## NORTON ROSE FULBRIGHT

## UK pay gap report 2021/22



## Foreword

To attract the best people, we strive to create a diverse, equitable and inclusive environment where everyone can bring their whole selves to work, have a sense of belonging, and realise their full career potential. We value difference in our business and believe our diversity is a critical strength that benefits our people, clients and communities.

We consistently work to promote greater inclusion and equality and by reviewing pay gaps at both a mandatory and voluntary level, we can better interrogate and understand what is causing them and address them with action plans.

This is Norton Rose Fulbright's 2021/22 pay gap report. As part of our wider commitment to improving diversity and inclusion across the firm and in the interests of transparency, we continue to go beyond the UK's statutory requirements of reporting gender pay and bonus data for our employees and also report our ethnicity pay gap and sexual orientation pay gap data. Additionally, this year we report for the first time on our social mobility and disability pay gap. We continue to include the data for our UK partners.

We recognise there is still much work to do for both pay and bonus gaps across the whole firm. Through a range of programmes, initiatives and partnerships, we continue to focus on increasing diversity and representation at all levels of our business, which we believe will have a positive impact on our pay gaps and on our inclusive workplace.

We want to recognise and reward all of our people fairly, whatever their background, perspective or characteristics. By creating a culture of respect for each individual, that embraces difference and fosters innovation, we will deliver the best solutions to our clients and grow as leaders.



Peter Scott
Managing Partner
(EMEA)



Farmida Bi EMEA Chair

## Introduction

Pay gap reporting has become an important part of our approach to promoting greater inclusion and equality. By reviewing where pay gaps exist we can better understand what is causing them and how we can close them.

Whilst we believe that the data in this report demonstrates quantifiable progress on our path to equality, we recognise that there are areas in which significant improvements can still be made. To that end, in 2023, we will be revisiting our Diversity Equity and Inclusion strategy and, with the support of our DE&I team, firm champions and employee networks, embedding it throughout all levels of our business with revised action plans to improve pay gaps across the board: for gender, ethnicity, sexual orientation, social mobility and disability. Only by actively listening and embracing a diversity of experience can we attract and retain the best talent, support our communities and provide our clients with the best solutions.

## We continue to make progress against the aspirational gender and ethnicity targets set in 2020.

For gender, we aim for 40:40:20: a minimum of 40% women and 40% men, with 20% flexibility (of any gender - men, women or non-binary individuals). In 2021/22, we're pleased to report that the mean gender pay gap fell by 0.6% to 10.4%. In January 2022, 53% of partner promotions across EMEA were women and, in 2021, women accounted for 44% of our partner promotions. Partner pay gap data is included in this report.

Our 2025 ethnicity goal in the UK is for 15% of our partners and 25% of our firm to be Black, Asian, and Minority Ethnic (BAME). The market average BAME representation is 20.2% and it is our aim to surpass this. The mean ethnicity pay gap is 2.4% for this reporting period.

In 2022, improving the data and pay outcomes for our LGBTQ+ colleagues has remained a focus. Currently we do not collect gender identity\* data, however we are keen to gather and incorporate this for future surveys and reports. We have continued to increase awareness and promote inclusion through training and events including 'Tackling the Stigma', a webinar delivered by Welsh rugby player Gareth Thomas CBE.

For the first time this year we have extended our pay gap reporting to include social mobility and disability data. For social mobility, we have adopted the method shared by the Social Mobility Commission and have surveyed our people on a range of social mobility questions including parents' occupation at the age of 14. The answer to this question has been split into three groups: 'professional,' 'intermediate' and 'working' as defined by the Social Mobility Commission. Although the response rate of 52% does not give a full picture, it marks a strong start and will help us to define a set of social mobility priorities and objectives, to ensure that those deemed to be from lower socioeconomic backgrounds (for reporting purposes) have the same access to career opportunities at Norton Rose Fulbright as the rest of their cohort.

<sup>\*</sup> Gender identity refers to a person's innate sense of their own gender, whether man, woman or something else. This may or may not correspond to the sex assigned at birth.

# Our vision and commitments

Our vision is to be a world-leading global elite law firm, collaborative and diverse, boldly dynamic and fiercely client focused.

