

ARTHUR COX

DECEMBER

2023

Gender Pay Gap Report



Introduction

2023 is the second year that we are reporting on our gender pay gap statistics. In the last 12 months, we have further enhanced our Equality, Diversity and Inclusion (EDI) strategy as part of our commitment to improving the representation of women in senior positions in Arthur Cox, and to foster a culture of inclusion across all aspects of our business. This strategy involves initiatives that ensure every employee feels valued and supported and can achieve their full potential.

As with last year, our goal with this report is to be transparent about where the gaps exist, and to share our action plans that will help close these gaps in the future. For full transparency, this year we are once again including our equity partners, who are the owners of the business, in our gender pay and bonus gap reporting. This ensures that we are truly focused on improving female representation at all levels of the business.

WHAT'S IN THE DATA?

We have chosen the snapshot date of 30 June 2023 for the purposes of our reporting requirements.

The Gender Pay Gap Information Act 2021 requires employers with 250 employees or more to publish a gender pay gap report. Arthur Cox has two legal entities with more than 250 employees each, Arthur Cox LLP (the "Firm") and Arthur Cox Unlimited Company (the "Company"). To improve the accessibility and relevance of this report, we have presented the information required on a consolidated basis, combining the data for the Firm and the Company. Last year's comparative data has been restated to align with this year's consolidated format. There has been a change to the data and to some of the information we have added this year e.g. bonus and benefits in kind both including and excluding equity partners. Each entity continues to have its own reporting obligation and this information is included in the Appendix.

Gender Pay Gap Summary

Our mean gender pay gap is 0%, excluding equity partners

When we include equity partners, the mean gender pay gap is 56%

When we exclude the equity partners from our figures, our 2023 consolidated mean gender pay gap is 0%, which is the ideal position. This is the same position as 2022.

Our equity partners, as owners of the business, are remunerated differently from other employees and when we include all elements of their compensation, our mean gender pay gap is 56%, which has increased slightly on 2022 (54%).

This gender pay gap is predominantly driven by the distribution of genders across different roles and levels of seniority in the business, and the fact that we currently have a majority of male equity partners. Overall, our male equity partners account for 17% of the total male population across both entities, and female equity partners account for 3% of the total female population, which impacts our median and mean figures.

Our headcount has also increased over the last 12 months with more females hired at a junior level across both the Firm and the Company. This has also led to the slight widening of our pay gap when we include equity partners.

However, we have set robust targets for female representation at senior levels and have also further developed our various initiatives, including sponsorship and mentorship programmes that are designed to support women throughout their careers, from junior levels up to more senior levels. These supports, along with policies such as our market-leading family leave policies, will help us to grow our strong pipeline of female talent and enable our female colleagues in the Firm to progress to senior levels in the years to come.

Gender Pay Gap Summary

<p>+%</p> <p>A positive percentage means that the data is favourable to male employees</p>	<p>-%</p> <p>A negative percentage means that the data is favourable to female employees</p>	<p>Mean rate = average rate</p>	<p>Median rate = middle point in a range</p>
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GENDER PAY GAP - ALL EMPLOYEES, EXCLUDING EQUITY PARTNERS

(all employees includes full-time, part-time and temporary employees)

MEAN GENDER PAY GAP	
2023	2022
0%	0%

MEDIAN GENDER PAY GAP	
2023	2022
13%	5%

GENDER PAY GAP - ALL EMPLOYEES, INCLUDING EQUITY PARTNERS

(all employees includes full-time, part-time and temporary employees)

MEAN GENDER PAY GAP	
2023	2022
56%	54%

MEDIAN GENDER PAY GAP	
2023	2022
14%	9%

Gender Pay Gap Summary

Gender pay gap data for part-time and temporary employees

CONSOLIDATED DATA FOR THE FIRM AND THE COMPANY:

MEAN GENDER PAY GAP: PART-TIME EMPLOYEES	
2023	2022
-31%	-15%

MEDIAN GENDER PAY GAP: PART-TIME EMPLOYEES	
2023	2022
0%	10%

MEAN GENDER PAY GAP: TEMPORARY EMPLOYEES	
2023	2022
-2%	-11%

MEDIAN GENDER PAY GAP: TEMPORARY EMPLOYEES	
2023	2022
0%	0%

UNLIMITED COMPANY:

MEAN GENDER PAY GAP: PART-TIME EMPLOYEES	
2023	2022
-14%	6%

MEDIAN GENDER PAY GAP: PART-TIME EMPLOYEES	
2023	2022
0%	13%

MEAN GENDER PAY GAP: TEMPORARY EMPLOYEES	
2023	2022
-2%	-11%

MEDIAN GENDER PAY GAP: TEMPORARY EMPLOYEES	
2023	2022
0%	0%

NOTE: There are no part-time or temporary male employees in the Firm which means there is no gender pay gap in this category.

