as at 5 April 2022:

2022

Partners

Mean	13.2%
Median	-5.9%

London employees

Mean	11.0%
Median	7.5%

Belfast employees

Mean	29.0%
Median	21.3%

2021

Partners

Mean	8.7%
Median	-1.0%

London employees

Mean	11.5%
Median	10.5%

Belfast employees

Mean	22.4%
Median	12.9%

2020

Partners

Mean	7.7%
Median	5.0%

London employees

Mean	9.5%
Median	4.8%

Belfast employees

Mean	23.9%
Median	11.2%

## 2.3 London employee ethnicity pay and bonus gaps

Our mean and median ethnicity pay and bonus gaps for London employees, as at 5 April 2022:

2022				2021			
Pay (FTE salary) gap		Bonus (FTE) gap		Pay (FTE salary) gap		Bonus (FTE) gap	
Mean	9.2%	Mean	-3.9%	Mean	8.3%	Mean	26.5%
Median	-6.1%	Median	-15.1%	Median	9.0%	Median	9.7%

## 2.4 London employee ethnicity pay gaps by quartile

Our employee mean ethnicity FTE pay gaps as at 5 April 2022:

- Proportion of white employees in pay quartile
- Proportion of ethnic minority employees in pay quartile



Proportion of our London population identifying as ethnic minority as at 1 May 2022\*:

- Partners - 14%
- Associates - 29%
- Trainees - 49%
- Business teams - 19%

\*Therefore more current than the figures in the data sections, which are at 5 April 2022

## 2.5 Race and ethnicity action plan

Target	2022	2020
25% ethnic minority lawyers and business teams by 2025	24% (4.5% Black)	19% (2.5% Black)
15% ethnic minority partners by 2025	14% (1% Black)	9% (0% Black)
Graduate recruitment target of 35% ethnic minority including 10% Black trainees each year	49% (5% Black) – current trainees	31% (2.5% Black)
Equal retention of employees at all levels by 2025		

Our action plan continues to focus on attraction, retention and progression of talent from racial and ethnic minority backgrounds and on ensuring an inclusive culture.

### Highlights this year:

- Continuing to focus on attracting ethnic minority talent, with a particular focus on Black talent. We undertake a range of targeted work with those looking to enter the legal profession, for example hosting our second Black Heritage Insight Day in October 2022 for students to hear about the opportunities available in law.
- Our South East Asian Lawyers affinity group (SEAL) and our South Asian Affinity Group (SAAG) have also supported a number of our efforts in this area, for example taking part in insight days for students interested in applying for our new solicitor apprenticeship programme, launched this year.
- Our work on retention focuses on raising awareness of the lived experience of Black colleagues and showcasing role models. Our **‘See it, Be it’ campaign for Black History Month 2022** profiled a range of Black partners from A&O and peer firms, as well as senior in-house lawyers, to show the major achievements of Black legal professionals.

### Key areas of focus for 2023:

- Continue to build awareness of the intersection between race and ethnicity and other characteristics.
- Expand our REACH mentoring programme, which provides support for ethnic minority colleagues in their early careers with the firm and beyond.
- Continue to review our processes to ensure they are equitable.

In order to drive progress across the profession, we became one of the founding firms of Legal CORE (Collaboration on Race and Ethnicity), a cross-firm collective aimed at tackling the under-representation of ethnic minority groups in the UK legal sector. We helped to deliver the group’s first Think-Tank event, which saw law firm representatives come together to explore challenges in the industry and how we might overcome them.

Our Race & Ethnicity Network was ranked as a Top 10 Network in the Ethnicity Awards 2022



# Inclusion takes real, deliberate action

Fiona Cumming is a Partner in our Finance practice and our Regional DE&I Partner for the UK.