We value our people and promote a culture of respect for all by creating an inclusive environment where everyone can bring their whole selves to work and realise their career potential. We are committed to providing each individual with the support, development and networking opportunities they need through coaching, mentoring and within our well-established UK employee networks, as outlined below.

## Our Diversity, Equity and Inclusion approach

Norton Rose Fulbright has a regional Europe Middle East and Asia (EMEA), Diversity, Equity and Inclusion (DE&I) governance structure. We have a Committee, made up of partners and senior members of business services. It is co-chaired by the Managing Partner and the EMEA Chair and reports to our executive management committee (MCOM). Our activities focus on seven areas, each supported by an employee network:



Gender balance



Ethnicity and cultural diversity



Disability confidence



Mental health and wellbeing



LBGTQ+ inclusion



Parents and carers



Social mobility

## Our work to date has been recognised by the following awards:

Times Top 50 Employers for Women 2022 Working Families Top 30 Employers 2022 Best Mentoring Scheme, Aspiring Solicitors Awards 2022 Top 75 Employers for Social Mobility (ranked no. 39) in 2022

## Pay gap reporting

The pay data used for this report is accurate as of April 5, 2022 (our official 'snapshot date') and includes the results for 2021/22 alongside a comparison of the previous reporting period (2020/21). The bonus data for employees is calculated with reference to bonuses received in the 12 month period up to and including April 5, 2022.

## What is pay gap reporting?

Pay gap, be it gender, ethnicity, sexual orientation, social mobility or disability, is defined as the difference between the mean or median hourly pay rate that two groups of staff receive, irrespective of job role or seniority within the firm.

The mean pay gap is the difference between hourly earnings, taking the sum of all hourly rates divided by the total number of staff in the sample. The median pay gap is the difference between the midpoints in the ranges of hourly earnings between two groups. Median pay looks at all salaries in the sample, from highest to lowest, and picks the middlemost salary.

Pay gap reporting helps us to identify and acknowledge the percentage difference in the average hourly earnings across our firm. The data enables us to analyse and interrogate the reasons for difference so that we can take appropriate steps for action.

## How is gender pay gap reporting different to equal pay?

Equal pay means two groups of people being paid the same for carrying out the same or similar work. This is a legal requirement and is currently covered by the Equality Act 2010. This is very carefully monitored within the firm.

Any employer with 250 or more employees on a specific date each year (the 'snapshot date') must report their gender pay gap data. Our snapshot date is April 5. The gender pay gap (as published in this report) measures the difference between men's and women's average earnings across the whole (UK) organisation. It does not differentiate people's roles or level of seniority within the firm. As a result, employers with an effective equal pay policy can still have a gender pay gap.

## Our voluntary approach

Gender pay gap reporting Government guidelines currently require us to show the gap between women and men, meaning that statutory reporting does not include data on non-binary people or any other gender identities. For the purposes of this report, we have followed the general reporting requirements. However, we remain committed to creating a diverse, equitable and inclusive workplace for all of our colleagues including any trans and non-binary colleagues and our internal trans inclusion guidance is available to support any colleagues who may transition whilst working with us.

Ethnicity, sexual orientation, social mobility and disability employee data is calculated using the same methodology as that used for gender and is expressed as a difference between each population and other staff. The disclosure rate for ethnicity is currently 91% and 80% for sexual orientation. Smaller data points are available for other reporting categories, which may prevent accurate reporting.

Social mobility data is based on the method and definitions shared by the Social Mobility Commission which is grouping the answers to our question relating to parents' occupation at 14 into three categories (professional, intermediate and working). When we gathered data from our UK population on social mobility in 2022, we had a 52% disclosure rate.

We recognise that disclosure and survey completion rates mean we do not hold a full set of data for ethnicity, sexual orientation, social mobility and disability categories of reporting, but we are committed to increasing completion rates year on year and have adopted listening strategies and initiatives to support collection.

## Pay gap UK 2021/22 at a glance

## Gender (employees)

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The mean gender pay gap is 10.4%, down from 11% in the previous year.

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The median pay gap is 24.5%, up slightly from 23.4% in the previous year.

### Gender (partner)

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The mean partner pay gap is down to 9.2%, an improvement of 15.9% since the last report.

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The median pay gap for this population is 16.7%, an improvement of 20.5%.

## **Ethnicity (employees)**

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The mean ethnicity pay gap is 2.4%, a decrease of 2.2% from last year.

