

## Annual Pay Gap Report 2022

May 2023

Diversity and inclusion is at the very heart of who we are – as a firm and as individuals. For us, inclusion is about creating an environment where everyone can enjoy what they do and perform at their best, in the knowledge that they will be treated fairly and with respect, no matter who they are. This belief runs deep in our firm culture.

Creating and maintaining a diverse and inclusive environment doesn't happen by chance. It needs consistent effort and targeted plans, to reduce opportunities for bias and ensure people from all backgrounds can thrive.

We take this very seriously and know that we could always be doing more. That's why we launched our global D&I strategy '*In all that we do*' last year – to focus our efforts, make sure we are deliberate in our actions, and global in our approach.

We have identified a number of global diversity 'pillars' within our strategy, one of which is gender balance. Our goal is to improve the retention and progression of women, particularly at leadership and Partner levels, and ensure all genders are supported to reach their full potential.

Pay gap reporting remains a valuable tool in this regard, helping us to understand what drives any imbalances across our organisation.

Our gender pay gap has been fairly static over the past few years, and this year the shifts have again been marginal. Last year we reported on our ethnicity pay gap for the first time, and this year we are pleased that both the mean and median figure have reduced.

Both our gender and ethnicity pay gaps are predominantly driven by lower representation of

women and ethnic minorities at leadership levels. In addition, for our gender pay gap, we have a higher proportion of women in secretarial and junior business support roles, which predominantly fall within our lowest pay quartile – although we have seen an increase year on year in the upper pay quartile.

Representation is improving at more junior levels, so our focus needs to be on retaining and progressing our under-represented talent, to ensure we're address the imbalances at leadership levels. Change takes time, but our London Management Team remain focused and committed to ensuring Bird & Bird is a firm where talented people can thrive, regardless of gender or ethnic background.

**Phil Sherrell**  
Partner  
Head of London



**Zoe Feller**  
Partner  
Chair D & I Committee  
London Management Team



**Elizabeth Lang**  
Partner  
Chair D & I Committee



**Andrea Pankhurst**  
Head of Human Resources  
UK



## Statement of Accuracy

We confirm the data reported here is accurate and meeting the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

## Definitions and methodology

### What is a Pay Gap?

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 require all employers with 250 employees or more to publish data on their gender pay gap.

A pay gap is the difference between the average hourly pay of men and women across an organisation, expressed relative to men's earnings. This is not the same as equal pay - equal pay means that men and women in the same or similar role and performing equal work will receive equal pay. We are confident that men and women performing the same or a similar role receive equal pay.

**Pay Gap Reference Period:** The snapshot date for the pay gap is 5 April 2022. As we pay monthly, the reference period for this report is April 2022 and includes pay after deductions for salary sacrifice benefits for all employees and salaried partners. Those who received reduced pay during this period (for example those on family leave) have been excluded as per the regulations.

As equity partners are remunerated differently and there is no statutory guidance on how to calculate the pay gap for partners (reporting on partner pay is not a statutory requirement), we have used each partner's entitlement to profit share for the 12-month period up to and including April 2022.

**Bonus Gap Reference Period:** Includes bonus payments made within the 12 months up to the snapshot date of 5 April 2022. In accordance with the Regulations, we have calculated our gender bonus gap using actual bonuses paid to employees working part-time rather than full-time equivalent amounts. Using these full-time equivalent figures instead reduces the mean from 37.0% to 34.5% and makes no difference to the median pay gap.

**Mean:** The difference between the average rate of hourly pay or bonus for men and the average hourly rate of pay or bonus for women. The average is calculated by adding up all values and dividing the result by how many values were in the list.

**Median:** The difference between the 'middle' rate of hourly pay or bonus for men and the 'middle' rate of hourly pay or bonus for women, when listing all numbers in numerical order. If there is an even number of results, the median will be the mean of the two central numbers.

