

An aerial photograph showing a two-lane asphalt road that curves through a vast, dense forest of green trees. The road is bordered by a white line on the left and a metal guardrail on the right. A small blue car is visible on the road, moving away from the viewer. The forest is thick and uniform in color, suggesting a healthy, mature woodland.

HOWARD KENNEDY

# 2025 Gender and Ethnicity Pay Gap

Internal Report



## Summary

At the heart of our Firm's culture and strategic vision is a deep commitment to Diversity, Equity and Inclusion. Our DEI strategy reflects our ambition to create a truly diverse and inclusive environment—one where everyone has equal opportunities and which more accurately mirrors the modern society in which we live and work.

We take pride in our leadership on gender representation, particularly at the partner level, where female representation is a clear milestone of our ongoing dedication to gender equality. However, we recognise that women remain overrepresented in certain areas, often in support functions or non-qualified fee-earning roles, impacting the overall gender balance across the firm. This structural imbalance, alongside broader societal factors such as caregiving responsibilities and unconscious bias, continues to influence the gender pay gap.

While progress has been made, we understand there is still work to do. Our commitment to embedding DEI principles includes continuous improvements through inclusive management training, regular policy reviews, active engagement with employee networks, and rigorous analysis of both qualitative and quantitative data.

Transparency is key, which is why we voluntarily publish our gender and ethnicity pay gap for both partners and employees. We share this information alongside year-on-year comparisons to ensure accountability and foster trust.

In summary, the employee gender pay gap saw an improvement in the mean (15.8% in 2025 vs 20.1% in 2024) and a small decrease in the median (33% in 2025 vs 34.9% in 2024). The ethnicity pay gap for employees increased, with the mean pay gap increasing from 7.1% to 7.5% and the median from 4.1% to 30.3%.

At partner level, the gender pay gap improved markedly, with the mean gender pay gap dropping from 39.3% to 23.4% and the median from 33.8% to 12.7%.

The remainder of this report provides the full data and the background to the numbers, and our strategy is outlined in the Looking Ahead section of the report.

