

**Baker
McKenzie.**

Gender and Ethnicity Pay Gap Report

Snapshot: 5 April 2021



Introduction

Our latest Gender and Ethnicity Pay Gap Report was assessed at the height of the COVID-19 pandemic, in April 2021. It was a time of national lockdowns, schools gradually reopening after months of closures, and employees being asked to work from home.

It's widely acknowledged that nationally the pandemic has not improved the career opportunities, workplace experiences or pay parity of women and other under-represented groups. In fact, [progress in the UK went into reverse](#): the national gender pay gap grew from 14.9% in 2020 to 15.4% in 2021.

But at the same time, the pandemic has given people a sense of solidarity and connectivity with those facing different circumstances from their own. Other world events, such as the #MeToo and Black Lives Matter movements, and more recently, the conflict in Ukraine, have had a similar effect over the past few years. It has also ushered in new, hybrid working patterns, which offer people more flexibility in how they balance the demands of their jobs and their home lives.

At Baker McKenzie, we're committed to transparency, and a continuous, constructive dialogue about the pay gaps affecting women and ethnic minority groups.

We continue actively to promote diversity, inclusion and equitable outcomes which we know is not only vital to our sustained global success, and for our people, but is also a priority for our clients. And we're developing a hybrid working strategy, to harness and retain the best of the new practices that emerged during the pandemic – for our people, our clients and the Firm.

This report summarises the key findings from our analysis of pay gaps at Baker McKenzie during the year to 5 April 2021. It's a snapshot in time, which offers essential insight as we shape our approach to moving the I&D (inclusion and diversity) dial.

We know that significant change will take time to embed. But we're continuing to make systemic improvements, and we believe we're moving in the right direction.



Ed Poulton
London Managing Partner



Sarah Gregory
Inclusion and Diversity Partner



Our strategy

Our aim is to make Baker McKenzie a truly inclusive place to work, through a holistic approach. Our strategy sees us embedding equity in our systems, policies and practices; and strengthening the experience of all of our people, enabling them to bring their authentic selves to work and thrive.

We're designing solutions which are crucial to building out the success of our I&D strategy, that can be deployed fairly and equitably throughout the business. These aim to ingrain culture and behaviour change from the top down, overcome bias and instil new ways of working.

Our I&D strategy is designed to embed inclusion in to the key touchpoints of the employee lifecycle, client engagement and business operations, including:

- talent attraction, recruitment and retention
- employee reward, development and progression
- culture, employee and client experience
- relationships with our suppliers
- Leadership and accountability.

We're determined that inclusiveness at Baker McKenzie embraces a wide range of identities and characteristics – including: age, sex, caring responsibilities, disability, gender identity and expression, neuro diversity, race, religious belief, sexual orientation and socio-economic background.

We realise that meaningful and lasting change can't happen overnight. The measures we're implementing will take time to have an effect. But we're confident that they'll bring about real progress.



How we're building a truly inclusive culture

At Baker McKenzie, we understand the value of diversity data and have over a number of years worked with our people to help them feel comfortable sharing their personal information with us. The anonymised analysis drives insight into our strategy and measures our impact and experiences of our people.

Our I&D measures include:

Leadership

- Embedding our workforce and inclusion strategies into leadership training.
- Updating our people plans for all teams – to include actions that:
 - build in leadership accountability
 - support diverse talent
 - help achieve our workforce inclusion targets
 - address any under-representation identified in our diversity data.
- Strengthening our global sponsorship initiative, Leaders Investing for Tomorrow (LIFT). More than 130 female leaders have benefitted from LIFT, many of them taking on partnership or other senior roles with us.

Talent

- Applying a blind recruitment process at graduate level so that certain characteristics are not visible to decision makers.
- Renewing terms with agencies and head-hunters for senior hires. Our new terms stipulate a focus on diversity – for example, by requiring:
 - diverse candidate long lists
 - retained searches and market-mapping (rather than speculative approaches) to identify diverse talent
 - regularly reviewing our pipeline with a diversity lens to make progress towards our targets for representation in leadership positions.
- Running our series of virtual Specialist Open Days for potential trainee solicitors. These have focused on wellbeing and disability, socio-economic diversity, LGBT+, race and female talent. The events feature interactive workshops, practice overviews, application tips, and networking opportunities with partners, associates and trainees.