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The median pay gap is 6.7% a decrease of 0.7%.

## **Sexual orientation (employees)**

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The mean pay gap for our LGBTQ+ population is 13.6%, up from 8.7% last reporting period.

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The median pay gap for this population has increased to 11.2% from -0.5%.

## Social mobility (employees)

This is the first time that we have reported on this set of data, therefore there is no comparison with last year.

Using the three categories of parents' employment at 14, we see a mean pay gaps as follows:

28.6% Professional and working

17,3% Professional and intermediate

13.7% Intermediate and working

## **Disability (employees)**

This is the first time that we have reported on this set of data, therefore there is no comparison with last year.

16.9% Employees

46.8% Employees and partners

# Employee gender pay gap

We are committed to the recruitment, retention and advancement of women in our business. In 2022, we have continued to focus on increasing representation of women at all levels through target setting, career and talent management programmes, and policies and initiatives that support more flexible and inclusive ways of working.

We are proud that our approach has seen us named as one of The Times Top 50 Employers for Women for the eighth time in ten years. Across EMEA we currently have 57%\* women in the workforce, which is in line with our global 40:40:20 target and 5% above the market average.

## **Career progression**

Our targeted leadership development for women includes coaching, mentoring, sponsorship, and programmes such as our award-winning Career Strategies Programme (CSP), which supports senior women aiming for partnership. We continue to promote more women to partnership than at any time in the past, with a more balanced approach to equality of pay. Our representation of women as of November 2022 was 31% of the EMEA partnership. In January 2022, 53% of partner promotions across EMEA were women.

**Top 50** 

Employers for women

53%

40:40:20

Global target matched

EMEA workforce

57%

EMEA female partner promotions Jan 2022

<sup>\*</sup>Accurate as of September 2022

## Pay and bonus gap

	2020/21 report		2021/22 report	
	Mean	Median	Mean	Median
Hourly pay	11.0%	23.4%	10.4%	24.5%
Bonus	53.4%	62.4%	47.3%	4.5%
Mean % change	-0.6% Hourly pay mean change		-6.1% Bonus mean change	

## Percentage of women and men recieving a bonus payment in the UK



**44.7%** 2020/21 report

**91.0%** 2021/22 report

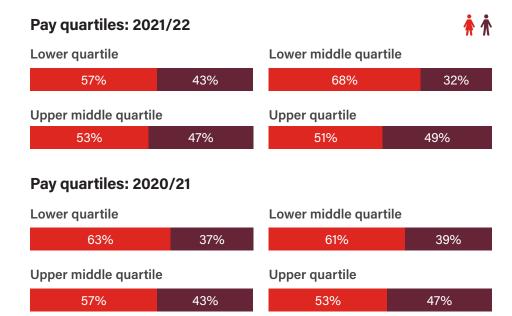


48.4% 2020/21 report

90.0% 2021/22 report

In 2022, the UK market remained exceptionally dynamic and competitive. Recognising this, we accelerated our annual compensation review for UK associates and provided an opportunity for salaries to be increased from September 1, 2022 where performance had met expectations. We also carried out an extensive benchmarking exercise for our business service staff salaries, taking into account economic factors impacting the cost of living. In addition, we added more roles into the business services bonus scheme as part of our commitment to working as one integrated business and in recognition of the contributions being made. Our bonus pay gaps this period have been positively influenced by a one-off 3% bonus payment made to colleagues in early 2022.

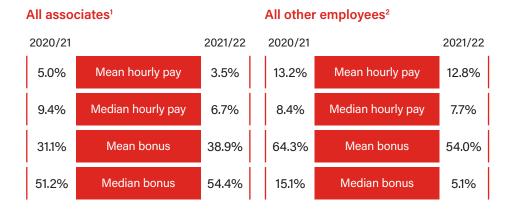
The methodology for calculating hourly pay includes taking an individual's gross salary amount after any reductions for salary sacrifice payments are made. Voluntary salary sacrifice schemes (e.g. pension, childcare vouchers, holiday purchase) therefore lower the hourly pay rate, where applied. Analysis shows that 58% of women were part of at least one salary sacrifice scheme in 2021/22 compared with 42% men and sacrificed 6% more of their pay, which may be a contributing factor to the outcome of lower hourly pay rates for women compared to men.



