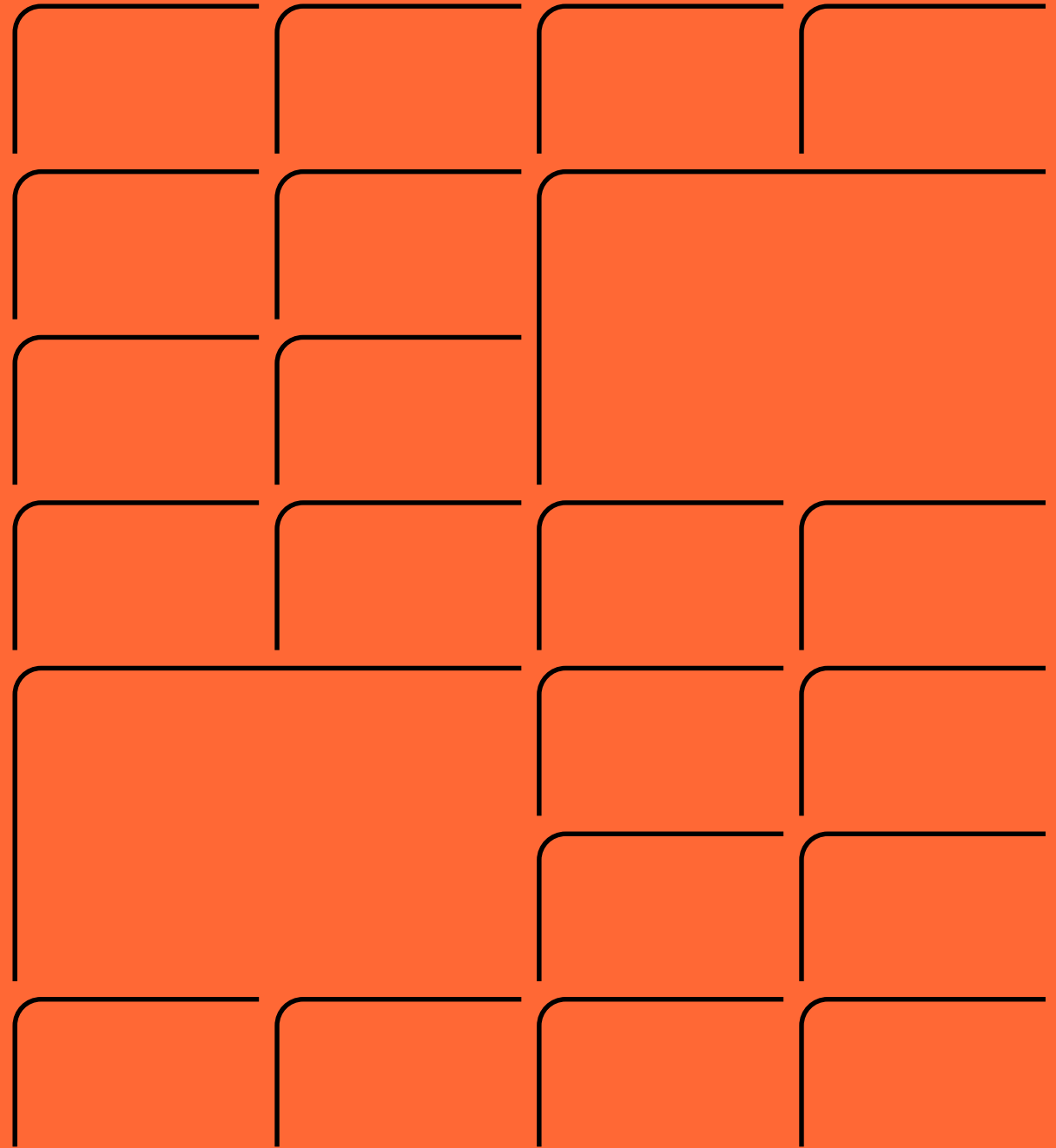


UK pay gap report 2024

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FRESHFIELDS



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Understanding the pay gap

What is pay gap reporting?

