

**C L I F F O R D
C H A N C E**



PAY GAP REPORT 2022

CONTENTS

1

INTRODUCTION
(PAGE 3)

2

GENDER PAY GAP
(PAGE 4)

3

FURTHER PAY
GAP REPORTING
(PAGE 5)

4

ACTIONS TO
DRIVE CHANGE
(PAGE 7)

5

YEAR-ON-YEAR
COMPARISON
(PAGE 8)

INTRODUCTION

At Clifford Chance, we are committed to creating an inclusive environment based on mutual respect where everyone has an equal opportunity to succeed.

Inclusion remains a core value of Clifford Chance. We continue to recognise the business imperative of diverse views in decision-making – that it brings better outcomes for our firm and clients. We also continue to see how ensuring that we create an inclusive workplace is pivotal to the development of our talent and supporting the ambitions of all our people.

In our sixth year of pay gap reporting, our data shows our mean gender pay gap continues to have narrowed from 20.3% to 16.6% since 2017 and our mean bonus gap has reduced from 53.2% to 33.6%.

While we are pleased that some of our numbers are moving in the right direction, our pay gaps remain unsatisfactory. Progress is slower than we would like across all areas of diversity. The annual reporting of this data allows us to take stock of how we are seeking to realise our inclusion strategy to change the rules, change the culture and change the lived experience.

This year, we report our social mobility pay gap data for the second time, alongside our established reporting for gender, ethnicity, LGBT+ and disability. Since our last report, we have been working on increasing our understanding of the people who work in our UK offices. This has led to an increase in our colleagues declaring their diversity data. With this clearer picture of our firm has come a clearer understanding of our pay gap data.

In fact, it highlights how much more work there is still to do. However, we stay true to the belief that nurturing our unique culture, and ensuring that it is truly diverse and inclusive, will have the greatest impact on our ability to close our pay gaps over the coming years.

At the end of this report we outline some of those actions for change.

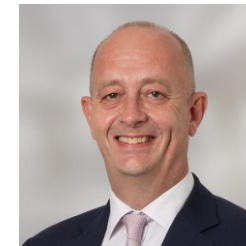
One achievement we are proud to highlight here is how Clifford Chance ranked [number one in Stonewall's latest Top 100 Employers List](#), recognising our efforts to drive LGBT+ inclusion within every aspect of our business. It is testament to many across our London and Newcastle offices who ensure that our firm is a place where everyone has the opportunities to reach their full potential.

We remain pragmatic about the time we must invest in these efforts before we see more substantial changes in our data, but we are resolute in our ambitions to deliver the equality of opportunity, aspiration, and experience that everyone deserves.

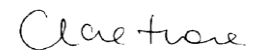
What Does This Data Tell Us?

Our overall pay gaps remain larger than our employee pay gaps as they are significantly impacted by the level of remuneration our partners receive. So, while we are improving the diversity of our employee populations and our partnership, the partnership remuneration structure (which is, to a reasonable degree, tenure-based) means the partner pay gap will take time to reduce.

Our employee bonus gaps are also heavily influenced by the fact that we do not yet have enough diversity in the highest paid populations of the firm. In areas where a lower number of individuals have chosen to share their diversity information (for example, disability), fluctuations in our overall pay gaps may be more apparent due to the impact of changes in employee and partner populations.