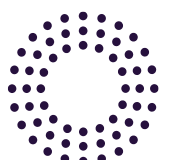
## Statutory Reporting & Snapshot Date

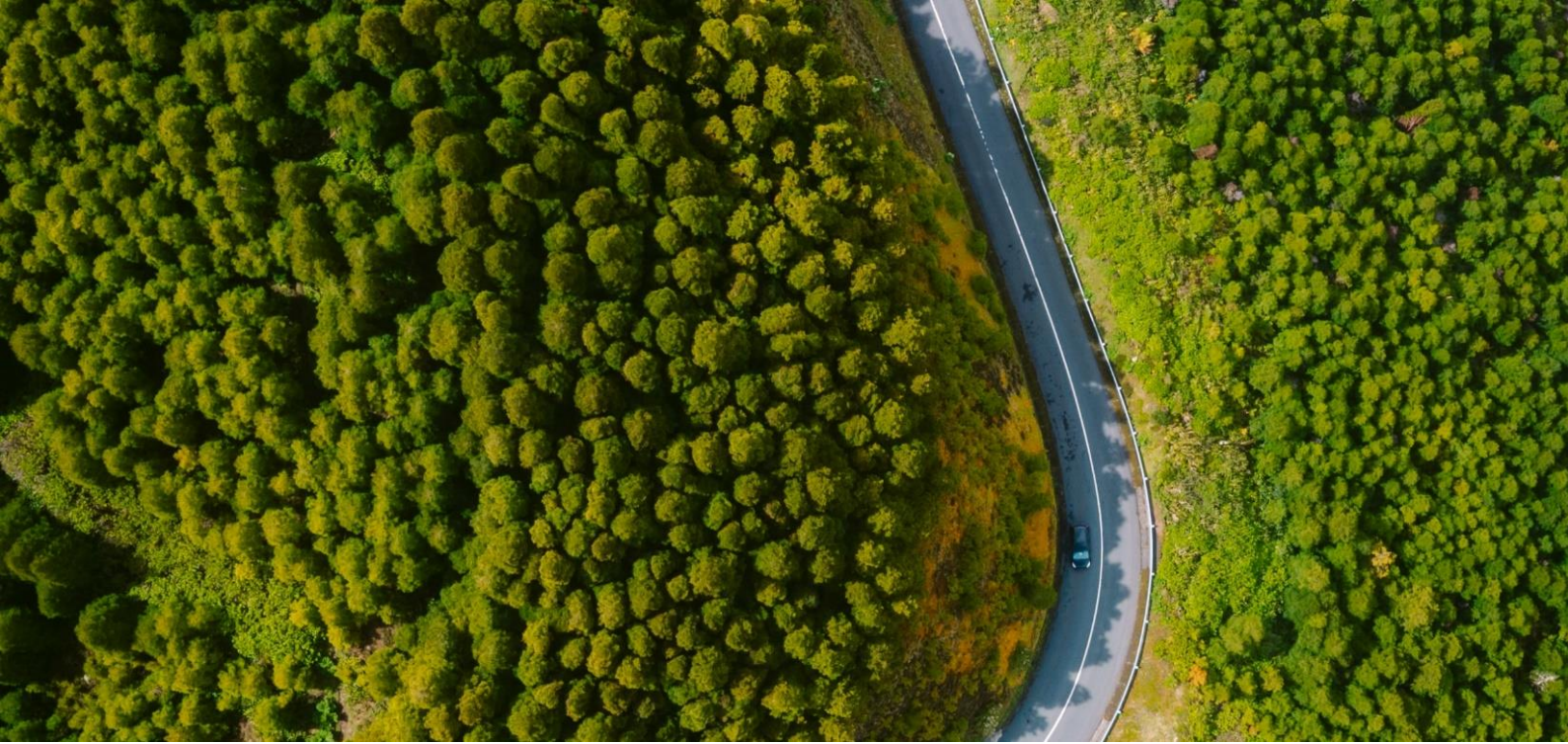
Under UK legislation, gender pay gap (GPG) reporting is mandatory for employers with 250 or more employees. Organisations are required to publish their GPG figures annually using a specific "snapshot date," which for private sector employers is **5 April** each year. All statutory GPG calculations in this report are therefore based on pay data as at **5 April 2025**.

While ethnicity pay gap (EPG) reporting is not currently mandated by law, we choose to report voluntarily to increase transparency and better understand the experiences of our workforce. Our EPG follows the same calculation methodology as the GPG.

This means everyone from an ethnic minority background (e.g., Black, South Asian) is grouped and compared to employees who identify as white.

As of 5 April 2025, through voluntary self-identification, 23.5% of our employees identified as being from an ethnic minority background, 70.2% as white, 2.5% selected "prefer not to say," and 3.9% had unknown ethnicity.





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# Gender Pay Gap Employees



## Key Terms

The following terms used within this report have been defined on this page.

### GENDER PAY GAP VS EQUAL PAY GAP

Equal pay is a legal requirement, ensuring men and women are paid the same for the same work.

The gender pay gap measures the difference in average pay between men and women regardless of role, seniority, or hours worked.

### HOURLY PAY

This refers to an employee's gross hourly rate of pay during the relevant pay period.

This figure is used to ensure a fair comparison across all employees, regardless of working patterns (e.g., full-time, part-time).

### MEAN

This is the average pay/bonus, calculated by adding all values and dividing by the number of employees.

The mean pay/bonus gap compares the average hourly pay or bonus for men/women or white/ethnic minority employees.

It can be influenced by very high or very low figures, making it more sensitive to outliers.

### QUARTILES

Pay quartiles show the percentage of men and women in four equally sized groups based on their hourly pay.

They give an indication of representation at different levels within the Firm.

### MEDIAN

This is the middle value when all employees' pay is ordered from lowest to highest.

The median pay/bonus gap compares the pay of the median man/white employee with that of the median woman/ethnic minority employee.

It is less affected by very high or low earners and reflects a "typical" employee's pay/bonus.

### PERCENTAGES

The pay or bonus gap is usually a positive or negative percentage.