A pay gap shows the difference at a point in time in the average pay between two groups in a workforce (eg men and women), regardless of job role or seniority.

How is it different to equal pay?

Equal pay deals with any pay differences between men and women who carry out equal work. Equal pay legislation is specific to gender and makes it unlawful to pay women less than men where they carry out equal work (ie like work, work rated as equivalent or work of equal value) unless there is a material reason not related to gender. Other discrimination legislation makes it unlawful to pay someone less because of their race or ethnic origin. Other characteristics are also protected, including disability and sexual orientation.

Who in the firm (UK) is included in the data?

As well as reporting the gender pay gap data for our UK staff (ie employees of Freshfields Service Company), we are, as before, voluntarily reporting our overall pay gap data for Freshfields Service Company and Freshfields LLP (both UK entities) and reporting separately for the LLP. Our overall pay gap report includes data from both our Freshfields Service Company and Freshfields LLP, including all UK partners, members, consultants and employees. Partners do not have to be included in statutory declarations as partners are not employees. However, we have included our UK partners in this report to offer a comprehensive picture.



UK pay gap report

We are committed to inclusion across the multiple dimensions of our organisational culture, reporting on pay gaps in the UK across gender, ethnicity, disability, sexual orientation, and socio-economic background, as we did last year. The data for this report is based on the voluntary provision of personal data and self-identification. We confirm that the figures reported are accurate in accordance with UK gender pay gap reporting requirements.

Mark Higgs, Chief Operating Officer, UK & Ireland | Mark Sansom, London & Dublin Managing Partner | Helen Ouseley, Global Head of Culture & Community

Actions to enable change

Our commitment to inclusion and equality is ongoing and we recognise that change is gradual and not always linear. Highlighted below are a few examples of our UK work to enable change so that everyone can belong, engage, and excel.

- Expanded our benefit support including access to diagnosis for neurodiverse conditions for employees and their dependents;
- Continued our engagement in cross-firm mentoring programmes for UK colleagues such as Mission Include and reverse mentoring to encourage a sense of belonging;
- Our +10 employee networks continue to drive engagement, and inform and shape our action planning;
- Continue our award-winning programmes focused on access to the profession, including our Aspiring Professionals programme and the Stephen Lawrence Scholarship scheme;
- Expanded our recruitment efforts to reach a wider pool of talent through programmes such as Future City Lawyers;
- Partnerships with Rare Recruitment to support high-potential candidates, and with the 93% Club, which aims to improve access to the legal profession for state educated students;
- Committed to the UK government's 'Disability Confident' scheme, as part of our wider focus on disability inclusion across all parts of the firm and our recruitment processes;
- Held a number of internal and client facing events throughout the year to promote belonging and engagement, including Diwali, Black History Month, Social Mobility Week, International Women's Day, Pride and Neurodiversity awareness week;
- Training for our people including manager-specific training for neurodiversity and creating high performing teams to give managers the tools to support their teams;
- Recognition of our efforts to promote inclusion based on data and insights including Mansfield Rule Certification Plus – focused on recruitment and retention of a broad range of talent and Top 75 listing in the Social Mobility Employer Index;
- We launched an internal "Count Me In" campaign to improve diversity data collection for better reporting.



Gender pay gap results

Overall gender pay gap

Understanding the numbers

Our overall mean gender pay gap has slightly decreased while the overall median gap has slightly increased. Our pay gaps are predominately driven by the distribution of colleagues across different roles and levels of seniority.

In the last few years, we have promoted more women into the partnership in the UK. Our lockstep style model of compensation means that those who have served in the partnership longer are typically more highly remunerated.

For context, at the snapshot date 31 per cent of partners in the UK were women.

Our partner data only references pay data as partners do not have a bonus plan equivalent to employees.

Gender is referenced in binary terms of men and women throughout this report. We recognise that some people are non-binary or gender non-conforming, too, although this will not be represented by this breakdown.

