

### **Our commitment**

We want Freeths to be a place of opportunity and possibility, for our people, clients and communities.

Seeing that in action at all levels of the firm, where staff from all backgrounds can belong and succeed, is a key priority for us.

Our pay gap reports are one of the tools we use to help us better understand our firm profile, the challenges we face in growing a diverse workforce, and where we can make high-impact changes to support our commitment. Our Board, Senior Management Teams and Employee Networks are fully committed to driving the change required to reduce and, over time, eliminate our pay gaps.

This year, I'm incredibly proud to share

the progress we're making. We've narrowed the median gender pay gap and bonus gap for our employees, as well as the median gender and ethnicity pay gaps for our partners. This tells us that the work we are doing is moving us in the right direction. We have worked hard to understand our remaining gaps, which you will see explained within this report.

We know that lasting change takes time, which is why it's important to act right now. Some things might not be solely in our gift to change, such as the demographics of the wider legal sector and student pipeline, which continue to attract more women entering the profession. So, we use our data to identify what we can influence.

These priorities will sit alongside our embedded, ongoing work to actively build diverse talent pipelines, to challenge our recruitment and promotion processes to ensure inclusivity and diversity, to develop individual and corporate cultural awareness, and to provide opportunities for all our talented people to grow their long-term careers with Freeths, in line with their personal circumstances and motivations. All these actions are helping to drive change, and I'm delighted to present this report as evidence of our transparency, accountability and progress.

Philippa Dempster, Senior Partner

### This year, our data is telling us to focus on three key areas:

Transparency in the awarding of discretionary bonuses

Ensuring inclusive recruitment and career development within Business Support

Supporting new partners to develop and progress



## Equality is everyone's responsibility

It's a pleasure to have the opportunity to contribute to this pay gap report and take ownership of its findings.

Our Business Support teams provide vital infrastructure to the daily activities of the business, as well as playing a key role in the strategic growth and direction of the firm. It's only right that we shine a spotlight on this section of our employee community, both to champion their work and to explore where there might be issues for us to address.

We recognise that there are pay gaps in some of our Business Support job families, and we are keen to understand what is within our gift to influence as an employer. Unlike the legal side of the business, there are very few senior roles in Business Support, and more of these are held by men than women, resulting in a gap in average hourly pay. We also lack the ethnic diversity we aspire to at this level. We have limited scope to expand

the opportunities on offer, and the relatively small sample of 72 employees in the upper quartile makes the median average hourly pay more sensitive to changes in quartile distribution.

We also recognise that, unlike on the legal career pathway, the Business Support job families include a wide range of roles which are not always comparable and may attract different remuneration rates.

This report helps us to understand the picture properly so we can identify areas for change, such as developing our inclusive recruitment practices and creating more development opportunities for employees.

We want to make sure that we have strong gender and ethnic diversity at all levels, and to take a common-sense approach to making sure everybody working for Freeths, in any capacity, can access professional development and enjoy a fulfilling career.

Mark Blakemore Chief Operating Officer



We want to make sure

that we have strong gender and ethnic diversity at all levels

### Introduction

Like any other employer with 250 or more employees, we need to report our gender pay gap data every year.

For Freeths, this is about so much more than complying with a legal requirement. Pay gap reporting is a valuable opportunity to gain detailed insights into the firm, so that we can celebrate areas where we're thriving, and understand where we need to do more to nurture our diversity in line with our aspirations.

We have a proud history of publishing our ethnicity pay gap data for employees and our gender pay gap for members, even though we don't have to. Although these datasets are smaller and it's hard to draw definitive conclusions, transparency matters to us, and we want to give the fullest picture of our workforce and pipeline.

We can't publish our ethnicity pay gap at member level because of the small sample size, but we do review this internally and we care about making a difference at this level.

We want to stay accountable to our colleagues and clients, so alongside our observations and insights on the data, we also share progress on existing commitments to close the gaps, and new objectives to show how we invest in meaningful progress.

Hopefully this report will answer any questions you have about the pay gap at Freeths but, if not, just get in touch with us.