MICHAEL BATES
REGIONAL MANAGING
PARTNER, UK



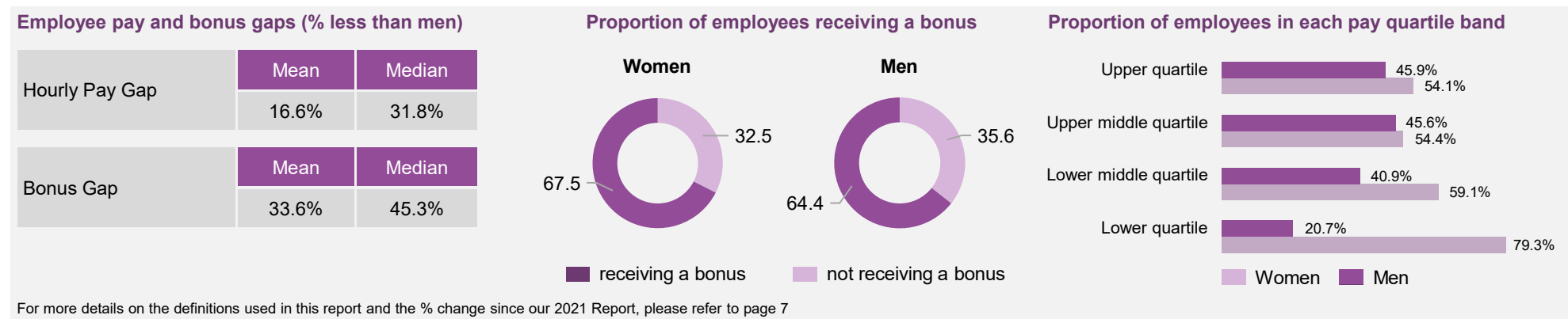
CLAIRE HOWE
HR DIRECTOR,
LONDON

Declaration: Our methodology for the statutory Gender Pay Gap reporting has been reviewed by a third party. We confirm that the data reported is accurate.

GENDER PAY GAP

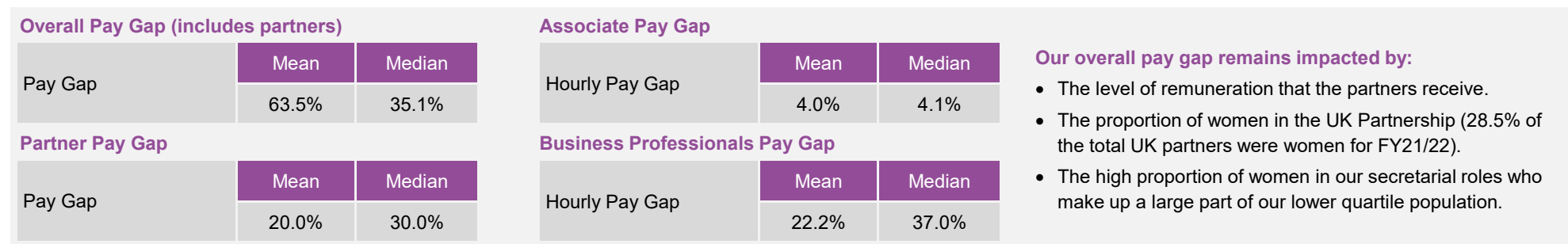
Statutory 2022 Gender Pay Gap Reporting

The Gender Pay Gap aims to show the distribution of men and women across different roles within an organisation and highlight where there may be concentrations of a particular gender at lower or higher pay levels. The Gender Pay Gap is not aimed at showing equal pay for the same role; this has been a legal requirement since the Equal Pay Act 1970. The firm examines that question regularly and we are confident that we pay women and men equally for the same roles. Our 2022 data shows that, based on hourly rates of pay, women's pay is 16.6% lower (mean gap) than that of men. The median gap is 31.8%.



Our 2022 Overall Gender Pay Gap Data

We believe that the gender pay gap is an important issue for our entire firm. The law does not permit us to include our partners in the statutory calculations. The legislation only allows the inclusion of employees; our partners are not employees. However, in order to have a complete understanding of the issue and to help our efforts to tackle gender imbalance, we have continued to include our partners in our overall reported figures to offer a more transparent view of the firm. In this report, the 2022 overall pay gap data includes the pay gap data for UK subsidiaries of the firm.