**Each year in our Pay Gap Report we have tried to expand our data to give us a more detailed picture of our people – whether that's bringing in more metrics on gender and race and ethnicity, where we have a population size big enough to do this, or introducing high-level reporting on sexual orientation and disability.**

This year, we are including data on socio-economic background for the first time. We started asking our people more about this three years ago, using criteria in line with the National Statistics Socio-Economic Classification. We now have a 61% self-reporting rate across the UK, which, while lower than we would like, gives us a starting point and something to build upon.

## **Social background is a complex subject**

How people identify in terms of socio-economic background is nuanced and often subjective – people have different ways of defining and therefore identifying in this area, others prefer not to talk about it at all. By definition, social mobility means people can move and change, unlike most other areas of diversity.

Talking about 'class' in relation to someone's background is largely a British concept, so if you didn't grow up in the UK (as with many people in our London office) it doesn't easily apply. Equally, whether you attended a state or fee-paying school, or were the first generation in a family to go to university, doesn't always give an indication of socio-economic background.

Nevertheless, despite imperfect ways of measuring it, socio-economic diversity is important for us to discuss because, as research has shown, law is a profession with a poor record in this area. And as with any aspect of diversity, in order to address a challenge you need to understand it. (We talk more about our work on social mobility on **page 20** of the report.)

## **We won't see greater diversity without inclusion**

I've been in the role of Regional DE&I Partner now for three years in total – first in Asia Pacific and now the UK – and what I know is that inclusion is fundamental in helping to remove obstacles that hold some people back.

It's a simple concept: if you go to work every day feeling like you belong in a team and an organisation – that you can be open about who you are and what your background and interests are – that's how a supportive, collaborative culture develops within which everyone can excel. That is why people choose to stay and progress with us, and why others choose to join us – and that is how we improve diversity at every level of our business.

Inclusion, though, takes real, deliberate action across an organisation. What each of us does at every level, every day, matters.

Of course we need to continue to work on our processes to address the reasons specific groups are under-represented – because significant and consistent pay gaps show that we have more work to do. That is why we've set ourselves refreshed gender targets this year, for example.

But as well as focusing on specific areas of diversity (which we talk about in our action plans throughout this report), my priority is to look more broadly at how we all support each other. How leaders give everyone in their teams the right support to get the best from each person. How our affinity groups support all other affinity groups. How we are an ally not just for one group, but for everyone who needs it.

That means broadening conversations into more difficult topics – involuntary childlessness, men's mental health, the menopause – all things we've talked about at A&O recently. We have multiple generations in our workforce, all of whom face different challenges at different stages of life. These are sensitive topics, but that is exactly why we should be talking about them, so that people don't feel they have to hide them at work.

All of this is important in the context of our Pay Gap Report because seeing large pay gaps persist every year is evidence of the need to continue working on diversity, equity and – underpinning all of that – inclusion. Publishing our metrics and data ensures transparency, and I believe that keeps us focused on driving action



**Fiona Cumming**  
Partner

## 3. LGBTQ+

### 3.1 Combined partner and employee Earnings gaps

This section shows the total annual Earnings gaps for our combined UK partner and employee population in London and Belfast. As these fall outside the scope of the Regulations, we have calculated them in the same way as the combined partner and employee gender figures in section 1.1.

These figures are based on reporting by 86% of our colleagues in the UK, with 6% identifying as LGBTQ+.

Our overall combined mean and median UK partner and employee LGBTQ+ Earnings gaps as at 5 April 2022:

**2022**

Mean	26.5%
Median	6.6%

**2020**

Mean	-7.7%
Median	9.9%

**2021**

Mean	3.4%
Median	10.6%

### 3.2 London employee pay and bonus gaps

Our mean and median LGBTQ+ pay and bonus gaps for London employees, as at 5 April 2022:

**2022**

**Pay (FTE salary)**

Mean	9.3%
Median	-6.5%

**Bonus (FTE)**

Mean	6.2%
Median	-16.2%

**2021**

**Pay (FTE salary)**

Mean	9.0%
Median	6.5%

**Bonus (FTE)**

Mean	11.1%
Median	12.5%

6% of our partners  
and employees in  
the UK identify  
as LGBTQ+

### 3.3 LGBTQ+ action plan

#### Over the past year we have:

- Focused on allyship – from having Michelle Visage as our keynote speaker for Pride, to widely sharing our global allies guidance and 'B in the LGBTQ+' online booklets.
- Launched a global LGBTQ+ mentoring programme, linked to our A&Out network.
- Added gender confirmation care to our private medical cover in the UK.
- Marked LGBTQ+ history month with a talk by V&A Historian Dan Vo.
- Continued to grow our network with our A&Out global women's group having virtual and, where possible, in-person meet-ups.

#### Areas of focus for 2023:

- Continue to look at how LGBTQ+ identities intersect with gender, race, disability and other areas.
- Build on our work to focus on all identities in LGBTQ+.
- Keep celebrating our LGBTQ+ role models, as we know that it makes it easier for people to be confidently out at work when there are visible role models in senior positions.



**Jim Ford, partner and co-chair of A&Out, has been recognised in the Outstanding LGBT+ Role Models List 2022.**



**A&O has been ranked one of Stonewall's Top Global Employers for the fourth time. The list celebrates organisations committed to advancing LGBTQ+ inclusion in workplaces around the world.**

Since our first openly lesbian partner in London, **Nikki Johnstone**, talked about her experiences, we have seen more women than ever come out at A&O within the UK – demonstrating the importance of sharing stories.



# 4. Disability

## 4.1 Combined partner and employee disability Earnings gaps

This section shows the total annual Earnings gaps for our combined UK partner and employee population in London and Belfast. We have calculated this in the same way as for our combined gender, ethnicity and LGBTQ+ total annual Earnings gaps.

These figures are based on the 84% of colleagues in the UK who have recorded their disability information – with 5% identifying as having a disability (as at 5 April 2022).

Our overall combined mean and median UK partner and employee disability Earnings gaps as at 5 April 2022:

2022		2021		2020	
Mean	15.5%	Mean	13.1%	Mean	20.2%
Median	6.3%	Median	7.3%	Median	9.0%

## 4.2 London employee pay and bonus gaps

Our London employee disability pay and bonus gaps as at 5 April 2022:

2022		2021	
Pay (FTE salary)		Bonus (FTE)	
Mean	9.3%	Mean	27.0%
Median	19.6%	Median	-2.7%
2021		2020	
Pay (FTE salary)		Bonus (FTE)	
Mean	11.4%	Mean	33.7%
Median	21.5%	Median	20.3%

### 4.3 Disability action plan

Disability continues to be an important area for us to focus on. Over the past two years, we have seen our reporting rate grow from 77% to 84%, and the proportion of colleagues identifying as having a disability grow from 3% to 6%\*. This is positive as it means more people have the confidence to be open about their additional needs so that we can put the right support in place.

This year, we introduced a Workplace Adjustment Passport, a digital record that holds all information in one place to identify the support and changes colleagues may need in a workplace.

Our global disability network AccessAbility, which launched last year, has grown and continues to support our employees with disabilities, as well as carers and families of children with disabilities. Its purpose is to provide mutual support and networking, as well as raising awareness about disability by sharing stories and holding events.

We have also been looking more at neurodiversity and hosted an event about ADHD in law this year. We continue to work closely with MyPlus Consulting in supporting graduate candidates with disabilities.

*\* 6% as at 1 May 2022*

6%\* of our partners and employees in the UK identify as having a disability.

#### Areas of focus for 2023:



Continue to raise awareness of and embed the Workplace Adjustments Passport across our organisation.



Build more awareness of neurodiversity in the workplace.



Support those who care for someone with a disability.

*\*As at 1 May 2022 and therefore more current than the figures in the data sections, which are at 5 April 2022*



# 5. Social mobility

## 5.1 Combined partner and employee social mobility Earnings gaps

For the first time this year, we are including high-level pay gap data on social mobility for our combined UK partner and employee population. We have calculated this in the same way as for our combined gender, ethnicity, LGBTQ+ and disability total annual Earnings gaps.