Our pay quartile data shows a more balanced representation of women and men in the upper middle and upper quartiles for this reporting period. We recognise there are more women in the lower and lower middle quartiles and that there is some work to do to continue to address this balance.

## Breakdown of data for associates and other staff

In addition to our statutory gender pay gap reporting, we have analysed the mean and median pay gap difference in hourly pay and bonuses split between associates and other employees.



11% of the population who received a bonus worked part time within the period being reviewed, with 94% of those being women. This means their bonuses were pro-rated in line with their working pattern and as a result will be lower than that of someone working full time.

<sup>1</sup> Includes all qualified lawyers below partner level

<sup>2</sup> Includes all business services and secretarial staff, knowledge lawyers, and trainee solicitors.

# Partner gender pay gap data

As with previous years we have used the same methodology to produce the mean and median 'pay' data for partners as we have for employees, noting that partners receive a profit share rather than 'pay'.

This analysis is based on UK partners only and includes all partners in management positions.

The data shows a significant reduction in mean and median hourly pay since our last report.

### **Partners**



## Combined employee and partner gender pay gap data

When we combine both employees and partners for the purposes of this report we see the following pay gaps:

## **Employees and partners**



## Ethnicity pay gap

We continue to make progress in meeting the goals of our ethnicity strategy, which was launched in October 2020, and has a key target of 15% of partners and 25% of the firm to be BAME in the UK by 2025. The annual BAME trainee recruitment target remains 25%, and now includes a target of 10% Black trainees. Our UK BAME representation as at April 5, 2022, was: 11% of the partnership (an increase of 2% from last year and 1.4% above the market average); 21% of all staff; and 32% of trainees. Within our managment committee, 36% of members are of BAME background.

Since 2021, our race and ethnicity disclosure rate has increased from 90% to 91%. Overall, we have seen a 24% improvement in race and ethnicity disclosure since our first pay gap report was published.

## Career progression and sponsorship

Our Career Strategies Programme (CSP) for Women is one of our leading and award-winning coaching programmes. We run two CSP BAME programmes – CSP for Black, Asian and minority ethnic lawyers below partner level; and most recently CSP for Black, Asian and minority ethnic business services professionals (launched in 2022). The purpose of CSP is to help address gender and ethnic diversity through the provision of a specialised talent identification and development programme which looks at the barriers to progression and retention of women and Black, Asian and minority ethnic professionals.

We hope that by embedding a culture of sponsorship for under-represented groups, we will continue to build on supporting our BAME targets and sustain a more diverse partnership pipeline at the firm.



The data shows that the mean ethnicity salary pay gap has decreased by 2.2% from last year. The median pay gap has decreased by 0.7%.

The mean and median bonus gap data show increases in pay gap, more significantly when reviewing the median bonus data. We will be looking closely at the reasons for this and using our learnings to help formulate a refreshed Diversity Equity and Inclusion strategy in 2023, which we hope will go further to help reverse these increases.

# Sexual orientation pay gap

We are committed to creating an inclusive environment where all our people can feel comfortable and can progress and develop their careers with us.

Over the past year, through continued discussions with the LGBTQ+ community at Norton Rose Fulbright, business-wide education programmes and the work of our Pride and Allies employee network, we have continued our work to strengthen and promote our commitment to LGBTQ+ inclusion. We have invited several speakers from the LGBTQ+ community to join internal events throughout the year, and celebrated Pride month in June by encouraging colleagues and allies around the world to share their experiences.

We have seen an improvement in our disclosure rates, from an initial 60% in 2018 to 80% last year. The increase in pay gap data could well be attributed to some leavers, given the population is relatively small, nevertheless we are committed to increasing this figure so that we have the complete pay gap picture. More data will give us the insights we need to formulate a clear set of actions for this population, as part of our refreshed DE&I strategy in 2023.



# Social mobility pay gap

We want everyone, regardless of their background or experience, to have the opportunity to fulfil their potential. For the first time in this report, we are including data on social mobility, in an effort to identify any barriers to career progression amongst those with lower socio-economic backgrounds.