# Things to bear in mind as you read this report

We have tried to strike a balance between providing lots of information and making it easy to understand the stories behind the numbers. If you have any questions which aren't answered here, please get in touch.

This report focuses on the median average only, to avoid over-complicating the picture. This is considered more reliable than the mean average for pay gap analysis, as there is less scope for outliers (unusually high or low earners) to skew the overall picture. Mean averages are available on the Government Gender Pay Gap website, as per our statutory responsibility.

Following changes to our corporate structure in 2022, Freeths' data includes all colleagues. As our largest pay gap is in Business Support, this aggregation of data continues to impact the firm-wide pay gap. Our pay gap in salaried legal roles remains low or negative.

The current legal gender pay gap reporting requirements report gender in a binary way, recognising only 'man' and 'woman' as gender identities. Whilst we have followed these requirements, we understand that gender identity is much broader, and our internal practices reflect this. Please note that numbers appearing in brackets denote a negative pay gap.

# Which groups of staff do we report on?



### **Employees**

This includes anyone in a salaried position within Freeths, up to and including directors.



### Members

This refers to our partners, including our fixed-share 'preferred' partners and full equity 'ordinary' partners.

Members are **excluded** from the employee data and reported separately.

### Further disaggregation

Where we are able to break down the employee cohort further:

**Lawyers** refers to qualified and not-yet-qualified fee earners.

**Business Support** refers to all employees who work to support the infrastructure of the firm, such as HR, IT and Finance. Legal secretaries are included in this cohort.





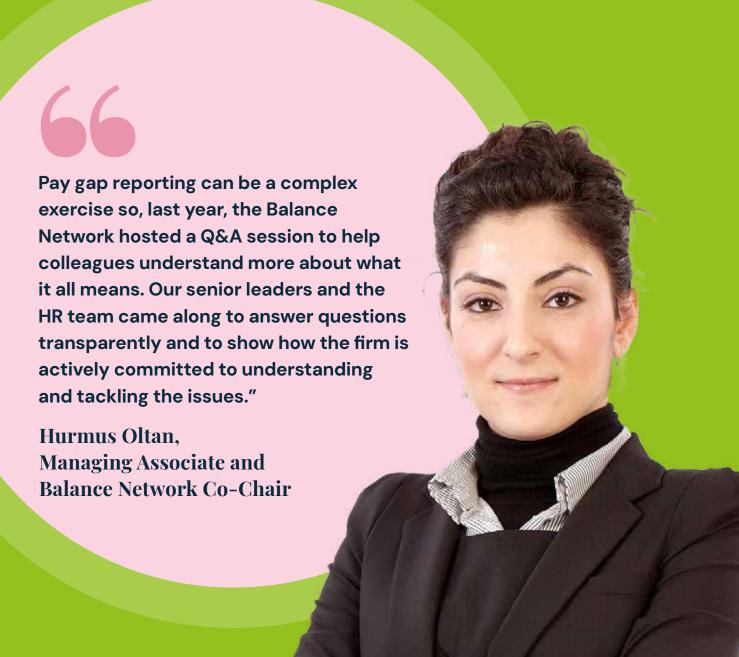
## Diversity pay gap vs equal pay

Freeths is very conscious of ensuring equal pay and we are confident that men and women are paid equally for similar roles and levels of performance and experience.

The Government pay gap reporting methodology compares the average hourly pay of men and women across all employees. If there are more men than women in senior roles, or more women than men in junior roles, there will be a gap in average hourly pay. As such, the pay gap is largely a proxy measure for diversity at different levels of the firm. It does not measure whether men and women are paid equally for doing work of equal value.

Within the firm, and across the UK legal sector, more women are employed in junior legal/administrative roles and more men are employed in senior/partnership roles.

This imbalance creates a gender pay gap.





## We are making progress!

Our employee median gender pay gap has narrowed to

28.3%

from 35.4%

Had all employees on parental leave been included in the calculations, the pay gap would be



Our employee median gender bonus gap also narrowed to

32.4%

from 38.9%

Although this still seems large, the gap is mainly due to the number of part-time women receiving a pro-rated, firm-wide bonus and two senior remuneration packages which are based on contractual bonuses.