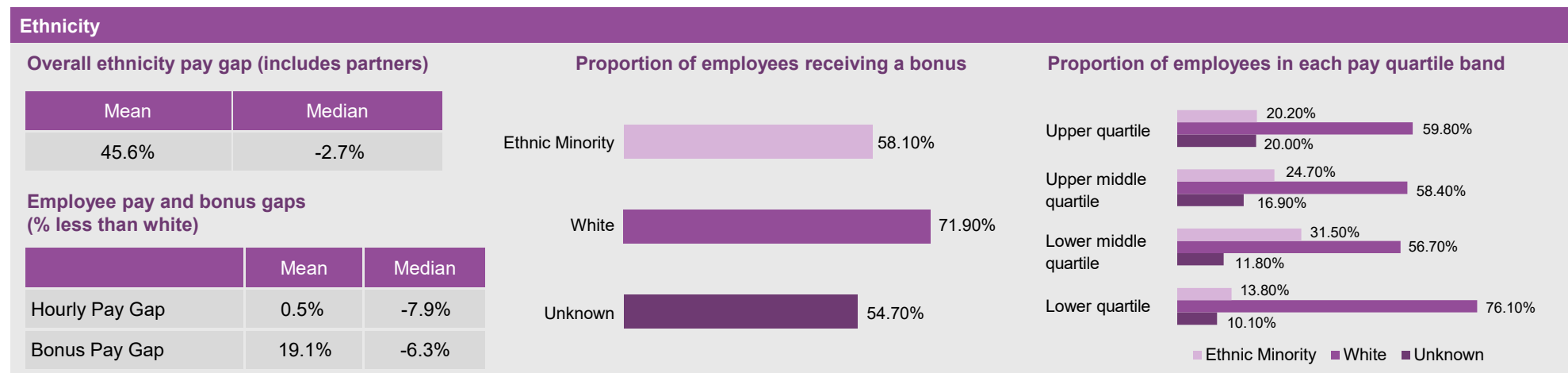
Our partner pay is a share of the firm's profits, much of which is not paid monthly. We think the most honest and informative way to show the figures is to look at total annual Full-time Equivalent (FTE) pay for UK-based partners and employees (including FTE bonus) rather than looking only at a single month snapshot (which would not include significant amounts of partner pay).

Please note: Gender is referenced in binary terms of men and women on this page, but we recognise that a number of people at Clifford Chance are non-binary or gender non-conforming too and will not be represented by this breakdown.