We launched a new employee network, Advance, to champion social mobility in 2021. Advance's mission is to help the firm widen access to more socio-economically diverse talent, and foster an inclusive environment. The network also seeks to raise awareness of social mobility issues and to encourage employee participation in social mobility schemes and volunteering opportunities, as well as aiming to influence a wider approach to social mobility through cross-industry collaboration. Through the work of Advance, we endeavour to improve our social mobility pay gap over time.

In October 2022, 52% of staff completed our social mobility survey. The respondent representation shows a 1% difference when compared to UK representation against BAME, gender and sexual orientation, therefore we can deem it representative. However, as with all our pay gap data, we will work to build on this initial strong foundation and increase the response rate going forward.

Our method for assessing socioeconomic background is based on that shared by the Social Mobility Commission, which is, grouping the question relating to parents' occupation at 14 into three categories. The Social Mobility Commission define each category as 'professional,' 'intermediate' and 'working.'

Some general examples of parental occupations which fall into these categories given by the Social Mobility Commission:

Professional	Intermediate	Working
Teacher, nurse, solicitor,	Secretary, call centre	Plumber, electrician,
scientist, accountant,	agent, nursery nurse,	train driver, security
police officer.	small business owner, restaurant manager.	guard, caretaker, farm worker, cleaner.

Mean hourly pay	Employees	Employees and partners
Professional and working	28.6%	44.5%
Professional and intermediate	17.3%	27.5%
Intermediate and working	13.7%	23.5%

## Disability pay gap

As part of our diversity survey in 2022, respondents were also invited to indicate whether or not they had a disability and of the 52% response rate, 4% said 'yes.' This is the first year we have reported our disability pay gap. We have deemed the data as representative but will strive for a greater response rate in future reports to ensure the data shows the fullest possible picture of our current pay information.

As a Disability Confident Leader, we ensure that we support our people by enabling them to work in a way that suits them. Through our Tailored Workplace Adjustments Passport, our people are able to facilitate conversations with managers and supervisors that help them implement the adjustments they may require as a result of a disability, condition, or neurodiversity. Adjustments are available to all applicants at every level.

We endeavour to embed disability inclusion at every stage of the employee lifecycle, however, we are aware that there is room to grow given our disability pay gap and we will be considering how we can further improve our offering through our recruitment practices, pay conversations and progression discussions.

## Disability pay gap data



## 2023: Action steps

The data, analysis and targets set out in this report provide clear goals for the business to aim for, as well as helping us formulate inclusive people and reward strategies. Whilst we have seen significant improvements in pay gap data in some areas, we recognise that closing all pay gaps across all demographics is a journey. Below we outline some of our key priorities and initiatives for the coming year, designed to help create a more complete pay gap picture and to give us the tools we need to develop and implement a re-focused Diversity Equity and Inclusion strategy for the whole business.

## Our reward and performance strategy

We periodically review our reward strategy to ensure it remains competitive and that our pay and bonus schemes are operating in an inclusive way. We set appropriate pay budgets and adjust pay using a number of metrics, personal performance and a peer review. During our performance review windows, there are regular opportunities to provide developmental feedback. In 2022, we introduced new metrics to support objective decision-making for salary and bonus payments and, overseen by the management committee, continue to moderate outcomes across the firm for consistency. Changes have been made to the calculation of the associate bonus scheme, which is now payable in two parts throughout the year. We have also adjusted our metrics to better support colleagues returning from periods of family and carer leave. The number of value-add hours included in the bonus scheme has increased from 100 to 125, in order to recognise associates' contribution to activities such as DE&I and pro bono work (supported by our approach to resource management to ensure equitable and appropriate work allocation).

In 2023, we aim to achieve even greater transparency regarding our reward strategy with the introduction of new systems and internal communications.

## Managing and developing careers

We recognise that visibility and access to opportunities is crucial to ensuring we make progress against our career management and development targets. Through our People and Culture business partner and resource management teams, we support people's development and provide access to equitable work opportunities, using a data-driven approach of monitoring hours. By removing unconscious bias from resourcing decisions we dramatically improve decision-making and promote transparency during matter assignment.

The firm has an intuitive business forecasting and skills management system, Vantage, which is designed to put fee earners in control of managing their capacity, to advertise their professional experience and to define areas in which they seek to develop. In October 2022, we launched the Vantage Opportunities Board. This allows all EMEA fee earners to search and apply for firm-chargeable work opportunities, including some secondments, providing increased visibility of what is available and giving individuals greater autonomy on the nature of their work. Such opportunities support fee earners in reaching utilisation targets and count towards the 125 bonus hours allowed each year.