When we look at the discretionary bonus in isolation, the median gap is



In addition to these achievements, we are happy to report that:

The members median gender pay gap has narrowed to

21.7%

from 22.4%

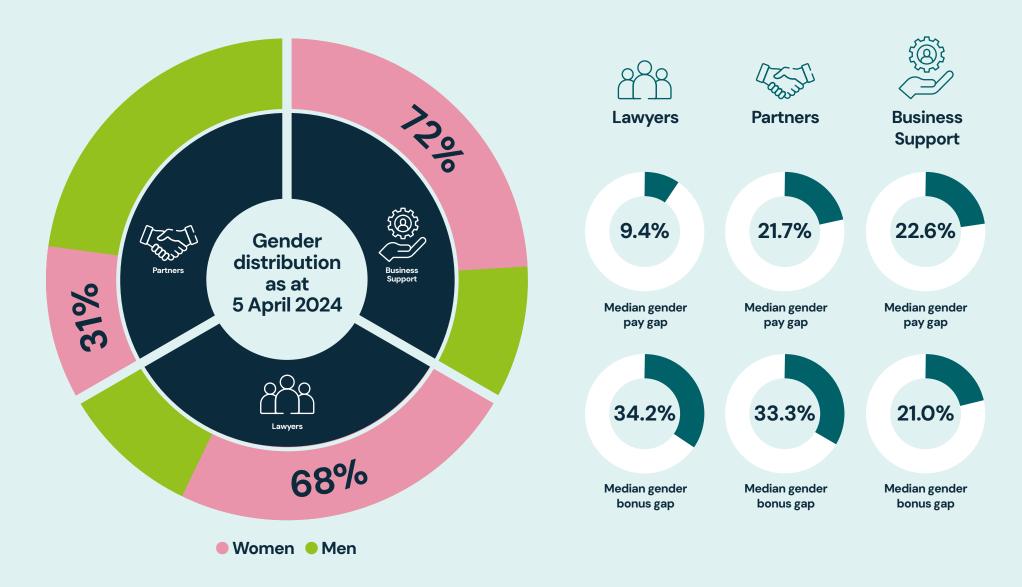
The members median ethnicity pay gap has narrowed from



The members median ethnicity bonus gap is



## At a glance



### Three areas of focus

We are already doing a huge amount to address inequities in attraction, recruitment and progression. You can read more about this on pages 36–37.

We want to maximise the results of that work and be smart with our resources, so have identified three areas that will have the biggest impact:



Increasing transparency, guidance and support around discretionary bonuses.



Supporting professional development of Business Support colleagues and attracting new, diverse talent at all levels.



Building on the success of Promotion Pathways guidance for fee-earning colleagues, to develop progression pathways within the partnership, as well as into it.

We will establish a Diversity Action Group to take accountability for this work.

You can read more about these ambitions on page 39. They are intersectional, taking account of both the gender and ethnicity pay gaps.



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Ensuring equitable access and progression is central to our Responsible Business approach. With dedicated specialist resource in place, we continue to build on our progress to date and develop data-informed solutions to further reduce the pay gap. This is not about ticking boxes – it's about embedding fairness and opportunity into our core."

Ben Churchill, Director of Responsible Business



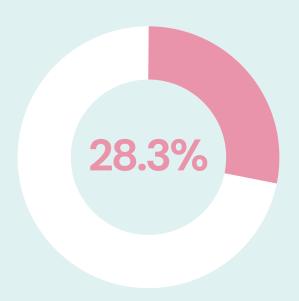


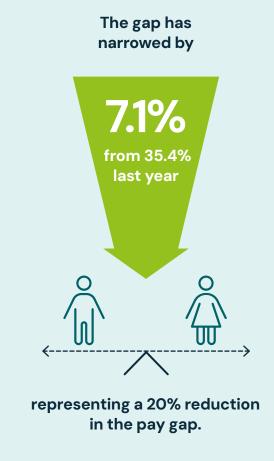
## **Employees**

Our work is moving us steadily in the right direction. Addressing the pay gap in Business Support will reduce the overall pay gap (see pg 17).