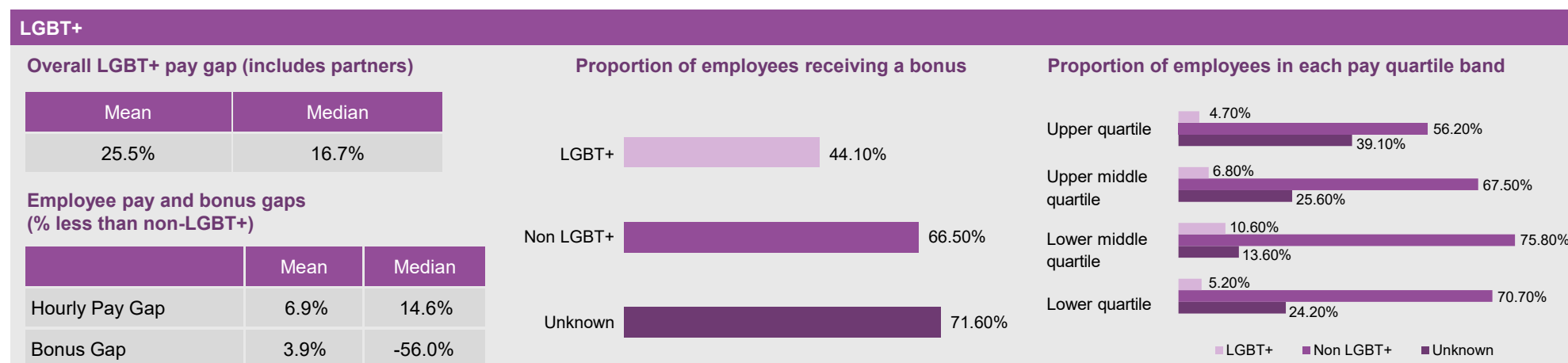
FURTHER PAY GAP REPORTING

OVERVIEW, ETHNICITY AND LGBT+

We have continued to report our pay gaps for ethnicity, disability, LGBT+ and social mobility. We believe that it is important to continue showing pay gap data for partners and employees. The overall pay gaps, which include partners, for each category remain larger than the employee pay gaps. This tells us that, while we are improving the diversity of our employee populations, there is still progress to be made in ensuring that the diversity of the partnership reflects the rest of our firm. Our bonus gaps are heavily influenced by the fact that we have less diversity in the highest paid populations of the firm. Addressing these key points remains a core priority for us. See page 6 for more on the actions we are taking to drive change.



Our Ethnicity pay gap has narrowed. This is likely to be due to our retention and progression of our ethnic minority lawyers. Actions include expanding our Creating Racial Equality workshops to more leaders and more awareness campaigns such as the Halo Code photo series.



Our LGBT+ pay gap data continues to improve. Our progress in creating an inclusive culture for our LGBT+ colleagues saw the firm attain the number one ranking in Stonewall's Top 100 ranking Employers for 2023.

FURTHER PAY GAP REPORTING

DISABILITY AND SOCIAL MOBILITY

Disability

Overall disability pay gap (includes partners)

Mean	Median
12.8%	36.9%

Our disability pay gap data has improved. Over the last 12 months, we have sought to raise awareness around the importance of colleagues disclosing their diversity data. This has seen an increase in self-declaration, which we believe has played a factor in the improved reporting.

Social mobility

Overall social mobility pay gap (includes partners)

	Mean	Median
Intermediate vs Working Class*	13.7%	23.6%
Professional vs Working Class*	46.0%	48.8%
Professional vs Intermediate Class*	37.4%	33.0%

* Employees may choose to answer the question “When you were aged 14 what was the occupation of the main earner in your household?” Responses are then grouped into the above three broad [categories in accordance with the National Statistics Socio-Economic Classification \(NS-SEC\)](#)

This year is our second year of reporting our social mobility pay gap. We believe the widening of the gap may be the result of having an increased number of colleagues providing their social mobility data. This gives us a clearer understanding of our firm and will inform our future actions.

Some general examples of parental occupations which fall into these categories according to the NS-SEC:

Professional: Teacher, nurse, accountant, solicitor, scientist, police officer

Intermediate: Secretary, call centre agent, nursery nurse, restaurant manager

Working: Electrician, farm worker, train driver, cleaner, security guard, plumber

How do we collect our data?

Our gender data is informed by official reporting figures required for tax purposes. Our further diversity information is collected on a voluntary basis through our HR self-identification portal.

We encourage all our employees and partners to share their diversity data to help us progress our important inclusion agenda, particularly with regard to our inclusion targets and pay gap reporting.

The proportion of people who have responded to our requests to provide diversity information is:

Ethnicity: 88.6%

LGBT+: 77.0%

Disability: 66.7%

Social Mobility: 61.8%

This shows how willing people are to share their information giving context to the statistics in this report. Those who have chosen not to disclose their data have been excluded from these calculations.

ACTIONS TO DRIVE CHANGE

Since our last report, we have continued to develop tailored inclusion plans across practice areas and business professional disciplines.

These plans provide each area with a framework as they aim for our inclusion targets for gender, ethnicity and LGBT+ people. The work at practice area and department levels is supported by firm-wide initiatives that are driven by the Inclusion Team. In the last 12 months we have achieved the following:

Across our UK offices

- Continued the implementation of recommendations from the independent, inclusion-focused review of our firm's partnership and promotion practices, continuing to appoint and promote female partners and appointing a female into the role of Regional Chief Operating Officer, UK.
- Introduced the [Three Conversations Framework](#) so all colleagues have the right opportunities to discuss their performance, development, and career aspirations.
- Supported the principles of our [Code of Conduct](#) with mandatory training for all colleagues around our 'Speak Up' pillar.
- Achieved [Mansfield Plus status](#) in the UK. We were certified for achieving at least 30% diversity in areas including equity partner promotions and client pitching opportunities.
- Continued to expand our reverse mentoring partnerships that provide ongoing conversations on diversity topics between senior leaders and more junior colleagues.