Gender Bonus Gap Summary

We have used a similar approach for the gender bonus gap to the one used for the gender pay gap. Elements of equity partner compensation fall into the definition of bonus, and we have included these elements in our calculation in line with our goal of being fully transparent.

Excluding equity partners, we have made good progress over the last 12 months to narrow the mean gender bonus gap from 13% in 2022 to 9% in 2023, and we plan to continue this progress in the years to come.

When we include equity partners, the mean gender bonus gap is significant. However, as with last year's report, this is not indicative of male employees receiving more favourable bonuses than female employees. There are several factors that have influenced this gap, the most impactful of which is gender representation across all levels of the business, including the fact that we have more male partners than female partners. As we also have a majority female population, this dilutes the impact of the female equity partner bonus remuneration on the mean bonus for females. Elements of our bonus remuneration have a minimum service eligibility requirement and, as 71% of our new joiners in the last year are female, this has also impacted the mean bonus for females.

GENDER BONUS GAP - ALL EMPLOYEES, EXCLUDING EQUITY PARTNERS
(all employees includes full-time, part-time and temporary employees)

MEAN GENDER BONUS GAP	
2023	2022
9%	13%

MEDIAN GENDER BONUS GAP	
2023	2022
5%	4%

GENDER BONUS GAP - ALL EMPLOYEES, INCLUDING EQUITY PARTNERS
(all employees includes full-time, part-time and temporary employees)

MEAN GENDER BONUS GAP	
2023	2022
75%	72%

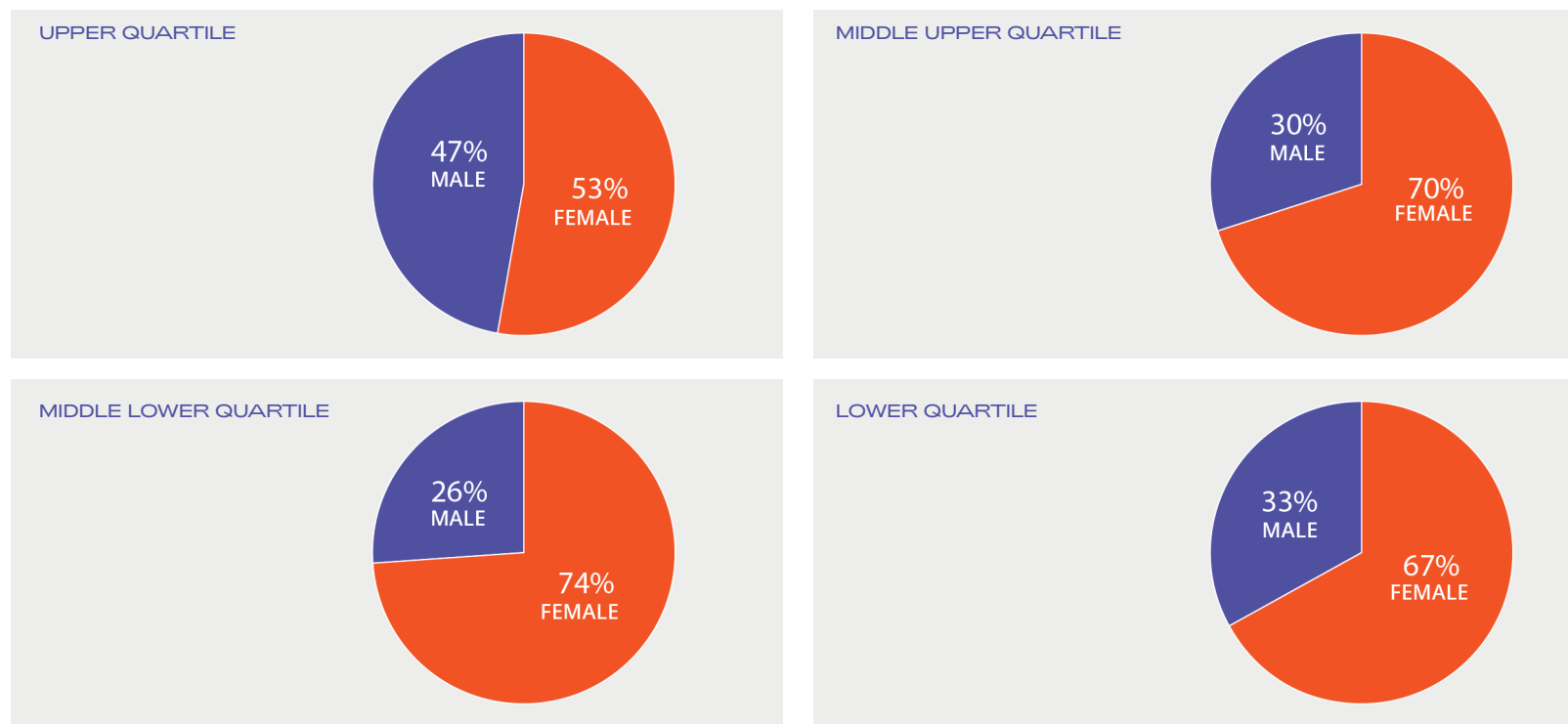
MEDIAN GENDER BONUS GAP	
2023	2022
53%	45%