## Median gender pay gap

Our employee gender ratio is 70% women to 30% men.





36 women were on parental leave and excluded from the calculations. 29 of those have upper-quartile pay rates. Had all parental leave employees been included in the calculations, the pay gap would be



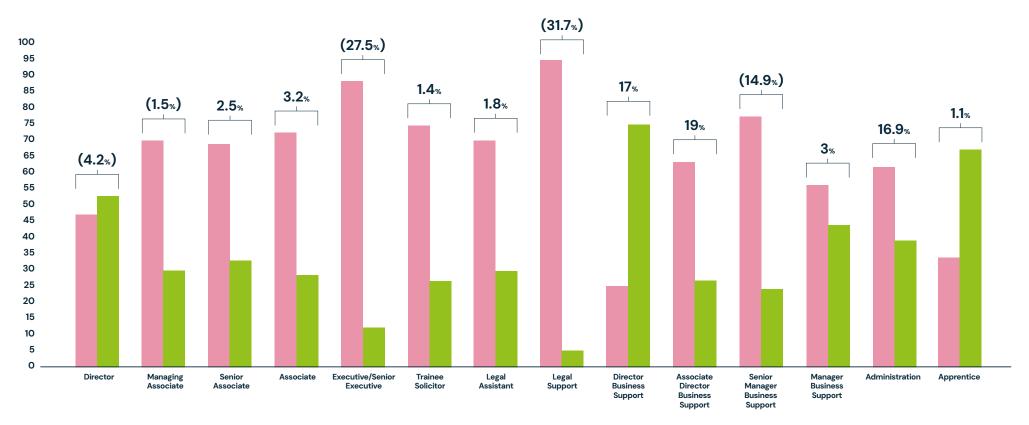
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"I've changed part of my working pattern to fit around my children's needs. I've been able to do this because of the trust I share with my colleagues; they understand my working pattern and trust that I will make up my hours. I'm conscious that I'm fortunate to manage my time, and my managers understand and promote this approach."

Rahul Kotecha, Director and Parents and Carers Network Executive Sponsor

## Employee gender pay gap by job family

The main question our people bring to the report is: "Am I being paid the same as the person next to me?" The headline data doesn't answer the question of equal pay so, to help get closer to those answers, we have analysed the data by job family, so that we can see how men and women in comparable roles are paid.



Numbers in brackets represent a negative pay gap (the average hourly pay for women is higher than for men)

■ % WOMEN IN THIS JOB FAMILY ■ % MEN IN THIS JOB FAMILY

## Understanding the employee gender pay gap

#### Our main observations are:

- The firm-wide employee gender pay gap is strongly influenced by a pay gap in Business Support.
- The 9.4% gap across all lawyers is a result of there being more women in junior roles than in senior roles. However, when we look at each legal job family separately, there is little to no pay gap, and in some instances, a negative gap.
- There is a substantial pay gap in senior Business Support roles. In part, this is because two-thirds of our operational directors are men. We also recognise that, unlike the legal career pathway, the job families include a wide range of roles which are not always comparable and may attract different remuneration rates.
- We intend to explore the pay gap in administration roles further. This is a group of almost 100 employees who perform a variety of administrative support roles.



 The largest pay gaps in the table are negative, meaning that the biggest gaps in hourly pay between genders occur where the average pay is higher for women than men. This is of equal concern to a positive pay gap, where average pay is higher for men than women.

However, we know that within the Legal Support job family of 101 employees there are only five men, and they are at a junior level. Furthermore,

the Executive/Senior Executive category is an umbrella for many different role types which do not fit elsewhere, so comparing one average hourly pay to another is not like for like.

Equally, only 12% of this cohort are men. We will strive to ensure our job adverts and recruitment information in these areas are appealing and relevant to men.