- Enhanced our focus on and investment in inclusion and wellbeing with the appointment of our first Head of Inclusion UK, a disability and accessibility specialist to the role of Inclusion Manager UK and the creation of a dedicated Senior Wellbeing Manager UK role.
- Continued to review the Inclusion Committee purpose and membership, appointing an ethnic, female business professional as co-chair, to support our Inclusion strategy and ensure that the firm is held accountable to its targets/required actions.
- Improved our data collection through self-ID campaigns and raising awareness of the benefits of data collection to drive change.
- Continued to support our Affinity Networks and consult them when developing our action plans. Our groups are: for gender parity (Accelerate>>>), LGBT+ (Arcus), ethnicity (Race Equality And Celebrating Heritage (REACH)), disability (Enable), and our Social Inclusion Action Group.

Actions related to disability

- The firm was certified as a Disability Confident Employer, Level 2 in the UK Government National Scheme.
- Enable Affinity Network continues to grow its award-winning 'My Lived Experience' campaign to raise awareness of disability through personal perspectives.

Actions related to gender parity

- We have ensured that our hybrid-working and recent enhanced family-friendly provision (including new parent leave) are embedded across the UK offices.
- We have introduced a new Parents' Room in our London office, which is a dedicated space to breast or bottle feed, or to express milk.

Actions related to ethnicity

- Our affinity network REACH (Race Equality And Celebrating Heritage) introduced group mentoring to further support our colleagues.
- Awareness campaigns continue to be an integral part of our inclusion strategy. This strategy includes our Halo Code photographic series in February 2023, which raised awareness of the adoption of the Code into our dress policy and about hair discrimination. Our events marking Diwali, Lunar New Year and Ramadan further raised awareness and celebrated our cultures.
- We are a founding member of the Black Equity Organisation focusing on Black British civil rights.

Actions related to LGBT+

- We ranked number one in the UK Workplace Equality Index and continue as the number one law firm in the [Stonewall Top 100 Employers List](#).
- In 2022, we celebrated 15 years of our Arcus LGBT+ Network. The culture that exists at Clifford Chance would not be possible without its efforts.

Actions related to social mobility

- We are proud to have ranked 29th place in the [Social Mobility Employer Index 2022](#), a climb from 37th place in our previous submission in 2019.
- We showcase career options through our [Raising Aspirations](#) initiative and support students from low socioeconomic backgrounds through our award-winning [ACCESS](#) programme.

YEAR-ON-YEAR COMPARISON

GENDER PAY GAP, INCLUDING HOW TO READ THIS DATA

Pay and bonus gaps (% less than men)

	Mean 2021	Mean 2022	Difference in percentage points	Median 2021	Median 2022	Difference in percentage points
Hourly pay gap	16.6%	16.6%	0%	35.3%	31.8%	-3.5%
Bonus gap	33.7%	33.6%	-0.1%	45.2%	45.3%	+0.1%

Proportion of men and women in each pay quartile band

	Women 2021	Women 2022	Difference in percentage points	Men 2021	Men 2022	Difference in percentage points
Upper quartile	54.3%	54.1%	-0.2%	45.7%	45.9%	+0.2%
Upper middle quartile	51.8%	54.4%	+2.6%	48.2%	45.6%	-2.6%
Lower middle quartile	61.1%	59.1%	-2.0%	38.9%	40.9%	+2.0%
Lower middle quartile	80.2%	79.3%	-0.9%	19.8%	20.7%	+0.9%

Proportion of employees receiving a bonus

	2021	2022	Difference in percentage points
Women	65.5%	67.5%	+2.0%
Men	69.8%	64.4%	-5.4%

Pay gaps by employee type (% less than men)

	Mean 2021	Mean 2022	Difference in percentage points	Median 2021	Median 2022	Difference in percentage points
Partner	27.1%	20.0%	-7.1%	30.4%	30.0%	-0.4%
Associates	1.8%	4.0%	+2.2%	5.7%	4.1%	-1.6%
Business Professionals	25.4%	22.2%	-3.2%	36.4%	37.0%	+0.6%

How to read this data:

Mean

Mean figures represent an average, i.e., the sum of compensation of the individuals included in the data, divided by the number of individuals.