Quartiles

Including Equity Partners

Pay quartiles are calculated by dividing all employees in an organisation into four even groups according to their level of pay. Looking at the proportion of male employees and female employees in each quartile shows the gender representation at different levels of the organisation. Our upper quartile is broadly the same as last year, and we have made good progress in terms of female representation in the upper quartiles, which we hope to build on in future years.

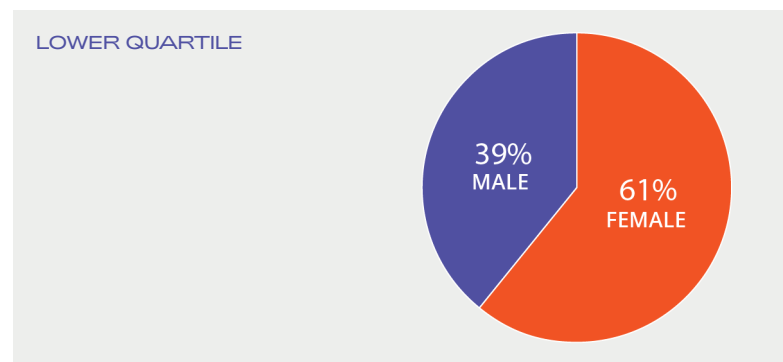
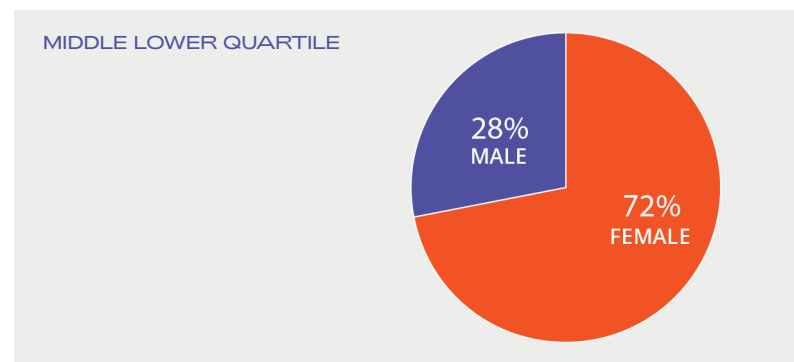
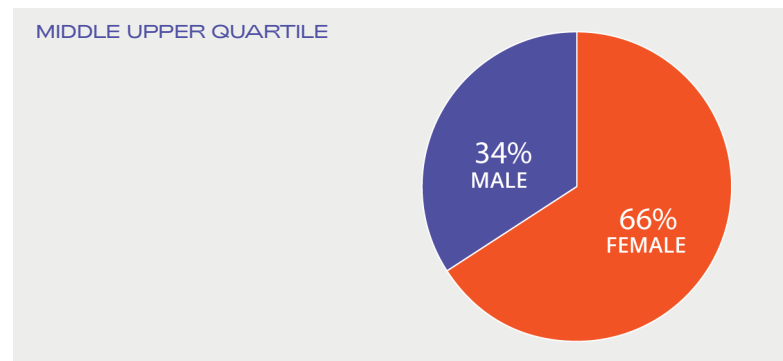
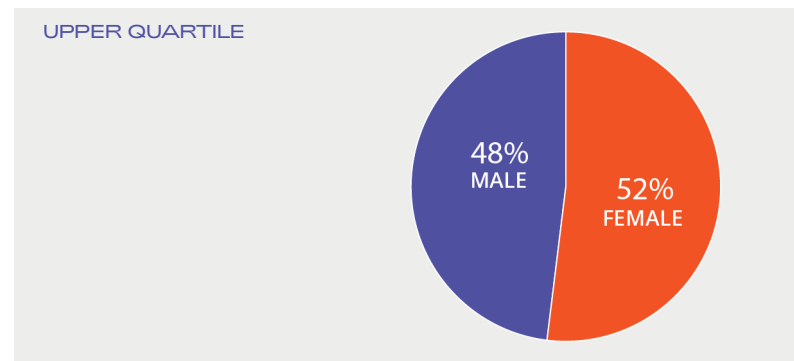
2023