**Ethnicity Pay Gap:** There is no statutory guidance (reporting on ethnicity pay gap is not a statutory requirement) on how to calculate the pay gap. We have compared average pay for employees identifying as from an ethnic minority background to determine our ethnicity pay gap. Those who have chosen not to disclose their data have been excluded from the calculations.

## Statutory Reporting

### Employee Pay Gap Figures

Year	Mean	Median
2022	17.2%	39.1%
2021	21.6%	38.0%
2020	20.4%	39.2%

We were pleased to see the mean reducing slightly, although the median is fairly static over the past 3 years. Overall, we have more women than men (63:37 compared to 60:40 last year) but proportionately more men in the upper pay quartiles, however this is gradually reducing. In the reference period we also excluded 18 women from the calculation and 6 men due to parental leave. However, adding these exclusions back into the figures makes a very small difference to the figures e.g., the mean pay gap is 17.18% rather than 17.24%.

### Employee Bonus Gap Figures

Year	Mean	Median
2022	37.0%	50.0%
2021	34.3%	33.3%
2020	43.0%	58.0%

**38% of men received a bonus compared to 44% last year. 37% of women received a bonus compared to 32% last year.**

We have awarded 141 bonuses to women (last year 113) and 84 to men (last year 96). It is disappointing to see that the mean has increased marginally due to us having more men in the upper pay quartiles.

## Pay Quartiles

Year	Lower Men	Lower Women	Lower Middle Men	Lower Middle Women	Upper Middle Men	Upper Middle Women	Upper Men	Upper Women
2022	23.6%	76.4%	29.4%	70.6%	47.9%	52.1%	49.3%	51.7%
2021	20.1%	79.9%	33.8%	66.2%	51.5%	48.5%	53.4%	46.6%
2020	28.1%	71.9%	31.1%	68.9%	48.9%	51.1%	55.6%	44.4%

We continue to have more women in lower quartiles, but we have seen an increase year on year in the upper pay quartile.

We have a higher proportion of women in secretarial and junior business team roles, which predominantly fall within our lowest pay quartile. While these roles are competitively rewarded by reference to the market, the fact that so many of them are held by women has the effect of reducing the average pay and bonuses of women in our firm.

## Voluntary Reporting

### Associate Pay Gap

Year	Junior		Mid-Level		Senior	
	Mean	Median	Mean	Median	Mean	Median
2022	1.9%	1.3%	-0.2%	-1.0%	-1.9%	-1.1%
2021	0.6%	-0.8%	-2.4%	-0.8%	-1.2%	-1.6%
2020	0.7%	0.7%	-0.2%	-0.1%	2.8%	2.9%

**Associate pay gap remains evenly split when we break it down by grade.**

### Partner Pay Gap

Year	Mean	Median
2022	-10.8%	3.6%
2021	-7.9%	15.6%
2020	-11.7%	-3.0%

The percentage of women partners remained static. The mean gap is still in favour of women, which is unusual for the sector, but the median is now in favour of men. As we see the impact of our initiatives to increase numbers of women partners, particularly internal promotions, this will continue to affect the pay gap as the proportion of newly promoted women increases. With pay for all newly promoted partners in their first few years lower than senior partners retiring, initiatives to increase numbers of women partners are likely to see the gap get worse before it improves in the short term.

## Combined Employee + Partner Pay Gap

Year	Mean	Median
2022	50.1%	50.9%
2021	47.6%	49.1%
2020	44.1%	49.2%

Having more men than women partners is the main contributor to the combined pay gap and as commented above we are taking positive steps towards addressing this, although we recognise that it may take several years for these initiatives to have a positive impact on the pay gap.