Culture and processes

- Nominating more than 50 Inclusion Champions, who act as a listening ear for our people on I&D issues.
- Actively supporting our diversity affinity networks: BakerEthnicity, BakerLGBT+, BakerOpportunity, BakerWellbeing and BakerWomen. These promote awareness of the challenges minority groups face at the firm so that we can work to remove these.
- Encouraging cooperation between these networks to deepen understanding of intersectional identities.
- Running diversity-related campaigns including:
 - HeForShe – encourages male colleagues to advocate for parity for women
 - Colour Brave – aims to break down discomfort when discussing race and listening to the challenges faced by our Black, Asian and minority ethnic staff.
- Carrying out regular sessions with suppliers and recruiters to:
 - update them on our I&D strategy and requirements
 - deliver insights in response to their requests for their own learning and development.

Learning and development

- Applying an inclusion lens to key HR processes, to mitigate any bias in:
 - recruitment
 - performance evaluation
 - remuneration
 - development
 - promotion.
- As part of the regular performance review and salary and bonus process, we undertake a further analysis by sex and ethnicity to ensure that the decisions being made are fair and align to our inclusion strategy. We recognise the importance of this continuous review during the course of the year and do not focus solely on the time periods for the gender pay gap reporting, as the contemporaneous reviews allow for more meaningful outcomes. We are a global firm, with a globally mobile workforce; and it makes sense for us to incorporate additional analysis with this inclusion lens.

Clients

- With clients, we engage on a range of diversity topics and collaborate on initiatives such as Return-ity and the Business Development talent incubator.
- We hold a regular series of events on [Inclusion and Diversity](#) in order to share best practice

Gender and ethnicity aspirational targets

- We are focused on increasing diverse representation among our lawyers and professionals at the most senior levels of the Firm, and are setting clear, measurable targets to hold us accountable for advancing toward our inclusion goals.
- In 2019 we enacted first-in-kind global 40:40:20 gender targets by July 2025. The targets, which represent 40% women, 40% men and 20% flexible (women, men or non-binary persons), apply to partners, senior business professionals, committee leadership and candidate pools for recruitment to these roles. Significantly, the targets 1) transform aspirational goals into measurable outcomes; 2) provide specific mechanisms to ensure management accountability and 3) are inclusive of non-binary individuals.
- We launched our ethnicity workforce targets aimed at 14% across all levels and specifically for leadership and partner populations. We analyse our data across the main census groupings to understand the levels of representation and identify targeted measures to address the specific and unique challenges faced by Black and Brown communities.

Snapshot data for London (as of January 2022)

OFFICE BREAKDOWN

| Job Category | Female | Male | Non-Binary |
|----------------------|------------|------------|------------|
| Partners | 29% | 71% | 0% |
| Associates | 56% | 44% | 0% |
| Other Fee Earners | 63% | 37% | 0% |
| Trainees | 71% | 29% | 0% |
| Business Services | 61% | 39% | 0% |
| Secretarial Services | 93% | 7% | 0% |
| Grand Total | 60% | 40% | 0% |