## **Employee bonuses**

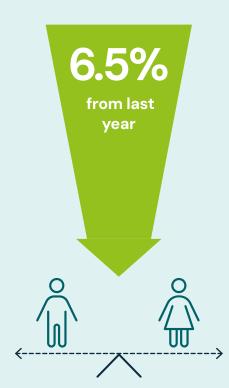
As with the employee gender pay gap, we are moving in the right direction, but there is more to do. We have started this work.





32.4%

The gap has narrowed by





80.9% of women employees received a bonus, compared with 77.9% of men.



# Understanding the employee bonus pay gap

The overall bonus figures include contractual, firm-wide and discretionary bonuses.

- There was a 50/50 gender split across recipients of the top 50 employee bonuses. However, women only received 34% of the total value, with men receiving 66% of the value. This gap is partly attributable to how we remunerate our senior roles, which includes large contractual bonuses. These roles are currently occupied by men.
- Firm-wide bonuses are a percentage of pay and reflect the hourly pay gap.
- The firm-wide bonus will also be heavily impacted by the profile of part-time employees for whom the bonus is pro-rated. 26% of women employees work part-time, compared with just 4% of men.

- Looking at the firm-wide bonus alone, the median gender gap is 38.2%.
- Looking at the discretionary bonus alone, the median gender gap is 0%.
- It is worth noting, for transparency, that the mean gender bonus gap is 32.1%. Furthermore, 17.7% of women received a discretionary bonus compared with 24.9% of men.
- Whilst the median results are reassuring, our employees want more transparency in this area, and so it remains one of our priority focus areas for the year ahead.



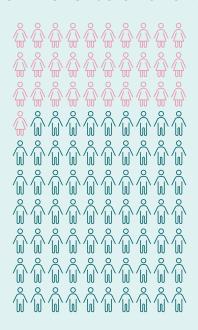


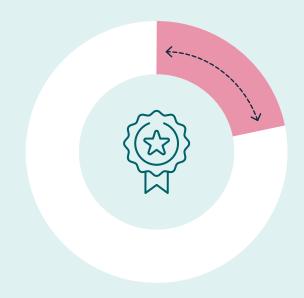
### **Members**

The gap is primarily due to the higher proportion of women in the lower quartiles than in the upper quartiles.

### Median gender pay gap

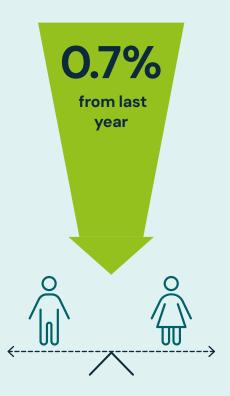
There are 169 members, of which 31% are women.





21.7%

The gap has narrowed by



# Understanding the member pay gap

 The member gender pay gap is primarily due to the higher proportion of women in the lower pay quartiles (40% women) compared to the upper pay quartiles (21% women).

This is an inevitable side effect of our efforts to support more women to progress into the partnership. Newer partners with less experience will be paid less than more experienced partners.

The median age in the lower levels of partnership is slightly lower for women (43) than men (45), which could indicate that the women are

- newer members and, in time, we will see them progress into the higher quartiles.
- Average pay rises during the year were 14% for women compared to 11% for men. However, there were 18 new appointments in 2023-24, split 44:56% women to men, with an average pay gap of 32%.
- This tells us that we need to focus on supporting progression through our partnership, in addition to an increased focus on the diversity of lateral hires in the upper quartiles.

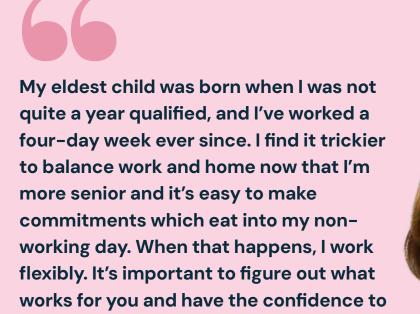
Average pay rises

11%

14%

18 new appointments in 2023-24 (44:56% male to female) Average pay gap of 32%





implement that."