These figures are based on 61% of colleagues in the UK who have recorded their social mobility information by selecting a category under 'Occupation of the main earner in the household at the age of 14'. The responses have then been grouped into broad categories based on the **National Statistics Socio-Economic Classification (NS-SEC)**.

Our overall combined mean and median UK partner and employee social mobility Earnings gaps as at 5 April 2022:

### 2022

#### Intermediate vs Working Class

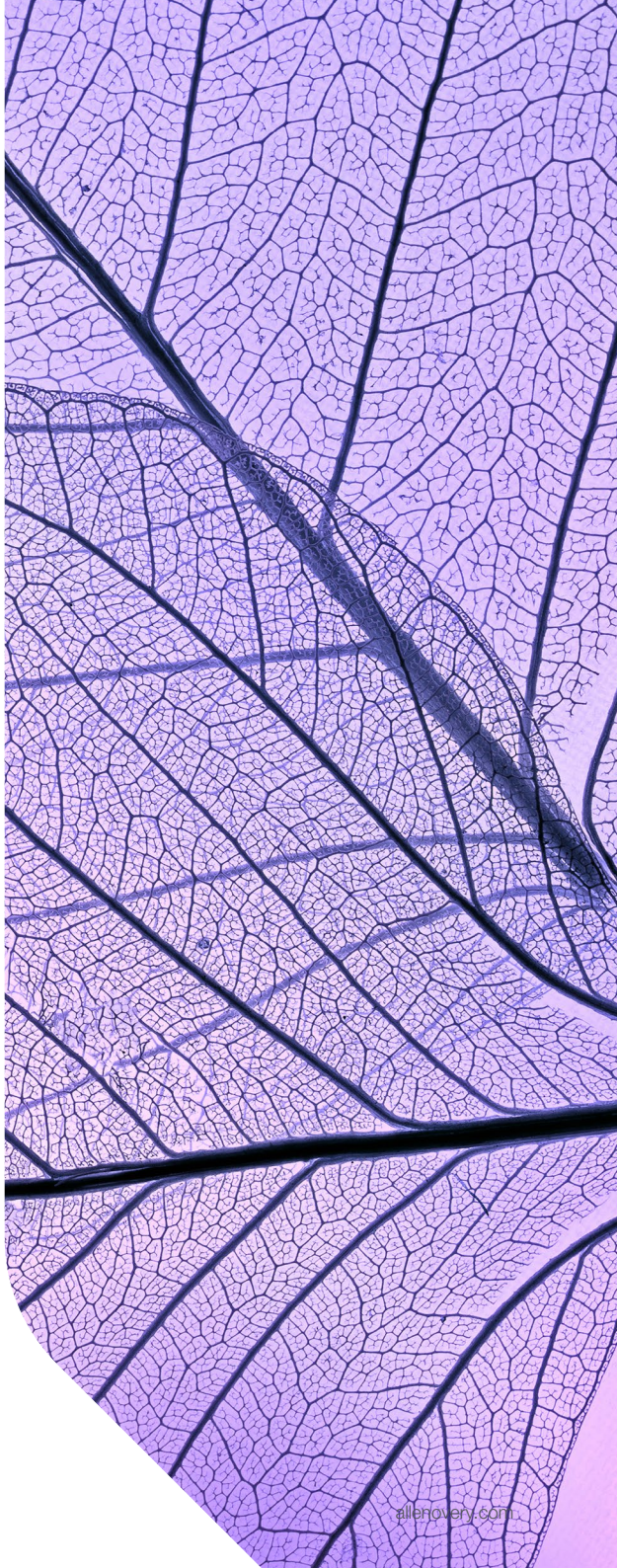
Mean	9.6%
Median	16.8%

#### Professional vs Working Class

Mean	16.1%
Median	39.8%

#### Professional vs Intermediate Class

Mean	7.2%
Median	27.6%





## 5.2 Social mobility action plan

Social mobility has been an area of focus for A&O for many years. Since 2017, we have taken part in the Social Mobility Foundation's Employer Index and in 2022 were ranked 13th in the Top 75 Employers – moving up for the fourth consecutive year from a position of 24th last year.