ETHNICITY DATA

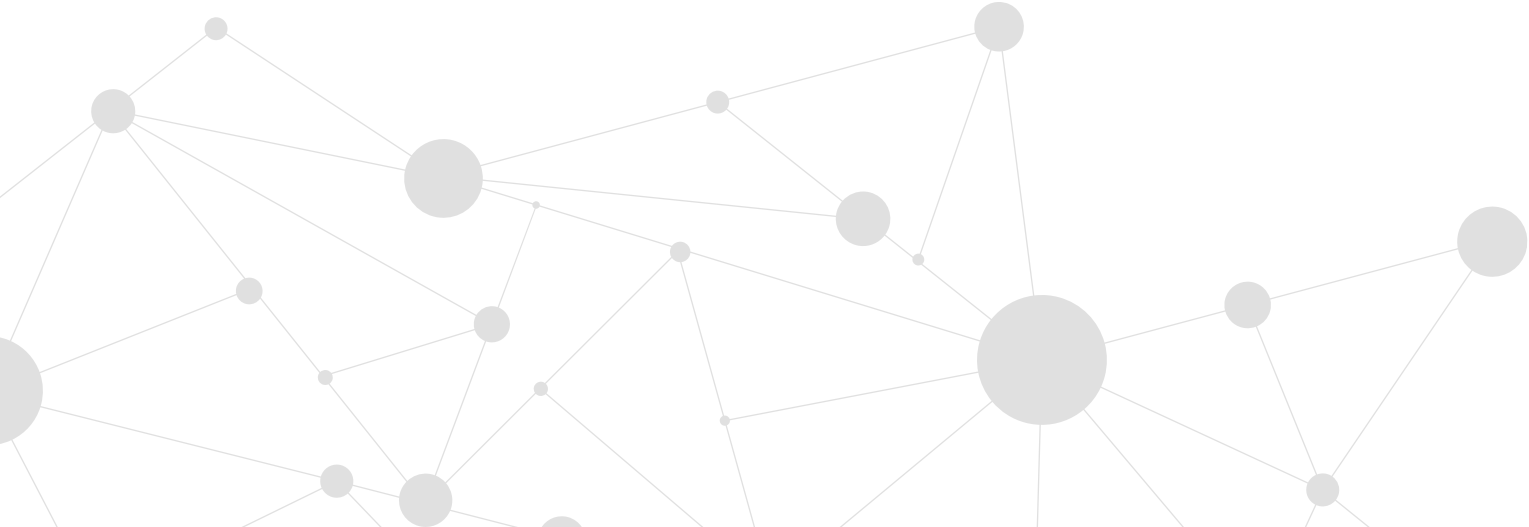
| Job Category | Asian/ Asian British | Black/African/ Caribbean/ Black British | Mixed/ multiple ethnic groups | Other ethnic groups | Total Ethnic Minorities | White | Prefer not to say | Unknown |
|----------------------|-------------------------|-----------------------------------------------|-------------------------------------|------------------------|----------------------------|------------|----------------------|------------|
| Partners | 3% | 1% | 2% | 1% | 7% | 83% | 2% | 9% |
| Associates | 11% | 1% | 6% | 1% | 20% | 69% | 2% | 9% |
| Other Fee Earners | 10% | 0% | 3% | 1% | 14% | 62% | 6% | 18% |
| Trainees | 16% | 3% | 0% | 1% | 20% | 62% | 3% | 14% |
| Business Services | 9% | 5% | 3% | 1% | 18% | 69% | 1% | 11% |
| Secretarial Services | 2% | 5% | 3% | 2% | 12% | 86% | 1% | 2% |
| Grand Total | 9% | 3% | 4% | 1% | 16% | 72% | 2% | 10% |

Supporting agile working

Since the onset of the pandemic, we've gone above and beyond to maintain an inclusive environment while people work from home. We're taking an agile, open-minded approach to where our employees work, which prioritises output over location.

bAgile is our agile working policy, introduced in September 2021, and designed to meet employees' and clients' needs in the hybrid working era. It allows staff to work in more flexible ways and strike a better work-life balance. And it brings our communities together as they adopt different working hours and arrangements.

At the core of bAgile is a 2+2+1 working pattern. This allows most staff to work two days a week in the office, and two from home. For the remaining day, they can work from either location, depending on their needs, and those of their clients or other stakeholders.



Gender and ethnicity pay gap

A pay gap is the difference in average hourly pay between employees within an organisation, for instance with regard to their sex (NB the male/female pay gap), or between all white and all ethnic minority employees. It's not a measure of equal pay, which looks at the rates paid to different employees for the same (or comparable) roles.