**Positive %:** women/ethnic minority employees earn less than men/white employees e.g. a 3% gap means women/ethnic minority employees earn 3% less than men/white employees.

**Negative %:** women/ethnic minority employees earn more than men/white employees e.g. a -3% gap means women/ethnic minority employees earn -3% more than men/white employees.

# Gender Pay Gap

This section shows the 2025 employee gender pay gaps and distribution of male and female employees across the pay quartiles within the Firm, along with a comparison to previous years.

## Commentary

The gender pay gap results indicate that the average position has improved but underlying structural differences remain largely unchanged.

**Mean Gap:** The mean gender pay gap decreased from 20.1% in 2024 to 15.8% in 2025, suggesting progress in overall average pay.

**Median Gap:** The median gap decreased slightly from 34.9% to 33%, indicating little movement in the typical employee pay.

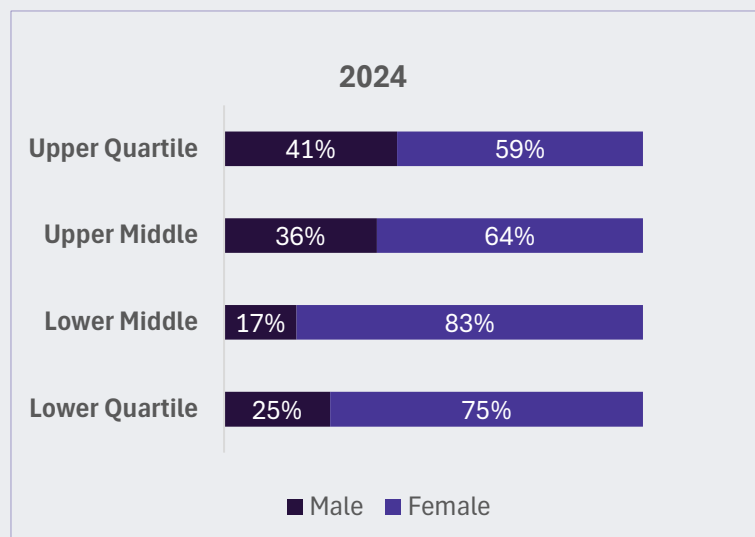
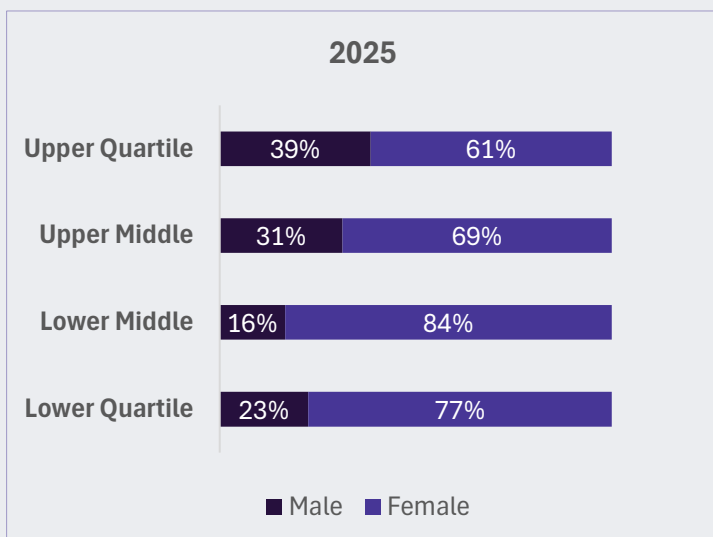
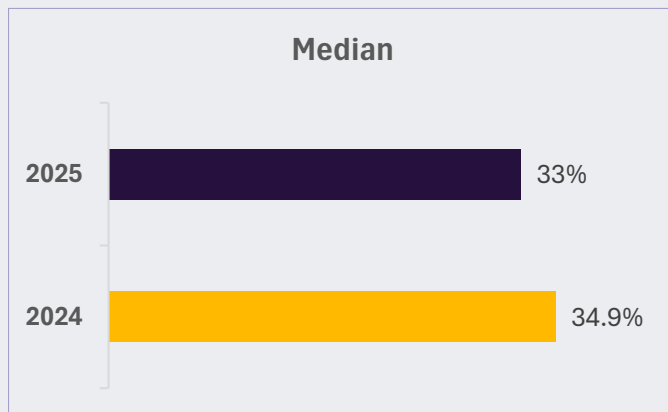
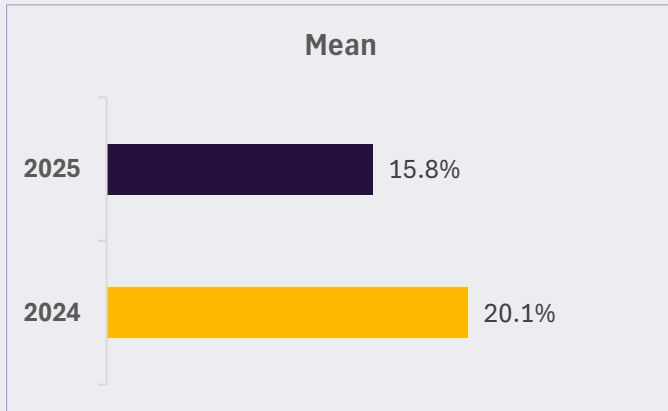
### Quartile Distribution

