



2023 was an unprecedented and mixed year; 2022 was a positive push out of the pandemic and, along with most organisations in the UK, we saw the rise in cost-of-living driving the need to increase pay across the board, especially at the junior end.

At Fragomen, we are committed to fostering diversity, equality and inclusion and recognise the importance of transparency and accountability in addressing gender disparities within our workforce.

We have made progress towards gender equality but acknowledge the persistent challenges that remain. Through this statement, we aim to meet our legal obligations and demonstrate our commitment to offering an inclusive and equitable workplace.

We take pride in our position as industry leaders in addressing the Gender Pay Gap. This is evident in our UK practice, where more than 70% of our team members are female, and nine out of ten Partners are women.

Throughout the reporting period, our headcount increased by 153 individuals. Notably, 73% of these new hires were female, a percentage that has remained consistent throughout the past few years.

The following presentation of our gender pay gap data demonstrates a consistent reduction in the gap in both average and median salary numbers. However, it is important to note that although there has been a decrease in median bonus pay, mean bonus pay has increased.

We are committed to promoting gender equality within our firm and beyond. This report offers detailed insights into our gender pay gap, including average and median pay gap figures, the distribution of male and female employees across pay quartiles, and the initiatives we have implemented and planned to tackle any disparities identified.

Nadine Goldfoot

UK Managing Partner

What is the gender pay gap?

The regulations requiring employers meeting certain thresholds to publish data on their gender pay gaps came into effect on 6 April 2017, with the first reports due in April 2018. The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 apply to private and voluntary sector organisations with 250 or more employees.

The gender pay gap shows the difference in the average hourly pay between men and women. It is measured by the mean (the average) and the median (the middle value in the range of hourly earnings) differences between pay and bonuses for men and women. The gender pay gap is not the same as unequal pay which is paying men and women differently for doing the same (or similar) work. Unequal pay has been unlawful since 1970.

Our gender pay gap

Quartiles data:

Quartile	Male%	Female%
Upper	29%	71%
Upper Middle	24%	76%
Lower Middle	32%	68%
Lower	29%	71%

Salary data:

Mean Gender Pay Gap (salaries) = 5% (-3.8% from 2022)

Median Gender Pay Gap (salaries) = -4.5% (-9.8% from 2022)

Bonus data:

% men with bonus = 66.8% (+8.9% from 2022)

% women with bonus = 64.8% (+19.8% from 2022)

Mean Gender Pay Gap (bonus) = -2.5% (-16.6% from 2022)

Median Gender Pay Gap (bonus) = 15.8% (+10% from 2022)

Why has our gender pay gap changed?

Overall, we are pleased with our proximity to achieving a zero gender pay gap.

Encouragingly, our analysis of salary data reveals favourable progression bringing us nearer to the goal of closing the gap. Nonetheless, we recognise there have been some varied changes during the reporting period. After detailed analysis, we see these variations relate to an increase in male recruits at the entry level roles and a rise in female promotions to higher-level roles.

Our main factor for the positive change is **an increase in male presence in the lower pay quartile (+2%)** and lower middle pay quartile (+5%) when compared with 2022 data. We also had a particularly significant increase in male presence in the first tier of our career framework. We saw 49% of male hires recruited into this tier in 2023, versus 43% in 2022.

We also see **an increase in female presence in the upper middle quartile (+3%)** and upper quartile (+1%) when compared with the 2022 snapshot. In our 2022/2023 promotions cycle for, **many females were promoted to senior levels** in our career framework compared with males.

We have achieved robust representation of women in senior positions worldwide, underscoring the firm's commitment to nurturing and retaining female talent. This creates a vital platform for our female employees to serve as role models within both the firm and the industry.

How are we addressing the Gender Pay Gap

Compensation and performance reviews

In our annual compensation review, anticipating a significant increase in the national minimum wage, our goals were to mitigate the impact of rising living costs on our employees. Consequently, we implemented the largest number of market adjustments to salary bands to date.

We continue to reward and encourage high performance through our salary increases and our bonus calculations. Our salaries increased significantly in our 2022/2023 compensation review. We continue to offer a bonus opportunity to every level in the firm.

To ensure precise evaluation of our employee's performance, we have reviewed our appraisal system to include regular check-ins for all employees, fostering ongoing performance feedback to facilitate their success. To ensure consistency on employee performance assessment, we are formalising goal setting in the UK in 2024 with a view to implementing this practice across the global firm in the foreseeable future.

Encouraging Flexibility

Whilst some organisations have shifted away from hybrid work arrangements, we are proud of our commitment to this model. We advocate for flexibility, encouraging our employees to balance their work patterns between home and the office, with all employees having the option to work remotely for up to three days per week.

Our continued high rate of approved flexible working requests emphasises our dedication to accommodating individual needs. Additionally, we encourage employees to request flexibility as needed, eliminating any restrictions on the number of flexible requests they can make during their tenure at the firm.

Working Parents & Family Focussed Initiatives

We continue to provide enhanced family leave and remuneration packages, comprehensive family leave coaching, and a fully paid phased return-to-work program. We are proud of our thought leadership with our family-based benefits packages which stand as a benchmark of competitiveness within our industry. We remain committed to continually evaluating and enhancing our offerings to ensure they align with the evolving needs and expectations of our workforce.

Responsible Business Strategy

Whether working in the office or remotely, our team spirit shines through in all aspects of our work. We take pride in our collaborative approach, which permeates everything we do.

Our Responsible Business Practices (RBP) prioritises Fragomen's social responsibility through a bedrock foundation with five focus areas, including:

- ▶ Diversity, Equity and Inclusion
- ▶ Pro Bono
- ▶ Corporate Social Responsibility
- ▶ Sustainability
- ▶ Well-being

We make it a priority to nominate ourselves for awards related to all RBP areas. This aims to recognise the hard work of our employees and Fragomen's steadfast dedication to these important topics. This continuous effort demonstrates our commitment to excellence and acknowledging exceptional performance within our organisation.

Employee value proposition

We endeavour to continue increasing the visibility of Fragomen's unique set of benefits and rewards both within our organisation and to the broader community.

We are confident that our offerings provide equal opportunities for career advancement and equitable compensation for all candidates, irrespective of gender. We remain dedicated to remaining innovative and to continuously evaluating and refining our existing systems and processes to identify and nurture talent within our organisation.