Our graphics show both the **mean** (average) gaps for pay and bonuses at Baker McKenzie; and the **median** figure (the middle value within the range of hourly earnings). A positive pay gap figure means that average hourly earnings for men are greater than those for women, or a negative figure means the reverse.

Key findings

Our gender and ethnicity pay gaps reflect the fact that, like most law firms, we have:

- fewer women and people from minority ethnic backgrounds who are partners or in other senior roles
- a higher proportion of women in business support and administrative roles
- a higher proportion of female than male employees in part-time roles, which affects the gender bonus gap.

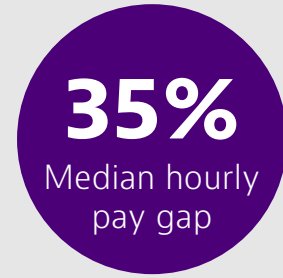
Gender pay gap

Employees

Employee pay gaps refer to all non-partner employees.

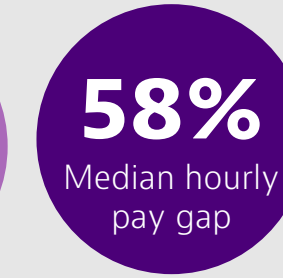
Pay Gap

EMPLOYEE **PAY GAP**



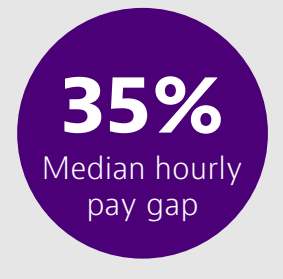
Bonus Gap

EMPLOYEE **BONUS GAP**



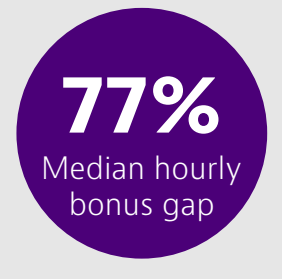
All Staff Pay Gap

PARTNER + EMPLOYEE **PAY GAP**



Bonus Gap

PARTNER + EMPLOYEE **BONUS GAP**



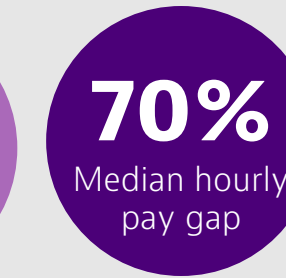
Partners

Though it's not a statutory requirement, we also publish pay gap data for our partners each year.

Partners are remunerated in a different way from employees, so the figures in these charts are for the full financial year, rather than a snapshot in time. 'Pay' refers to non-discretionary partner profit, while 'bonus' means discretionary partner profit.