Overall, the continued concentration of women in the lower quartiles alongside marginal gains at the top, suggests incremental change but persistent structural imbalance.

**Upper Quartile:** Female representation increased from 59% to 61%, with the male proportion falling from 41% to 39%.

**Upper Middle Quartile:** There is a slight increase in the proportion of women (from 64% to 69%), with male representation dropping from 36% to 31%.

**Lower Quartile:** Female representation rose from 75% to 77%, while the male share declined from 25% to 23%.



# Gender Bonus Gap

This data shows any bonus payments made to employees between 1 May 2024 and 30 April 2025.

## Commentary

Bonus gaps show the difference in bonus payments related to the fee earner or discretionary bonus schemes.

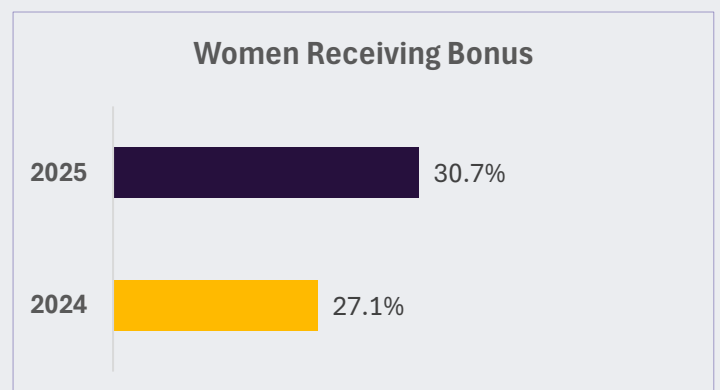
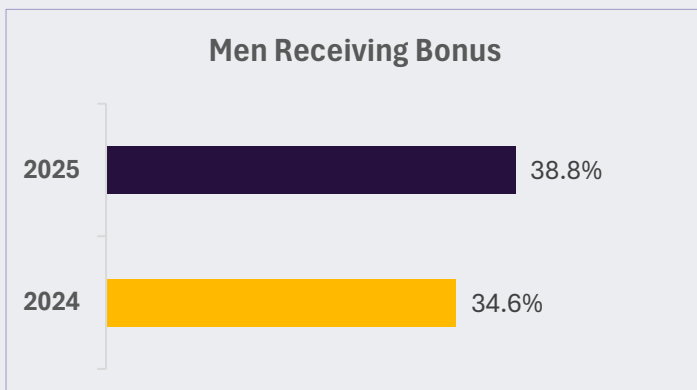
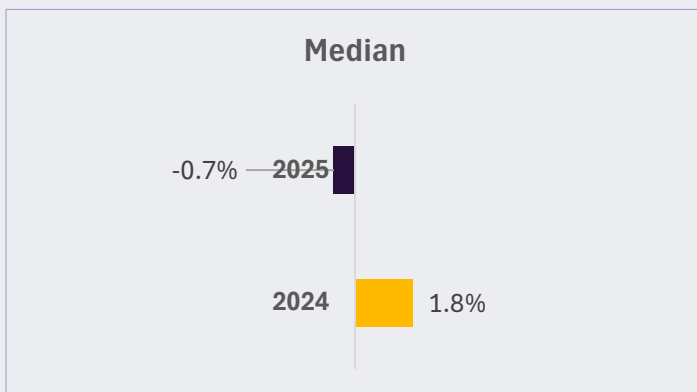
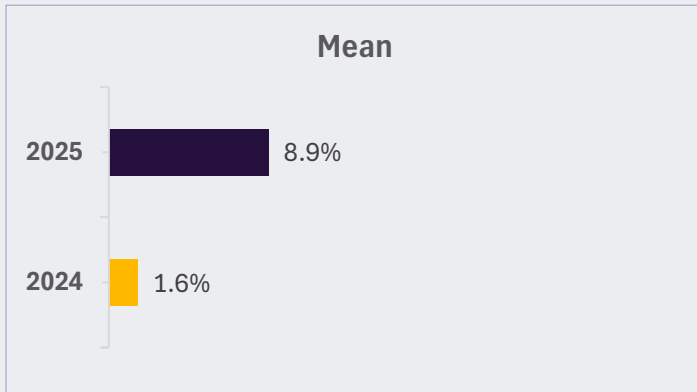
The mean bonus gap has increased for the second consecutive year. After a -6.9% gap in 2023, where women on average received higher bonuses than men, the gap moved to 1.6% in 2024 and then widened further to 8.9% in 2025. This two-year upward trend highlights a growing imbalance in average bonus outcomes.