Gender pay gap including partners

	2022	2023	2024
Difference in mean hourly rate of pay	53.2%	53.5%	51.4%
Difference in median hourly rate of pay	14.8%	46.1%	48.0%

Gender pay gap for partners

(covering LLP members and consultants held out as partners)

	2022	2023	2024
Difference in mean hourly rate of pay	12.2%	15.3%	10.7%
Difference in median hourly rate of pay	18.4%	24.1%	26.7%

Gender pay gap for employees

Understanding the numbers

The median and mean pay gap is largely driven by quartile 1 and 2 (as shown on the next page) being predominantly women and the largest proportion of men represented in quartile 4. Consequently, this impacts our mean bonus gaps as bonuses are linked to salary levels.

We continue to see more women than men receiving a bonus, however the bonus pay gap favours men due to having more women in junior business services and legal roles. The overall proportion of men and women receiving bonus pay decreased this year as fewer were eligible given their role and tenure (eg trainees who don't receive a bonus).

Gender pay and bonus pay gaps

	2022	2023	2024
Difference in mean hourly rate of pay	7.6%	12.0%	13.7%
Difference in median hourly rate of pay	0.0%	27.0%	31.2%
Difference in mean bonus pay	21.3%	33.1%	37.5%
Difference in median bonus pay	12.7%	18.2%	36.3%

Proportion of women and men employees who received bonus pay

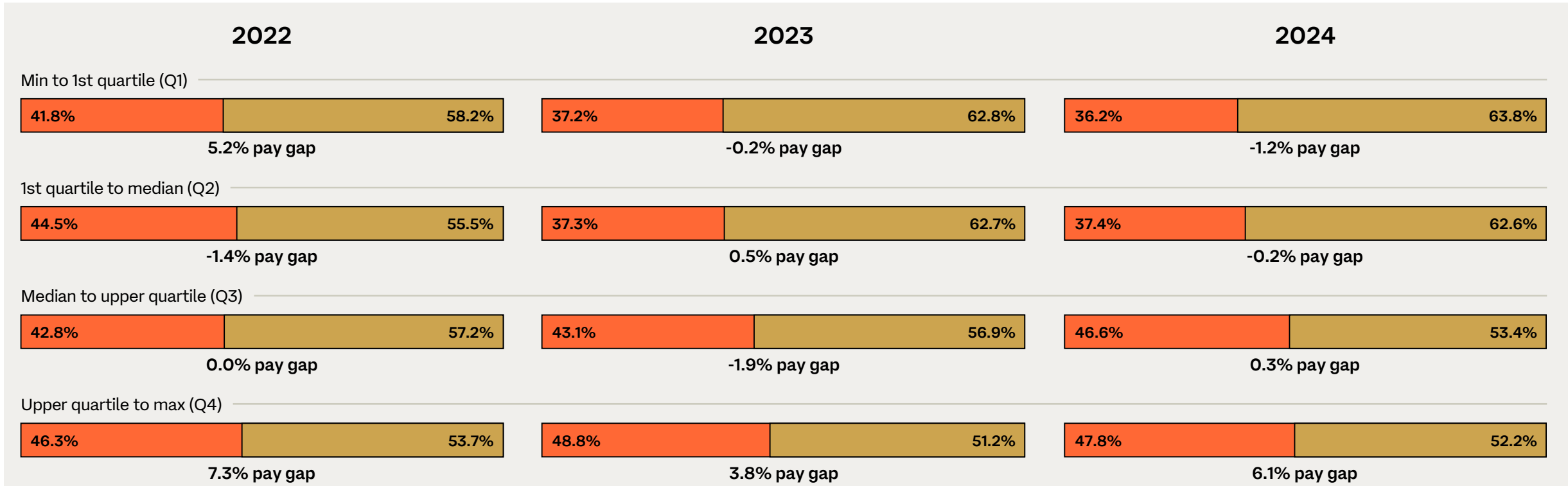
	2022	2023	2024
Women	75.6%	73.6%	68.5%
Men	73.5%	70.1%	63.7%

The numbers above reflect all UK employees of Freshfields Service Company, a subsidiary of Freshfields LLP, which includes employees in both our London and Manchester offices.