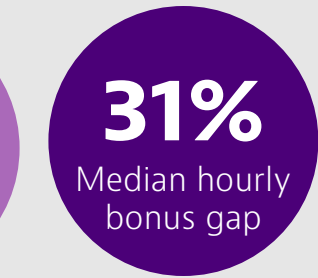
Pay Gap

PARTNER **PAY GAP**



Bonus Gap

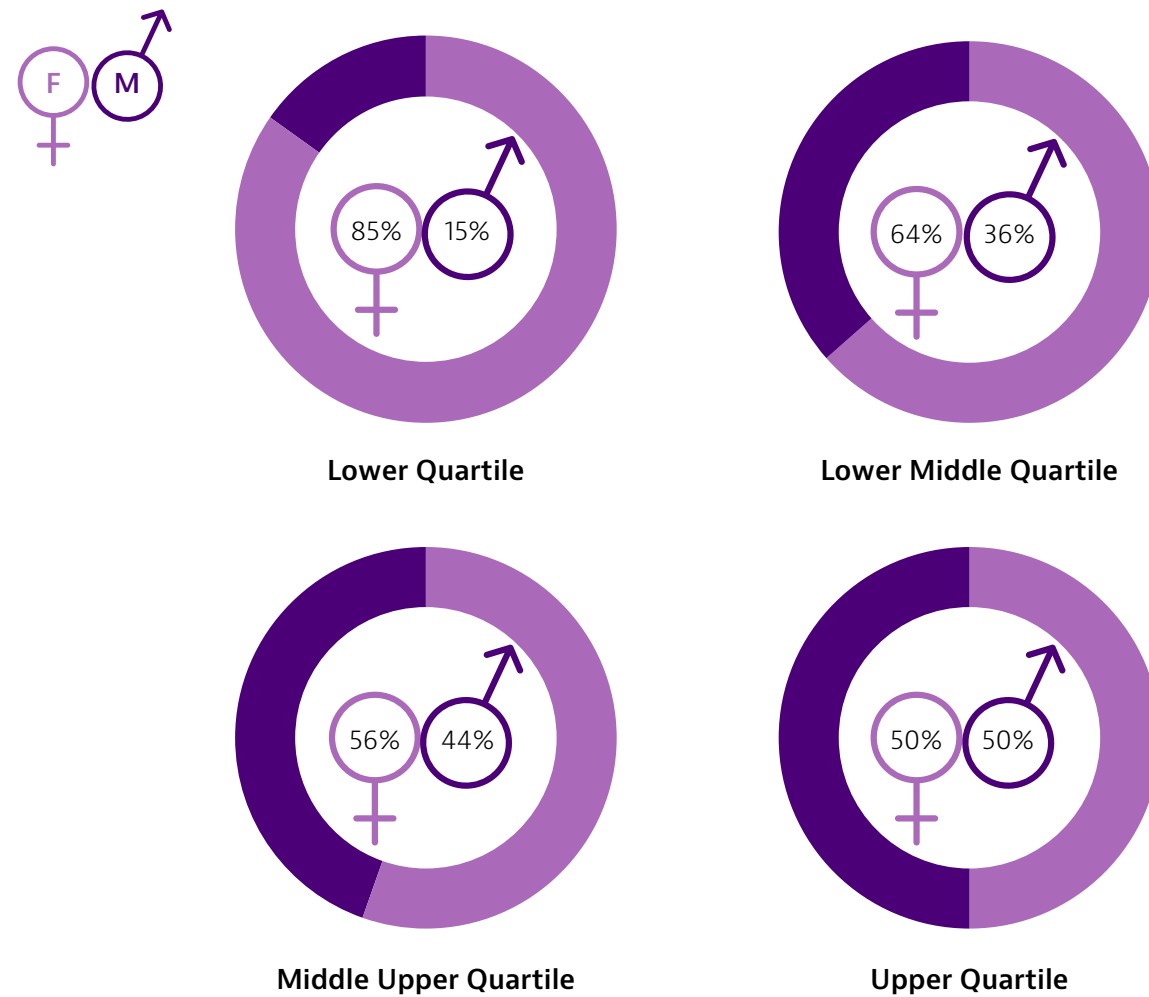
PARTNER **BONUS GAP**



Pay gap based on salary quartiles

These quartiles show the mean gender pay gap according to the range of employee salaries.

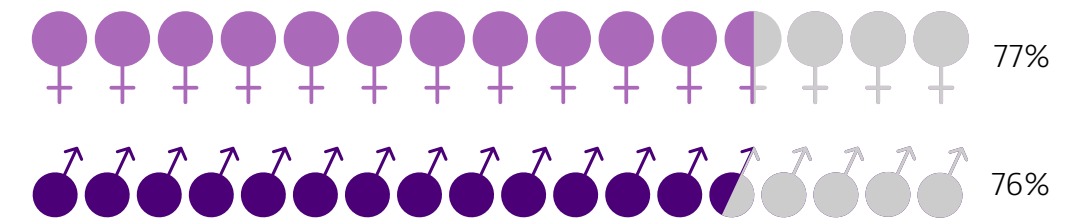
PERCENTAGE OF WOMEN VS. MEN IN EACH QUARTILE:



Percentage of employees receiving a bonus

The figures show below the percentage of men and women who were awarded a bonus.