The median bonus gap decreased, now in favour of women (-0.7% gap).

Men receiving a bonus rose from 34.6% to 38.8%, a 4.2-point increase.

Women receiving a bonus increased from 27.1% to 30.7%, a 3.6-point increase.

Although uptake improved across both groups, men continue to receive bonuses at a higher rate than women. The gap in bonus receipt remains broadly similar year-on-year, indicating that while overall participation has grown, the relative difference between genders has not significantly narrowed.



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# Ethnicity Pay Gap Employees

# Ethnicity Pay Gap

This section shows the 2025 employee ethnicity pay gaps and distribution of white and ethnic minority employees across the pay quartiles within the Firm, along with a comparison to previous years.

## Commentary

The ethnicity pay gap widened in 2025.

**Mean gap** increased from 7.1% to 7.5%.

**Median gap** rose from 4.1% to 30.3%.

### Why the mean and median differ so much

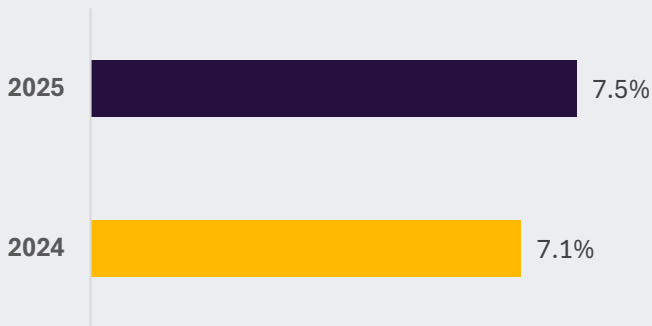
The mean is affected by high earners, so a small number of higher-paid white employees can shift it only moderately.

The median reflects the “middle” employee, making it much more sensitive to where most people sit in the pay structure.

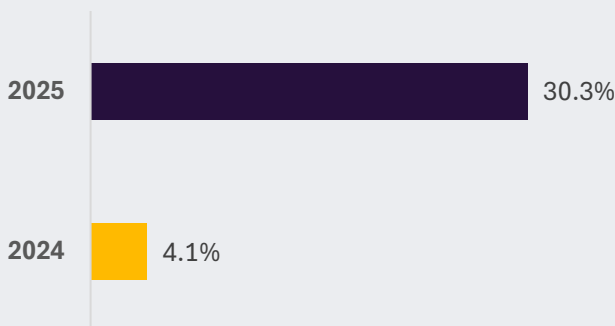
Because more ethnic minority employees moved into lower-paid quartiles in 2025, the midpoint between the two groups widened dramatically, even though the mean moved only slightly.