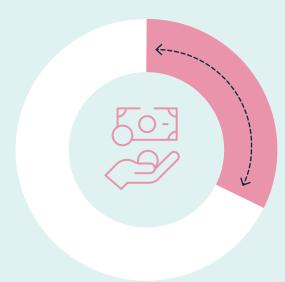
Katie Hillier, Partner

25 Gender and Ethnicity Pay Gap Report (issued April 2025)

## Member bonuses

In line with the employee picture, there is more to do to understand and address the bonus gap.

## Median member bonus gap



33.3%

The median gender bonus gap for members was

0%

last year.



44.2% of women members received a bonus, compared with 43.6% of men.



Due to small sample size, the median bonus is highly sensitive to small changes and does not provide a meaningful year-on-year comparison. We anticipate that firm-wide measures to improve transparency in bonuses will have a positive impact at partnership level.





## **Employees**

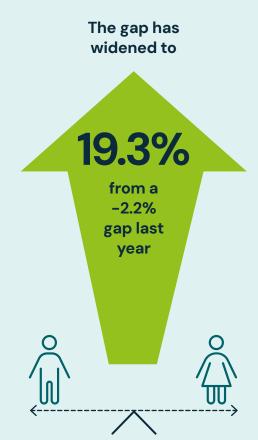
The gap is smaller for ethnicity than for gender. However, it is an increase from a negative gap last year. This is influenced by a large proportion of new recruits in the lower pay quartiles.





17.1%

15.6% of our employees have told us they are of ethnic minority heritage.



The proportion of ethnic minority employees in the upper quartile has grown, but the proportion of ethnic minority employees in the lower quartile has grown more.

### Ethnic minority representation across quartiles



## Understanding the employee ethnicity pay gap

Forty ethnic minority employees were recruited during the reporting period. Of these, 29 (73%) are in the lower pay quartiles. We will look more closely at which roles these employees were recruited into to see whether there are any insights for us to act on.

Even though representation in the upper pay quartiles has increase from 9.7% to 11.5%, the increase has been greater in the lowest pay quartile, from 15.5% in 2023 to 21.1% in 2024.

It follows that the average hourly pay will be lower and is a key factor in the widening of the pay gap. Additionally, the relatively small sample makes the median average sensitive to changes between quartiles.

As with the gender pay gap, the biggest gap is in Business Support. No one at director or associate director level in Business Support has disclosed an ethnic minority background. We will explore this further to identify whether more targeted work is needed to support our ambitions of enabling career development in this area of the firm.

### Representation in pay quartiles:





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The report is crucial in helping us see why these gaps exist. We need to have an ongoing discussion about how we improve opportunities for our under-represented colleagues. Our vision for our REACH and RISE Networks is to create peer support spaces and platforms in which honest lived experiences can be shared to help shape Freeths' development as an inclusive employer."

Noah Bachoco, Senior Associate and REACH Network Co-Chair

## **Employee bonuses**

As with the gender bonus gap, we are aware that we have more to do in relation to bonuses. We have started this work.

### Median employee bonus gap

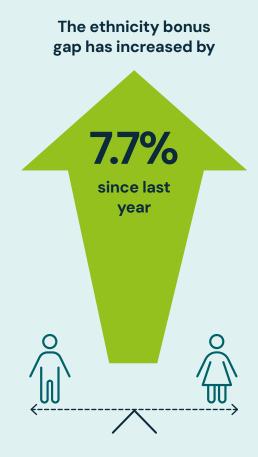


71.8% of ethnic minority employees received a bonus, compared with 81.6% of white employees.





18.8%



## Understanding the employee bonus gap

- 102 ethnic minority employees were paid a bonus, being 14% of bonuses paid by number. This closely reflects the proportion of ethnic minority employees in the business (15.6%).
- By value, ethnic minority employees received 11% of bonuses. This disparity between number and value gives rise to the bonus gap. This is potentially due to the impact of contractual bonuses on the overall figures.
- Looking at firm-wide bonuses in isolation, the median gap is 6.2%, which is attributable to having more ethnic minority employees in lower quartiles.
- For discretionary bonuses, the gap is negative at (50%). However, only 10.6% of ethnic minority employees were awarded a discretionary bonus, compared with 21.4% of white employees.