This year, we also launched a Social Mobility Network – alongside our existing partner-led Working Group – to provide a forum to discuss socio-economic background and the barriers it can create.

### Areas of focus for 2023:

Our Social Mobility Action Plan has four key areas of focus that we will continue to work on in the coming year.

- **Raising aspirations:** including supporting young people at key stages of education and providing high quality career insights and work experience.
- **Being open and accessible:** ensuring we are a business that everyone feels is supportive and inclusive, and that our recruitment processes are transparent and fair.
- **Promoting an inclusive culture:** improving our data around socio-economic background and building a greater understanding of the barriers facing some colleagues.
- **Influencing the debate:** including engaging with other areas of the legal profession and contributing to sector-wide initiatives.

Our managing partner Gareth Price was a member of the advisory board for the City of London taskforce on socio-economic diversity. A&O has also become a Founding Member of its new financial services membership body, **Progress Together**, for which we will provide pro bono legal advice over the next three years.

In 2022, we launched one of the first solicitor apprenticeship programmes in our sector, as an alternative route to qualify as a lawyer for students who have chosen not to go to university. This can be for a variety of reasons, including financial.





Wim Dejonghe  
Senior Partner

# Culture is everything

When I think about the future of our profession, two things are front of mind for me – both of which relate to diversity, equity and inclusion.

The first is ensuring we have the diversity of thought to enable us to solve the business challenges of the future. The kinds of issues we'll be addressing in the next decade will be more complex than ever, and we will need the right culture – alongside the right skills and attributes in our people – to generate the ideas required to solve these problems.

To be an effective business partner to our clients, we need broad and original thinking. In the past, law firms have trained people to become specialists in their fields, but in today's world our people need to be able to deal with the complexities of society, economics and politics on top of that – to be technical experts with a holistic world view.

Innovation within any organisation is not just about processes and technology, it comes from people. If we can't draw on a wide range of knowledge and perspectives from diverse social, academic, ethnic and cultural backgrounds, we won't be as relevant to our clients.

But for diversity of thought to thrive, we need a culture that encourages collaboration. We have to be comfortable with debating and challenging at all levels – that is how good ideas become great ideas. We can't have a dominant culture that produces groupthink – we need an inclusive environment where everyone knows they can voice their ideas.

How do we do that? We keep an open dialogue going; we ask ourselves how do we make every single person feel at home, and what are the barriers we're still trying to break down? How can we approach them differently? We ask ourselves is everyone in the room being heard? Is there exclusive behaviour that needs to be called out?

Five years down the line, it won't be one thing that created a firm full of diverse people, it will be lots of things: some small, like a person's actions that support someone at the right moment, and some big, like achieving our gender and race and ethnicity targets – which in turn is what will have an impact on pay gaps.

Culture is also central to the second issue crucial for the future of our profession – that is to make sure we remain an attractive career choice for future generations. There is more competition for talent than ever, and when I look at what's important to people today, so much is about finding the right cultural fit.

For me, the key to ensuring law is an attractive option for a diverse group of people is about offering sustainable, balanced and flexible careers – investing in people's long-term development and giving colleagues more control over their career progression. And it's about providing that within an organisation that wants to do the right thing and works hard to make everyone feel they belong, without having to change or hide aspects of themselves.

Having an open-minded, dynamic and supportive culture is central to everything we want to achieve at A&O – that's what our Employee Value Proposition is all about – feeling you belong and knowing you can excel.

Prioritising inclusion is at the heart of all of this – if we keep on pushing and get that right we'll achieve the diversity we need across our business – and persistent, significant pay gaps will become a thing of the past.

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