Quartiles

Including Equity Partners

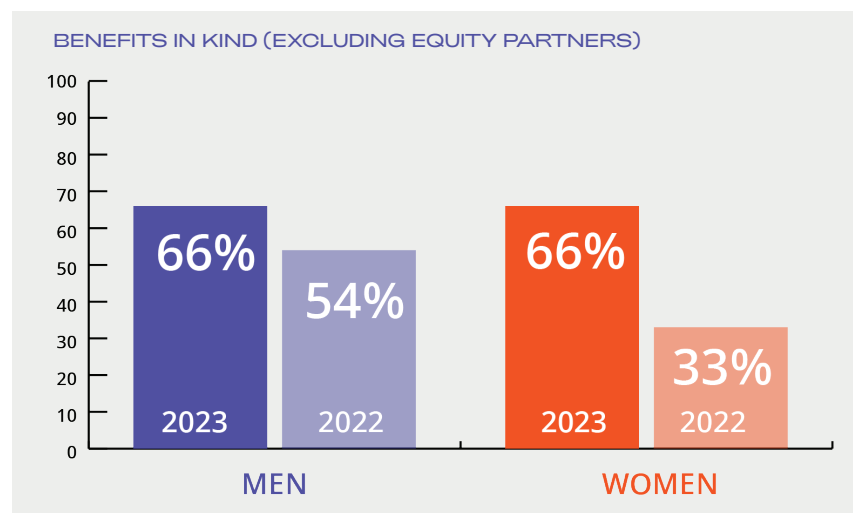
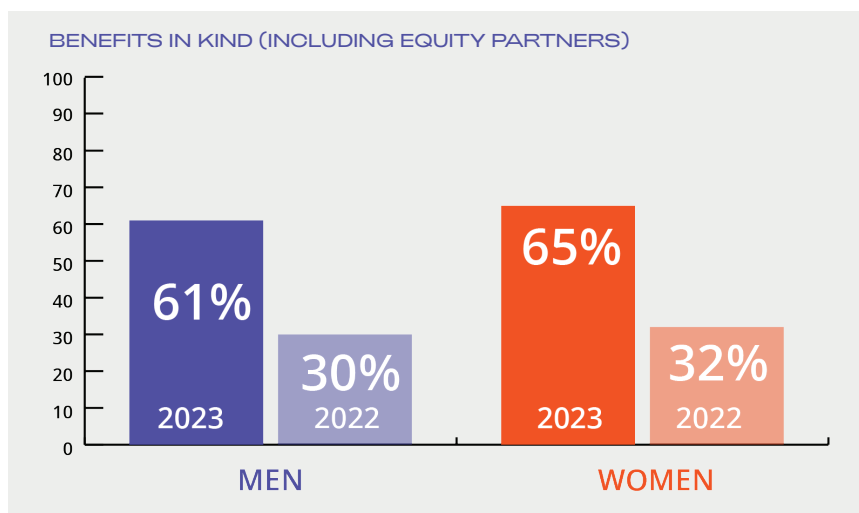
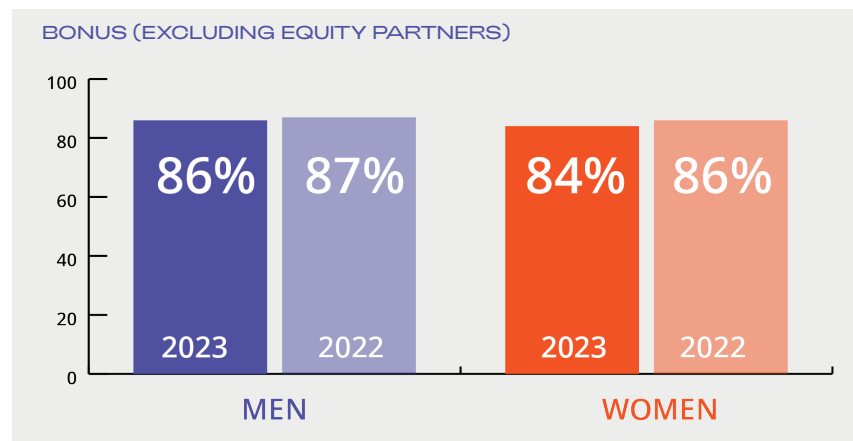
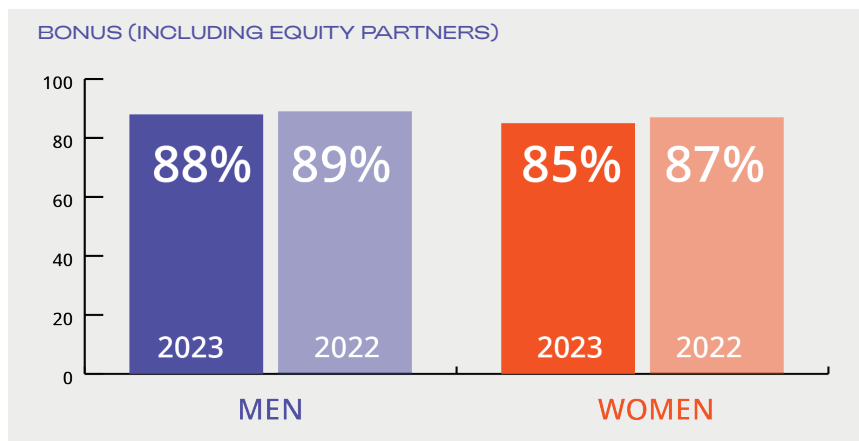
2022