Median

If we rank each individual's pay/bonus data from lowest to highest, the median is the value in the middle of that list.

Hourly Pay Gap

- This reflects the equivalent hourly rate of pay for all employees of the firm, so long as they were in receipt of full pay in April 2022. This includes those working both part and full time.
- In 2022, on a mean basis, women were on average paid 16.6% less than men. This gap has remained the same as in 2021.

Bonus Gap

- The bonus gap reflects the actual bonuses paid to employees during FY21/22. For us, this means bonuses awarded at the end of FY20/21 but paid in early FY21/22 (June 2021).
- In 2022, on a median basis, women received an average bonus that was 45.3% lower than that paid to men. This gap has increased marginally since 2021 (0.1%). The mean bonus gap has decreased marginally (0.1%).

Proportion of men and women in each quartile band

- The quartile distributions divide our employees into four equal groups ranked from highest to lowest levels of pay. The proportions show the relative number of each gender in those groups.
- In 2022, 54.1% of those employees in our upper pay quartile were women. This has decreased by 0.2% since 2021, when 54.3% of the upper pay quartile were women.

Proportion of employees receiving a bonus

- This shows the proportion of employees who receive any level of bonus payment.
- In 2021, 65.5% of women received some form of bonus payment. This has increased in 2022, when 67.5% of women received a bonus.

Pay gaps by employee type

- These figures break down the pay gaps for our major job families in the UK. We use 'Partners' to refer to members of Clifford Chance LLP. 'Associates' are our other qualified lawyers. 'Business Professionals' refers to those employees whose role does not include giving legal advice.
- In 2022, on a mean basis, female associates were on average paid 4.0% less than men. This gap has increased by 2.2% since 2021, when female associates were paid 1.8% less.
- Pay gap data for UK subsidiaries of the firm is included in our 2022 overall pay gap data, but not our statutory data.

YEAR-ON-YEAR COMPARISON

COMPARISON TO CLIFFORD CHANCE'S PAY GAP REPORTING IN 2021

Overall gender pay gap

	Mean 2021	Mean 2022	Difference in percentage points	Median 2021	Median 2022	Difference in percentage points
Pay Gap	16.6%	16.6%	0%	35.3%	31.8%	-3.5%

Overall ethnicity pay gap

	Mean 2021	Mean 2022	Difference in percentage points	Median 2021	Median 2022	Difference in percentage points
Pay Gap	53.6%	45.6%	-8.0%	-5.7%	-2.7%	+3.0%

Overall LGBT+ pay gap

	Mean 2021	Mean 2022	Difference in percentage points	Median 2021	Median 2022	Difference in percentage points
Pay Gap	31.3%	25.5%	-5.8%	-5.7%	16.7%	+11%

Overall disability pay gap

	Mean 2021	Mean 2022	Difference in percentage points	Median 2021	Median 2022	Difference in percentage points
Pay Gap	34.4%	26.2%	-8.2%	41.6%	37.9%	-3.7%

Overall social mobility pay gap

	Mean 2021	Mean 2022	Difference in percentage points	Median 2021	Median 2022	Difference in percentage points
Pay Gap						
Intermediate vs Working Class	26.0%	13.7%	-12.3%	17.1%	23.6%	+6.5%
Professional vs Working Class	44.1%	46.0%	+1.9%	41.6%	48.8%	+7.2%
Professional vs Intermediate Class	24.4%	37.4%	+13.0%	29.5%	33.0%	+3.5%



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C H A N C E

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