There was a 4.5 percentage point increase in the Firm in the number of ethnic minority employees overall. A small increase can have a noticeable effect, especially if those employees are concentrated in lower-paid roles. Our quartile charts show a rise in ethnic minority employees particularly in the lower quartile (23% → 34%), which contributes to the increase in the median pay gap.

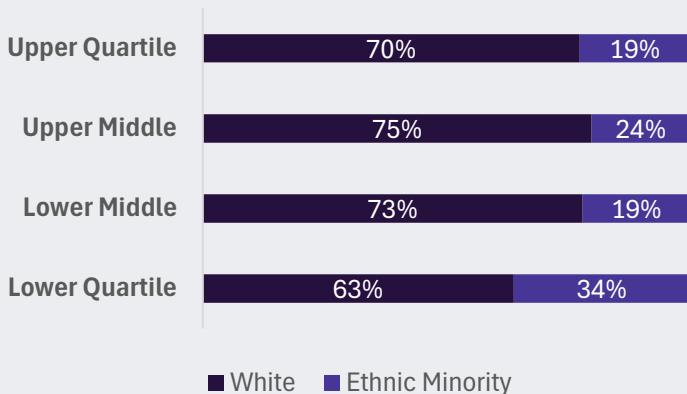
### Mean



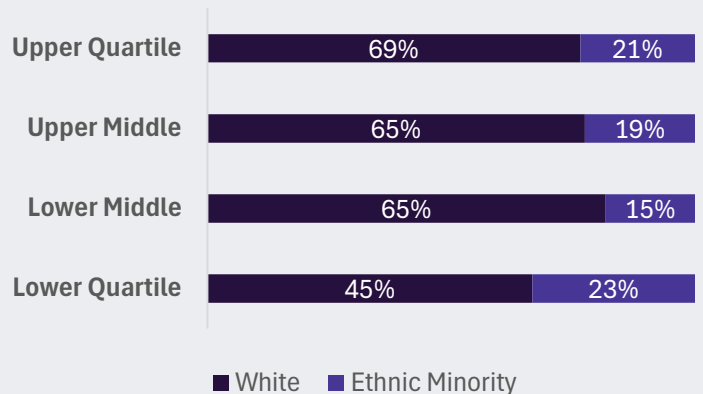
### Median



### 2025



### 2024



# Ethnicity Bonus Gap

This data shows any bonus payments made to employees between 1 May 2024 and 30 April 2025.

## Commentary

The **mean** bonus gap has moved further in favour of ethnic minority employees in 2025.

The **median** gap shows that the typical ethnic minority employee received a notably higher bonus than the typical white employee in 2025.

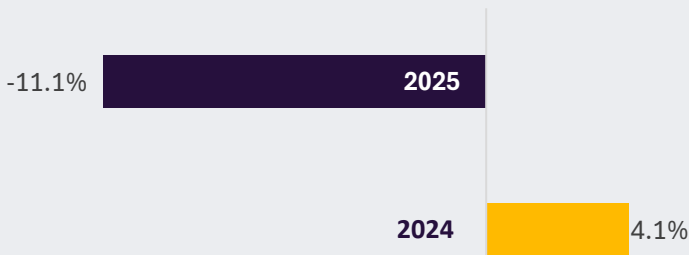
When the ethnic minority group is much smaller than the White group, any changes in bonus amounts have a much larger statistical impact on the mean and median bonus gap.

The white group is larger, and large groups are less affected by fluctuations. Even if a few white employees receive large bonuses, the effect is spread across many employees, meaning smaller changes in the overall mean/median.