Gender pay gap for employees

QUARTILE DATA

Men
Women



Understanding the numbers

This year the pay gap in Q1 has increased to -1.2 per cent and in Q4 increased to 6.1 per cent. The Q2 and Q3 pay gaps have both reduced and are less than 1 per cent. Since the last snapshot date, the majority of business services roles in Q1 and Q2 have been filled by women.

This year there has also been an increase in women in Q4. The Q4 pay gap remains due to the distribution of men and women in that quartile across different roles.

Gender pay gap for trainees and associates

Understanding the numbers

We have seen an increase in the mean pay gap this year to 8.9 per cent. The strong pipeline of women joining as trainees over the past few years and the number of trainees overall have contributed to this gap. The median pay gap remains 0 per cent.

There has been an increase in the mean bonus pay gap. This is driven by the proportion of women in our more junior associate grades. The median bonus pay gap has decreased.

The FTE mean bonus gap has increased due to the distribution of roles and a higher proportion of women in part time roles.

Gender pay and bonus pay gaps

	2022	2023	2024
Difference in mean hourly rate of pay	8.2%	4.0%	8.9%
Difference in median hourly rate of pay	0.0%	0.0%	0.0%
Difference in mean bonus pay*	14.9%	12.6%	24.8%
Difference in median bonus pay*	26.9%	38.3%	31.7%

FTE bonus gap as a percentage of FTE salary

	2022	2023	2024
Difference in mean bonus pay	9.9%	8.6%	20.4%
Difference in median bonus pay	0.0%	34.7%	25.9%

*NOTE: Bonus calculations include associates only, except in 2022 when a one-off bonus was paid to trainees

Gender pay gap for business services

Understanding the numbers

There are currently more women than men in business services. The mean pay gap has decreased slightly while the median gap has increased to 2.8 per cent. The pay gaps are driven by the proportion of men currently in higher paying roles.

The mean bonus gap has decreased significantly this year while the median gap has increased slightly. The mean and median bonus pay gap is driven by a small number of men whose bonuses impact the overall averages.

The FTE mean bonus gap has decreased. The median bonus pay gap has increased due to the distribution of those working part time across different roles and levels.

Gender pay and bonus pay gaps

	2022	2023	2024
Difference in mean hourly rate of pay	4.4%	9.6%	9.3%
Difference in median hourly rate of pay	-2.3%	0.0%	2.8%
Difference in mean bonus pay	26.7%	42.9%	23.6%
Difference in median bonus pay	11.6%	14.1%	15.4%

FTE bonus gap as a percentage of FTE salary

	2022	2023	2024
Difference in mean bonus pay	22.8%	40.8%	20.4%
Difference in median bonus pay	7.8%	2.4%	9.9%



Ethnicity pay gap results

Overall ethnicity pay gap

Understanding the numbers

For context, 26 per cent of our partners and employee population in the UK self-identified as being part of a minority ethnic group at the reporting snapshot window (as a percentage of those who disclosed their ethnicity).

We recognise the limitations of reporting on multiple ethnic groups together, and the differences across and within these groups. However, given the size of the populations, and for consistency, we are reporting on all ethnic minority groups collectively, as we have previously.

Our ethnicity pay gap data comes solely from individuals who voluntarily choose to share their data with us. For context, our response rate this year was 85 per cent. By continuing to encourage self-reporting through our Count Me In campaign we are seeking to increase this.

The mean pay gap has not significantly changed this year, while the overall median pay gap has increased. The pay gap continues to be driven by the relatively small number of partners who identify as from an ethnic minority group, and higher representation of ethnic minorities in more junior roles.

The partner pay gap reduced this year driven by increasing representation of ethnic minority partners in the partnership.

We have used the same overall methodology for our ethnicity pay reporting as we have for our gender pay report. Where partners are included, we have only referenced pay data for the UK as partners do not have an equivalent bonus plan when compared to employees.