PERCENTAGE OF EMPLOYEES RECEIVING A BONUS



Ethnicity pay gap

The charts in this section show combined data for employees from all Black, Asian and (non-white) minority ethnic backgrounds. Although we recognise the terms 'ethnic minority' and 'BAME' are used across the industry to collectively describe the experiences of Black and Asian people, we understand that this is not a homogenous group with one experience. Therefore our preference is to speak specifically of the shared experiences of Black and Asian communities, whilst recognising the various nuanced experiences for specific ethnic groups.

We also analyse the pay gaps for specific ethnic categories, to inform our inclusion strategy and monitor its impact. However, given the small sample sizes for these specific groups, publishing the findings risks privacy implications.



Ethnicity pay gap

Employees

Employee pay gaps refer to all non-partner employees.

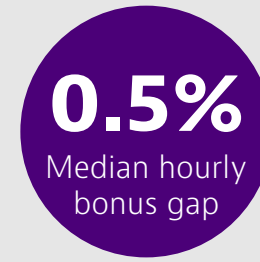
Pay Gap

EMPLOYEE **PAY GAP**



Bonus Gap

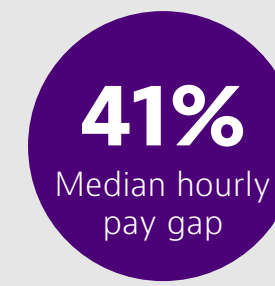
EMPLOYEE **BONUS GAP**



Partners

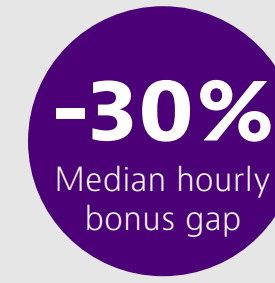
Pay Gap

PARTNER **PAY GAP**



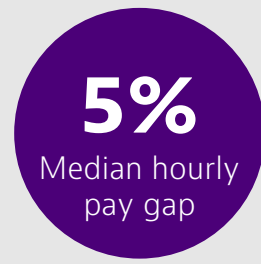
Bonus Gap

PARTNER **BONUS GAP**



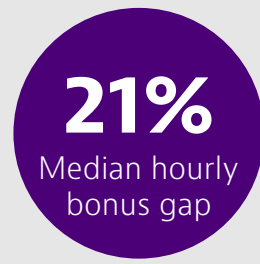
All Staff Pay Gap

PARTNER + EMPLOYEE **PAY GAP**



Bonus Gap

PARTNER + EMPLOYEE **BONUS GAP**



Our observations

Like many legal firms, we employ more women than men in secretarial and administrative positions. Through industry benchmarking, we know that these roles are competitively rewarded; but they do tend to sit in the firm's lower pay bands. We're committed to achieving a more balanced spread of seniority between our male and female staff.

We're pleased to report negative pay gaps for disability and sexual orientation – though the data samples for these groups aren't large enough for publication. For the same reason, we have published our overall ethnicity pay gap.

Our inclusion strategy continues to support all these groups as well as employees from different socio-economic backgrounds. And we're gathering deeper data relating to such backgrounds from our employees. For example, we're asking more measurable socio-economic questions on our employee portal, and have set a 90% target response rate. Once we have this data we will look to include pay gaps for this group in future reports.

Overall, we are making progress, although the improvements we've made aren't consistent for all groups, and we know that we have more work to do. We've set ambitious goals, and will ensure that that our approach is targeted, and actioned at all levels of the Firm. That's how we intend to close pay gaps at Baker McKenzie over time.



Baker McKenzie helps clients overcome the challenges of competing in the global economy.

We solve complex legal problems across borders and practice areas. Our unique culture, developed over 65 years, enables our 13,000 people to understand local markets and navigate multiple jurisdictions, working together as trusted colleagues and friends to instill confidence in our clients.

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