Our early careers website has been refreshed in 2022 to improve access to law careers, with a virtual work experience and apprentice and business graduate schemes available. Whilst our vacancies are openly available to view and apply, in 2023 we intend to provide even more clarity with a refreshed career framework to support internal opportunity and progression.

In line with the broad post-pandemic trend, we have continued to trial hybrid working across the business. We recognise that this approach creates a work/ life balance that our people value, promotes good mental health and provides flexibility for our people including our working parents and carers. In 2023, we will be further reviewing our policies and approach for wellbeing, families and carers to ensure they take account of the needs of our people and to ensure we are able to attract, retain and support talented individuals with different career needs.

## **Social mobility**

We are proud to support our UK employee network, Advance, launched in 2021 with a mission to help the firm widen access to more socio-economically diverse talent. Our Managing Partner is part of the City of London Socio-Economic Diversity Taskforce and we are supporting its action plan to focus on social mobility in the UK.

We recognise that access to the legal profession can be affected at different times and we therefore intervene at different ages and stages to ensure we are maximising our impact. Our partnerships with social mobility-focused organisations, local schools, colleges and universities allow us to engage in critical employability-focused initiatives to upskill the next generation and feed in to our recruitment pipeline. Next year, we plan to continue this key work by hosting sessions for individuals from social mobility cold spots and developing our flagship social mobility programmes:

### **PRIME**

This is an alliance of law firms and legal departments across the UK which have committed to opening access to the legal profession to a broader spread of our population. As a founding member, we offer a combination of work experience and interactive workshops to young people from under-represented backgrounds, who might otherwise not have the opportunity to access a legal career or experience in a corporate environment. To date, over 120 students have taken part in this programme. In 2023, we will continue to invest in young people from under-represented groups in the areas surrounding our two UK offices, London and Newcastle. We hope to inspire the students to continue their journeys with us following their PRIME work experience by engaging with our apprenticeship and Scholars programmes.

### **Scholars**

The Norton Rose Fulbright bursary launched in 2021 with the aim of removing financial barriers to the legal profession and providing those who aspire to a career in law access to the resources and connections they need. In 2022, our first cohort of Scholars engaged in a comprehensive programme designed to develop key employability skills and provide industry specific insights, which will support their application and progression to key work experience programmes and training contracts. To date, ten students have been awarded the bursary and two have gone on to secure places on our early careers programmes. Many have taken up places at our peer firms, something we consider to be a positive achievement within the social mobility agenda. In 2023, we will welcome our next cohort of Scholars and a key objective will be to look at the conversion rate of Scholars to Norton Rose Fulbright programmes.

## Mentoring and reverse mentoring

The EMEA mentoring scheme, launched in September 2021, continues to give all colleagues across the EMEA network support and guidance on diversification, development and progression from experienced, senior professionals at the firm. Additionally in 2022 we have adopted reverse mentoring to share experiences and encourage learning and insight-led actions that will promote better diversity, equity and inclusion across the whole firm. Our listening strategy will further influence and enhance our culture programme of work for 2023.

## Promoting an inclusive culture: Our DE&I strategy

Education and awareness-raising are central to our Diversity Equity and Inclusion approach. In 2023 we will be reviewing our DE&I strategy to align with a new programme of work committed to developing our inclusive culture. We know that talking about difference in the workplace will be new for many, meaning there might be discomfort, mistakes and false starts for some, but it is only by building organisational confidence to have honest conversations, to listen and be heard that we can understand and remove the barriers facing people from under-represented groups. Across the firm, our colleague network groups share the aims of building awareness, providing development and networking opportunities, supporting business development and profiling role models and experiences. We will continue to engage our people, who are at the heart of our business, on the cultural changes we are driving which we believe will positively impact our diversity, equity and inclusion agenda and our pay gaps.

## NORTON ROSE FULBRIGHT

Norton Rose Fulbright is a global law firm. We provide the world's preeminent corporations and financial institutions with a full business law service. We have more than 3500 lawyers and other legal staff based in Europe, the United States, Canada, Latin America, Asia, Australia, Africa and the Middle East.

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