Ethnicity pay gap including partners

	2022	2023	2024
Difference in mean hourly rate of pay	58.4%*	56.1%*	56.3%
Difference in median hourly rate of pay	16.0%*	24.8%*	34.8%

Ethnicity pay gap for partners

	2022	2023	2024
Difference in mean hourly rate of pay	14.5%*	25.9%*	22.2%
Difference in median hourly rate of pay	40.0%*	39.9%*	33.3%

* Revised ethnicity pay gap figures due to error in previous calculation

Ethnicity pay gap for employees

Understanding the numbers

We have seen different trends across pay and bonus this year for employees.

The mean and median pay gaps have increased this year. This is driven by a number of factors including distribution of roles, a higher proportion of ethnic minority employees in more junior roles and an increase in disclosure rate amongst those in more junior roles.

There has been an overall decrease in the proportion of employees receiving a bonus this year. This is driven by the demographic of employees who are eligible, for example due to their start or leave dates.

Similar to previous years, a smaller proportion of ethnic minority colleagues received a bonus. Role distribution across the population drives this.

The bonus pay gaps have decreased this year, significantly for the mean gap. This change is driven by the proportion of senior associates who identify as an ethnic minority.

Ethnicity pay & bonus pay gaps for employees

	2022	2023	2024
Difference in mean hourly rate of pay	8.9%	7.3%	10.8%
Difference in median hourly rate of pay	5.2%	5.8%	22.1%
Difference in mean bonus pay	12.5%	30.0%	14.8%
Difference in median bonus pay	11.7%	15.7%	13.4%

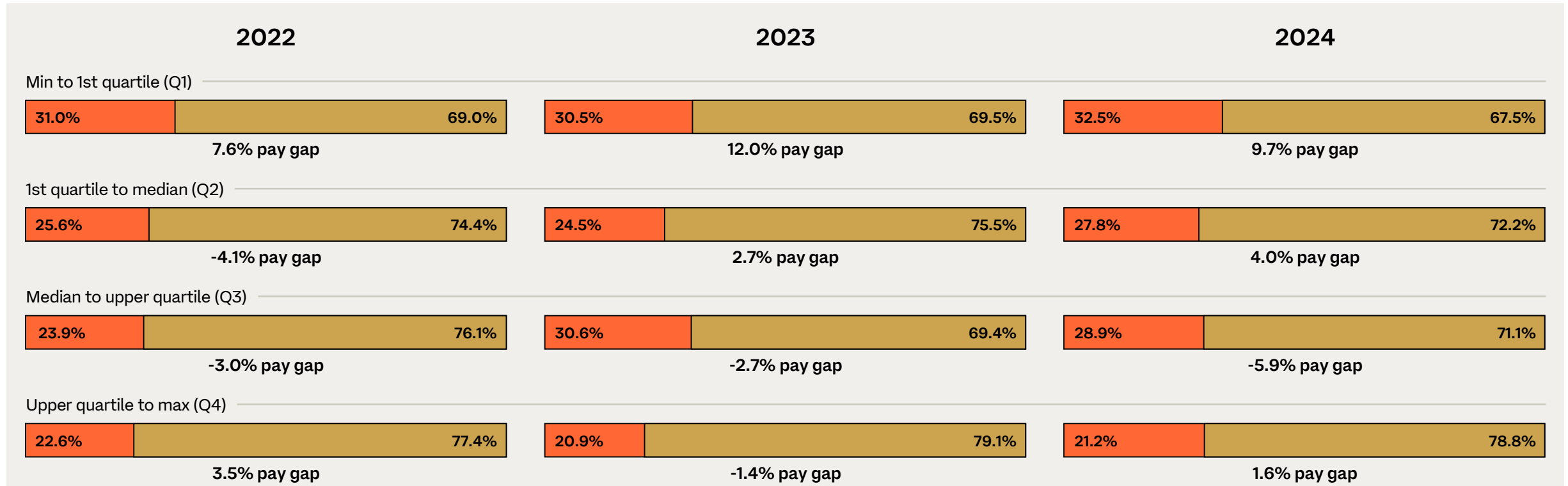
Proportion of employees who received bonus pay

	2022	2023	2024
White	82.0%	79.5%	73.8%
Ethnic minority	68.6%	62.6%	57.8%

Ethnicity pay gap for employees

QUARTILE DATA

■ Ethnic minority
■ White



Understanding the numbers

The overall headcount for business services employees has increased this year which has resulted in a shift in representation within the different quartiles. We have seen a decrease in the pay gap in Q1, an increase within Q2 and Q4 in favour of white colleagues and in Q3 in favour of ethnic minority colleagues.