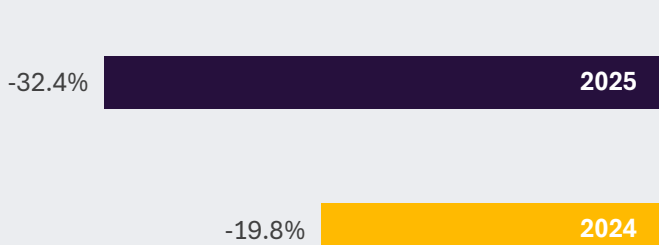
Although the value of bonuses favours ethnic minority employees, white employees are still more likely to receive a bonus overall, but ethnic minority employees who do receive a bonus received higher amounts on average.

The number of white and ethnic minority employees receiving a bonus has remained stable year-on-year.

### Mean



### Median



### Bonuses Received - White



### Bonuses Received - Ethnic Minority



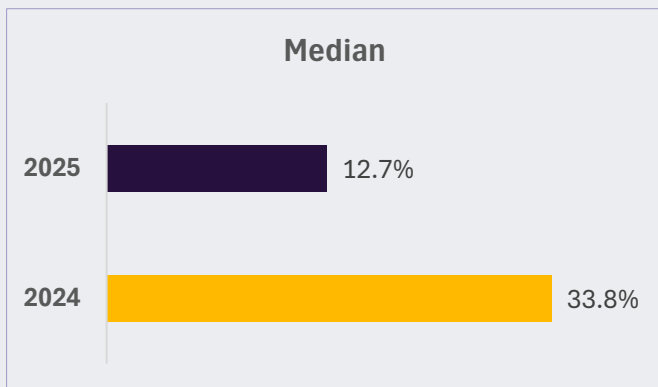
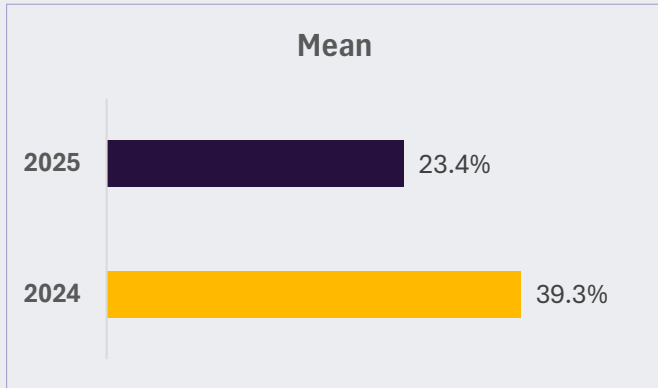
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Gender Pay Gap  
Partners

# Gender Pay Gap

This section shows the 2025 partner gender pay gaps and distribution of male and female partners across the pay quartiles within the Firm, along with a comparison to previous years. Bonus and ethnicity pay gap data is not available for analysis.