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Our ethnicity pay gap sample size is small and we know there is much to do to move the dial. Our RISE Network will help to build a diverse, inclusive partnership; our initiatives focus on recruitment and retention, external image and how we treat colleagues. We want Freeths to be known for who we are and for having a talent pipeline reflective of our communities' ethnic diversity."

Lisa Gilligan, Leicester Managing Partner and Executive Sponsor of the RISE Network





# Making progress since 2023

Our people work daily to support access and progression at Freeths. Here is a snapshot of what we've been up to over the past 12 months.



### **Growing talent**

- We've completed our second year of working with heads of department to ensure promotion shortlists reflect the eligible application pool.
- Promotion Pathway sessions were delivered to 69 colleagues, providing an opportunity for employees to get peer-led advice and guidance. Further drop-ins supported 19 colleagues who were nominated for promotion to ask questions about their interview and business case.
- We doubled capacity for our Leadership Development Programme, investing in 27 colleagues, of which 63% were women.
- This year's mentoring programme attracted 27 mentees, of which 93% were women and 30% were from a minority ethnic background. 37% of mentees asked to be matched based on their diversity characteristics.
- We have continued with all our promotion interview panels (for directors and members) being gender and ethnicity balanced, to the largest extent possible.



### Highlighting our role models

- We have continued our sponsorship and active involvement with the Women of the Year Awards. This year, the co-chairs of our Balance Network interviewed eight nominees to capture their wisdom on managing their career and life commitments. This was then shared with employees to inspire and inform.
- We have launched the Follow My Lead podcast series, showcasing role models from under-represented backgrounds. We have pre-recorded 14 interviews which are regularly released to the firm-wide audience.. Five have been released so far, with more than 500 engagements. More volunteers are coming forward, showing appetite at all levels to share and learn from each other's stories.



## Belonging, peer support and stakeholder engagement

- Our NEW (Networking for Women) Network, open to colleagues and clients, expanded hugely from 1,000 members to almost 2,500 on our mailing list. We have engaged in person with over 500 female business contacts at our events.
- Our Balance Network (gender equity) has grown from a Nottingham network of 55 members to a national network of 157 members, with active sub-groups informing and leading work in targeted areas.
- Given the ongoing level of interest and activity in this area, our Menopause Community is planning to transition into a structured Employee Network due to launch in 2025.
- Our Parents and Carers Network has grown to become our second largest, with 128 members. It continues to provide peer support and to curate access to professional external advice on key issues.



## Developing transparency and inclusion in our practices

- We have delivered our inclusive recruitment action plan, including training for the HR team and guidance for hiring managers.
   Our next steps will be to work with the hiring managers to embed an awareness of contextual factors at a senior level and to analyse the profile of unsuccessful candidates and reasons for rejection.
- Our Staff Council and Employee Networks have been ongoing catalysts and contributors to our plans to increase transparency and consistency in discretionary bonuses. We have employed consultants to support us with this process, and this work will continue in 2025.
- We have developed the capability to run real-time D&I data, enabling us to monitor progress robustly, and have created dashboards to enable D&I colleagues to interrogate data and track progress.



### **Early careers**

- We routinely anonymise CVs for early careers entrants to reduce the chance of bias, and use contextualised recruitment data for all graduate recruitment, which hard-wires social mobility metrics into the recruitment process.
- We continue to offer alternative assessments for disabled applicants at various stages of application and assessment. This enables them to show us their full potential in a way that is accessible to them.
- We have introduced a Year 12 work experience pilot for two colleges in Nottingham with a high number of students from under-represented backgrounds.
   We hope to expand to other locations in the future.



## A focused approach

## Change takes time, humility, openness and intentional effort.

Sometimes positive changes (such as increases in the number of women partners) can counter-intuitively have a negative effect on the pay gap data, but this doesn't affect our longer-term resolve to improve gender equity. There is a huge amount of work already happening to support equity in recruitment and progression. These come in the form of continuous improvements to the way we work; we are a progressive law firm that knows our diversity strengthens our ability to deliver efficiency, innovation and excellent client service.