Bonus and Benefits in Kind

We are also required to report the percentage of men and women who receive a bonus payment and benefits in kind during the year. Our bonus and benefits in kind schemes are operated on an equal opportunity basis.

Our year-on-year increase in the percentage of employees receiving benefits in kind is directly related to the introduction of paid healthcare for all employees in July 2022. This is a significant addition to the range of benefits available to employees.



Our Action Plan

Our gender action plan continues to be our primary focus, with the overall objective of increasing female representation at senior leadership levels. As mentioned in the introduction, we have set robust targets for female representation at partner level by 2028:

To increase the percentage of all female partners (fixed share and equity) to 40%

Currently at 40%¹

To increase the percentage of female equity partners to 30%

Currently at 28%²

¹This data is correct as of our snapshot date of 30 June 2023, and to harmonise our reporting we will use the date of 30 June to recalculate this percentage every year.

²As above.

Our Action Plan

As stated in our report last year, we will remain proactive in our gender strategy. Continuous commitment and defined action plans are essential components of driving positive change.

PROGRESS OVER THE LAST 12 MONTHS

- Our partners are focused on **work allocation** to ensure an equitable distribution of work. Our HR Business Partners and Finance Business Partners support the partners in reviewing and monitoring utilisation and quality of work assignments.
- We continue to develop and promote our **Sponsorship and Mentorship** programmes.
- We trialled a different format for **female networking events** to promote networking more broadly across the organisation.
- We have relaunched our **Gender in the Firm Sub-Committee** which is led by a partner from the EDI Committee and made up of members from across the business at different levels.
- We have held **sessions with parents** to obtain feedback on experiences during and after family leaves. This gives people a voice and an opportunity to share ideas on areas for improvement. We will continue to seek this feedback every year.
- We are now offering **maternity coaching** specifically tailored for employees in law firms.
- We continue to track our progress against our **gender targets** and our EDI strategy.