## Commentary



**Mean gender pay gap** improved significantly, decreasing from 39.3% (2024) to 23.4% (2025).

**Median gender pay gap** reduced from 33.8% (2024) to 12.7% (2025).

### Key Drivers of Change

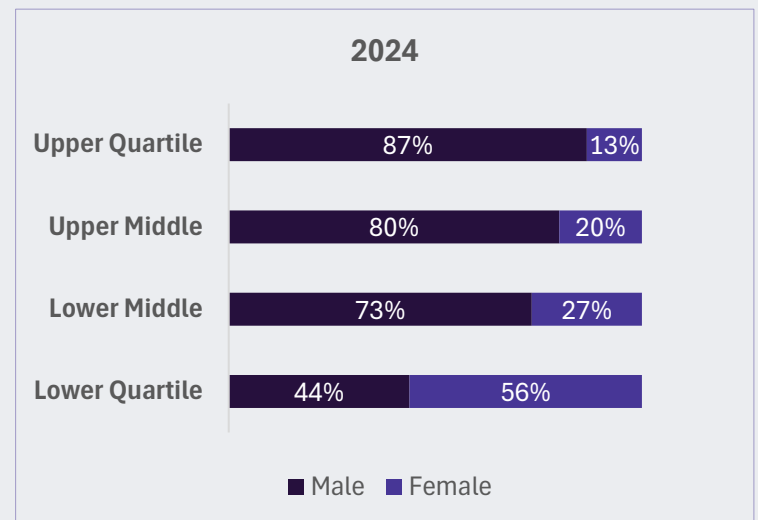
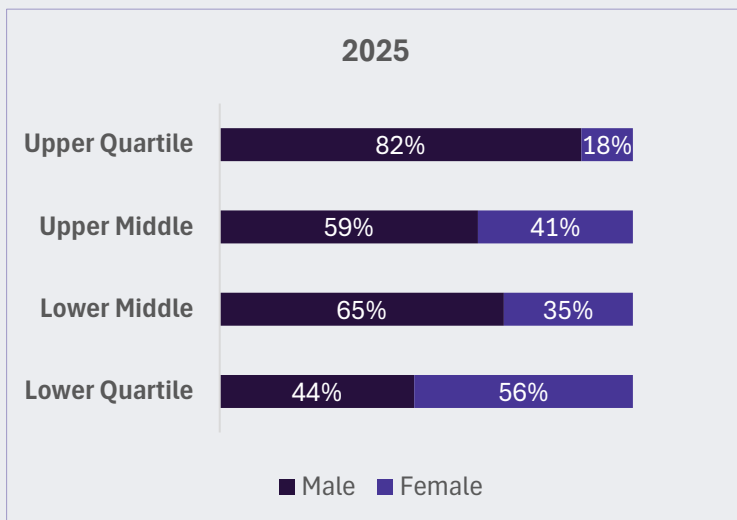
Strong improvement in female representation in the higher quartiles.

Upper Quartile representation rose from 13% to 18%.

Upper Middle quartile rose from 20% to 41%, supporting reduced pay gaps.

Increased female representation in the Lower Middle quartile (from 27% to 35%), contributing to a more balanced workforce distribution.

The Firm has made strong progress in reducing both mean and median pay gaps. Improvements are driven by greater female representation in higher-paid mid-level roles, but senior representation continues to be the key challenge moving forward.



## Looking Ahead

### Our Strategy

We are committed to making long-term, sustainable progress in closing our gender and ethnicity pay gaps. While change will not be reflected in our data immediately, we are deliberately building the foundations needed to shift representation—particularly within senior, higher-paid roles—over time.

Our Empower and REACH networks continue to shape our inclusion agenda by ensuring that the lived experiences of women and ethnic-minority colleagues directly inform policy development, workforce initiatives, and leadership decisions. Through targeted learning sessions, cultural events, community-building activities, and regular engagement with leaders, these networks help amplify underrepresented voices and foster a stronger sense of belonging across the Firm.

Our development programmes continue to strengthen the pipeline of diverse talent and support progression into leadership roles.

Within Learning & Development, we are integrating DEI more intentionally into everything we deliver. This includes:

- Embedding psychological safety and engagement as core principles in all manager and leadership development.
- Equipping supervisors to hold meaningful development conversations with all colleagues, supported through targeted invites, briefings, and webinars.
- Shaping programme design using insight and recommendations from the DEI Committee.

With our recruitment practices, we have implemented the following:

- Blind recruitment in early careers, removing personal details to reduce potential for bias in screening stages.
- Removed education requirements, having no minimum grade requirements for our early careers' recruitment
- Inclusive assessment centres, focused on accessibility and assessing strengths, not prior experience.
- Contextualised recruitment tools, assessing candidates' achievements in the context of their socio-economic background in partnership with RARE recruitment.
- Outreach and partnerships, collaborating with AllAboutLaw and Making The Leap to engage diverse communities, and offering insight days and support sessions for candidates from underrepresented backgrounds.

We remain transparent about our pay philosophy, including publishing pay bands for every level. Our ability to understand and report on our workforce demographics relies on colleagues choosing to share their data through voluntary self-identification, which continues to strengthen the quality of our insights. While our annual pay gap reporting shows that progress is still needed, we are seeing positive movement in representation. We remain focused on building diversity at all levels, knowing this is key to delivering meaningful, long-term change.