Next, we want to focus our efforts in three additional areas where we believe they will

have the deepest impact. We hope to start seeing the impact of this work in two years' time, and that it will grow incrementally thereafter. We will continually monitor progress and be unafraid to pivot in a different direction if our work isn't having the anticipated effect.

We will set up a Diversity Action Group of key influencers across the employment lifecycle to guide and implement actions in relation to our focus areas. Just as importantly, we will systematically listen to our colleagues about their experiences, aspirations and barriers to progression, to make sure our work is people-centred as well as outcome-focused.

### Our three focus areas

### **Discretionary** bonus



What: We will build on recent work to make sure that all employees have clear guidance on when and how to outline their achievements to their manager. We will be clear about how discretionary bonuses are awarded, and who is involved in the decision-making process, and expect to see a measurable increase in employee trust.

Why: The data indicates that the bonus gap arises, in part, a result of discretionary bonuses, rather than the staff firm-wide bonus, even when adjusted for part-time employees. Our Pay Gap Stakeholder Group shared feedback about inconsistencies in understanding of the discretionary bonus process, leading to uncertainty about transparency and fairness. We want everyone to be assured - and to be able to give assurances - that discretionary bonus processes are fair, transparent and accessible to all.

## Business Support recruitment and career development



What: We want Business Support employees have access to professional development pathways, and to make sure we are recognising and nurturing talent. We will showcase role models who demonstrate that flexible working and work-life balance is possible at all levels of our professional services.

Why: Our overall pay gap is heavily influenced by the pay gap in Business Support, due to the proportion of women and ethnic minority employees in lower/higher quartiles. We want to make sure that all employees feel empowered and equipped to progress into higher quartile roles, and that our recruitment practices are as inclusive as possible.

## Partnership Pathways



What: We will provide clear guidance and support on progression to and within the partnership, so that our growing, diverse pipeline is equipped to further their career with us. We will underpin this with qualitative research into the experiences of colleagues at earlier stages of the career pipeline to identify any barriers to progression.

Why: Our partner pay gaps are attributable to the proportion of women and ethnic minority partners in the lower/higher quartiles. Our Pay Gap Stakeholder Group told us that it is not clear on how to progress into the upper quartiles of partnership and would benefit from guidance, support and transparency. A diverse partnership is predicated on a diverse pipeline, so we want to understand why women are leaving us gradually from senior associate level onwards.

## Still got questions?

We know that we can't predict every question that you might have about the pay gap, and have tried to strike a balance between transparency and information overload. If you have any specific questions which you can't find the answers to here, please feel free to contact ResponsibleBusiness@freeths.

co.uk and we'll try to help.

## Appendix: Glossary of pay gap terms

### What, who and how we calculate

### What

### Pay gap

A comparison of the average hourly pay of men and women, or white and ethnic minority employees, across Freeths.

### Bonus gap

A comparison of the average value of bonuses paid to men and women, or white and ethnic minority employees.

### Who

### Gender

The current legal requirement for gender pay gap reporting reports recognises only men and women as gender identities. Whilst we have reported our gender pay gap in line with legal requirements and based on HMRC data, we understand that gender identity is broader than this, and we use an inclusive range of gender markers in our internal data and policies.

### **Ethnicity**

Comparing the pay of white colleagues with Black, Asian and other ethnic minority colleagues. We report this data voluntarily.

Our datasets are not large enough to disaggregate into individual ethnic groups, which we realise may cloud some of the nuances underlying the data.

### How

### Mean average

If we add up all the earnings in a category (such as men) and divide them equally amongst the number of individuals, this gives us the mean average pay for that category. We can then compare with other categories (such as women).

### Median average

If we list all earners, from highest to lowest, the median average is the person in the middle. This calculation is considered more reliable than the mean average, as it lessens the impact of a few individuals on very high or very low hourly pay.

#### Quartiles

We are asked to list all earners, from highest to lowest, and divide the list into four equal quarters. Knowing the proportion of men and women in each quartile helps us to understand why we might see an overall pay gap.

## FREETHS

### **Awards and accreditations**





