NEXT STEPS

- Re-launch our **parenting buddy programme** in the new year for expecting parents. The purpose of the programme is to support expecting parents on the journey of familyhood, and to offer support, advice and information before, during, or after the family leave has been taken. It also aims to build a sense of community and belonging amongst expecting and new parents.
- Enhancement of our **sponsorship programme**, including additional training for both sponsors and sponsees on the purpose of the programme and the expectations of all participants.
- Introduction of a formal **offboarding and onboarding process** for expecting mothers, including improved guidance for practice group and team leaders. The aim is to ensure that there is a clear and consistent structure around managing the transition to and from work before and after maternity leave.
- Continue our active engagement with the **30% Club**.

Our EDI strategy and above actions will support us in working towards narrowing the gender pay gap and gender bonus gap, along with support from our Management Committee, Policy Committee, EDI Committee and the wider partnership.

Appendix

The LLP (the Firm) mainly remunerates those who do fee earning work for clients.

The Unlimited Company (the Company) mainly remunerates those who work in business services and support roles, as well as trainees.

Our **equity partners** are owners of the business and are remunerated differently to employees. Elements of their compensation are paid through both the Firm and the Company.

GENDER IN ARTHUR COX		
ENTITY	FEMALE	MALE
LLP (the Firm)	68%	32%
Unlimited Company (the Company)	65%	35%
Both entities combined	66%	34%

Appendix

TABLE WITH ALL DATA, EXCLUDING EQUITY PARTNERS		2023	2022	YOY
Mean Gender Pay Gap	Consolidated Data	0%	0%	-
	Unlimited Company	-7%	-9%	-2%
	LLP	1%	1%	-
Median Gender Pay Gap	Consolidated Data	13%	5%	8%
	Unlimited Company	-4%	-12%	-8%
	LLP	5%	2%	3%
Mean Bonus Pay Gap	Consolidated Data	9%	13%	-4%
	Unlimited Company	-31%	-5%	26%
	LLP	12%	11%	1%
Median Bonus Pay Gap	Consolidated Data	5%	4%	1%
	Unlimited Company	-32%	-59%	-27%
	LLP	27%	26%	1%
% Males Receiving Bonus	Consolidated Data	86%	87%	-1%
	Unlimited Company	75%	77%	-2%
	LLP	100%	99%	1%
% Females Receiving Bonus	Consolidated Data	84%	86%	-2%
	Unlimited Company	76%	79%	-3%
	LLP	97%	97%	-
% Males Receiving Benefits in Kind	Consolidated Data	66%	54%	12%
	Unlimited Company	50%	24%	26%
	LLP	87%	42%	45%
% Females Receiving Benefits in Kind	Consolidated Data	66%	33%	33%
	Unlimited Company	59%	27%	32%
	LLP	78%	40%	38%

Appendix

TABLE WITH ALL DATA, INCLUDING EQUITY PARTNERS		2023	2022	YOY
Mean Gender Pay Gap	Consolidated Data	56%	54%	2%
	Unlimited Company	15%	11%	4%
	LLP	54%	52%	2%
Median Gender Pay Gap	Consolidated Data	14%	9%	5%
	Unlimited Company	2%	0%	2%
	LLP	20%	17%	3%
Mean Bonus Pay Gap	Consolidated Data	75%	72%	3%
	Unlimited Company	-31%	-37%	-6%
	LLP	70%	39%	31%
Median Bonus Pay Gap	Consolidated Data	53%	45%	8%
	Unlimited Company	-32%	-79%	-47%
	LLP	50%	31%	19%
% Males Receiving Bonus	Consolidated Data	88%	89%	-1%
	Unlimited Company	55%	80%	-25%
	LLP	99%	79%	20%
% Females Receiving Bonus	Consolidated Data	85%	87%	-2%
	Unlimited Company	71%	83%	-12%
	LLP	98%	92%	6%
% Males Receiving Benefits in Kind	Consolidated Data	61%	30%	31%
	Unlimited Company	46%	26%	20%
	LLP	66%	35%	31%
% Females Receiving Benefits in Kind	Consolidated Data	65%	32%	33%
	Unlimited Company	57%	22%	35%
	LLP	73%	38%	35%