## Ethnicity Pay Gap

Year	Mean	Median
2022	6.1%	11.5%
2021	11.8%	20.6%
2020	15.5%	22.4%

In line with our commitment to increase representation of people from ethnic minority backgrounds at all levels in the firm, we are voluntarily reporting ethnicity pay gap data. We rely on our people voluntarily to provide their ethnicity data and 86% of our people have done so. Of that population, 19% (14% last year) identify as being from an ethnic minority background. Because this number represents a relatively small number of staff even small changes to this group can cause a significant change to the overall mean and median ethnicity pay gap figures. However, we are pleased to report this year that both the mean and median figure have reduced. We are unable to report on our partner ethnicity pay gap as our voluntarily supplied data is not a large enough sample to report on. We hope to be able to report on this in the future.

## *Key Actions to address the pay gap*

### Improving gender balance

**The Mansfield Rule** – in 2021 we became one of the first firms to participate in the Mansfield Rule Certification pilot programme in the UK, an active step towards boosting diversity across our recruitment, promotion, and leadership. In order to achieve Mansfield certification, we must affirmatively consider at least 30% women, lawyers from underrepresented racial/ethnic groups, disabled lawyers, and/or LGBTQ+ lawyers for 70% or more of the following: equity partner promotions, fee earner hiring searches and openings, appointment to practice/sector group and office head leadership positions, election or appointment to Management, Executive & Strategic Committees and/or Board level, election to Chairperson, and participation in formal client pitches. We achieved Mansfield Certification in 2022 and are now participating in Mansfield Rule UK 2.0, and reviewing steps to implement Mansfield principles across Business Services recruitment.

**Global Women's Development Programme (GWDP)** – launched in 2016, the GWDP is designed to help retain high-performing women associates, develop a global network of women across the firm, to encourage more role model behaviour and most importantly, inform us as a firm of any gender specific barriers to progression. It has had an immediate impact on career results, with 40 who have attended being promoted either to partner or counsel globally.

**Reignite Academy** – we are members of Reignite Academy, who provide support to women interested in returning to work after long term career breaks. We have worked with them to successfully place candidates who are looking for a new challenge after taking an extended time out of the legal industry.

## Improving representation and retention of ethnic and racial minorities – key actions

**Legal CORE** - we were one of the first law firms to sign up as members to Legal CORE, which launched in 2021. Their mission is to increase the representation of Black, Asian and minority ethnic individuals in private practice. We will be taking part in a number of their events across this year.

**10,000 Black Interns** – in 2022, we welcomed our first intern through the 10,000 Black Interns programme, which seeks to offer 2,000 internships over the next five years across a range of different industries. As part of this initiative, interns complete a six-week paid programme of work experience, which includes two weeks alongside our summer vacation students. This year, we are delighted to confirm that we have offered three interns to join us as part of this programme.

**Embrace** - our multicultural employee-led network supports and celebrates the multicultural experience within the firm, raising awareness of cultural and historical moments of importance (such as Black History month) and giving back to multicultural communities through community engagement and assisting with diverse and inclusive recruitment to the firm. The network won The UK Diversity Legal Awards 2019 for Outstanding BAME Employee Network.

**The Halo Code** - in 2021, we adopted the Halo Code, the UK's first Black hair code, aiming to tackle afro-hair discrimination in schools and the workplace.

**Race Fairness Commitment** - we are signatories of the Race Fairness Commitment, which strives for racial equity within legal organisations through removing barriers to recruiting, retaining, and promoting ethnic minority talent, including a commitment to ending racial pay disparity.

**Race at Work charter** - we are signatories of the Race at Work charter, established by Business in The Community, which outlines seven key actions to amplify your commitment to improving quality of opportunity in the workplace.

## Driving inclusive recruitment

**Contextualised recruitment** – we introduced the Rare Recruitment Contextual Recruitment System (CRS) in 2018 and this is used by the Early Careers team. The Contextual Recruitment System delivers two outputs to employers: flags to measure disadvantage, and a Performance Index (PI) to measure outperformance against students at the same school. Since its launch in 2015, the System has processed over 100,000 applications. Firms using the system see an uptick of 50% in the number of people they hire from disadvantaged backgrounds. We are reviewing other solutions to monitor and improve our lateral recruitment processes.

# Thank you

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