The pay gaps within the quartiles are driven by the distribution of employees across the groups. The number of ethnic minority employees in our associate population has increased which has driven the change in pay gap in Q3.



Disability pay gap results

Disability pay gap for employees & partners

Understanding the numbers

Nine per cent of our partner and employee population identified as disabled at the reporting snapshot window (as a percentage of those who choose to disclose). Our self-reporting response rate increased to 61 per cent this year and we continue to encourage colleagues to share their data if they feel comfortable so we can ensure our reporting is as accurate as possible.

Given the size of the population, changes to those who disclosed can have a significant impact on pay gaps and can make meaningful comparison of the data difficult.

The mean and median pay gaps have decreased this year.

Disability pay gaps including partners

	2022	2023	2024
Difference in mean hourly rate of pay	70.5%*	70.8%*	68.3%
Difference in median hourly rate of pay	37.3%*	55.2%*	35.7%

* Revised disability pay gap figures due to error in previous calculation



Sexual orientation pay gap results

Sexual orientation pay gap for employees & partners

Understanding the numbers

10 per cent of our partner and employee population in the UK identified as LGBTQ+ at the reporting snapshot window (as a percentage of those who choose to disclose). For context, our response rate was 78 per cent.

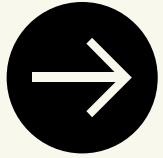
The mean and median pay gaps have decreased this year. The decrease in the median pay gap is driven by the change in distribution of roles with an increase in LGBTQ+ employees moving up the associate pay scale.

Sexual orientation pay gaps including partners

	2022	2023	2024
Difference in mean hourly rate of pay	33.2%*	46.0%*	41.5%
Difference in median hourly rate of pay	10.1%*	45.0%*	38.9%

Our sexual orientation pay reporting uses the same overall methodology as our gender pay report.

* Revised sexual orientation pay gap figures due to error in previous calculation



Social mobility pay gap results

Social mobility pay gap for employees & partners

Socio-economic background pay gaps including partners

	2022			2023			2024		
	Intermediate v professional	Lower socio-economic v professional	Intermediate v lower socio economic	Intermediate v professional	Lower socio-economic v professional	Intermediate v lower socio economic	Intermediate v professional	Lower socio-economic v professional	Intermediate v lower socio economic
Difference in mean hourly rate of pay	27.9%	31.3%	4.4%	29.6%	38.5%	12.7%	27.7%	35.9%	11.4%
Difference in median hourly rate of pay	49.8%	45.0%	-9.5%	55.2%	50.6%	-10.3%	52.4%	52.0%	-0.9%

Understanding the numbers

We have measured socio-economic background by using parental occupation at age 14. For context, our response rate was 59 per cent.

We have analysed the pay gap between three groups: professional, intermediate and lower socio-economic background.

For each mean comparison we have seen a slight decrease in the pay gap compared to last year. Two of the median pay gaps have reduced and there is a small increase between lower socio-economic and professional backgrounds. This is driven by fact that the majority of colleagues identifying as from a professional background are partners and associates.

Our socio-economic background pay reporting uses the same overall methodology as our gender pay report.

Data is gathered by colleagues choosing to answer the question ‘Thinking back to when you were aged about 14, which best describes the sort of work the main/ highest income earner in your household did in their main job?’

Some general examples of the occupations that fall into each category are:

- Professional background: Teacher, solicitor, accountant
- Intermediate background: Secretary, clerical worker, nursery nurse
- Lower socio-economic background: Plumber, gardener, postal worker