

PAY GAP REPORT (UK): 2025



UK PAY GAP REPORT 2025

We remain focused on creating and promoting an inclusive environment based on equality of opportunity where everyone can fulfil their potential.

This year's report once again not only meets but exceeds regulatory requirements in the UK by incorporating a comprehensive analysis across gender, ethnicity, social mobility, LGBTQ+ and disability data. This approach allows the business to have a more nuanced and intersectional understanding of our pay gaps and build more targeted strategies to tackling them.

KEY HIGHLIGHTS:

- **Gender:** There has been minimal change to our pay gaps over the past three years. Increased female representation at partnership level and in the upper-middle pay quartile is expected to positively impact pay gaps over time.
- **Ethnicity:** Self-declaration and representation of ethnically diverse colleagues has improved, but as most are currently in junior roles, narrowing the pay gap will take time as they progress through the business. Encouragingly, the ethnicity bonus gap has decreased year-on-year.
- **Social Mobility:** Pay gaps are like last year, but with some positive trends in narrowing the median pay gap for individuals from lower socio-economic backgrounds.
- **LGBTQ+:** Although we've had increased declaration rates, this year, disappointingly we have seen an increase in the pay gaps amongst LGBTQ+ colleagues but with the increased data it's something we can monitor more closely.
- **Disability:** It is encouraging that both the mean and median gaps have reduced, reflecting our ongoing focus on creating a supportive and inclusive environment for disabled colleagues.

Our continued investment in diversity, equity, and inclusion (DE&I) initiatives and alignment with our broader AG2030 strategy exemplify our commitment to narrowing these gaps. This report not only showcases our progress but also areas for improvement, reinforcing our resolve to maintain momentum in creating a truly diverse and inclusive workplace at all levels, where everyone can thrive.



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BACKGROUND

It is a legal requirement in the UK for employers with 250 or more employees to report on gender pay and bonus gaps. This report covers the difference between the average hourly earnings of men and women, not equal pay for the same roles, which is a separate legal requirement.

The gender pay gap is often caused by a higher proportion of men in senior, high-earning roles, and more women in junior or part-time roles, which impacts average pay and bonuses.

MEAN AND MEDIAN

MEAN

The **MEAN** pay gap figure is calculated using the average hourly pay rate (or bonus amount) of all the men and women – the difference between the two is the mean pay gap.

MEDIAN

The **MEDIAN** pay gap figure is calculated using the mid-point hourly pay rate (or bonus amount) of all the men and women i.e., where half earn more, and half earn less – the difference is the median pay gap.

OUR APPROACH TO REPORTING

We publish gender pay and bonus gap figures for AG Service Company Limited (employees) and Addleshaw Goddard LLP (partners), following The Law Society's recommended approach for the latter. The reporting date is 5 April 2025 and bonus data covers 6 April 2024 – 5 April 2025. Data relates to UK colleagues only and excludes those not paid a full salary in the relevant pay period.

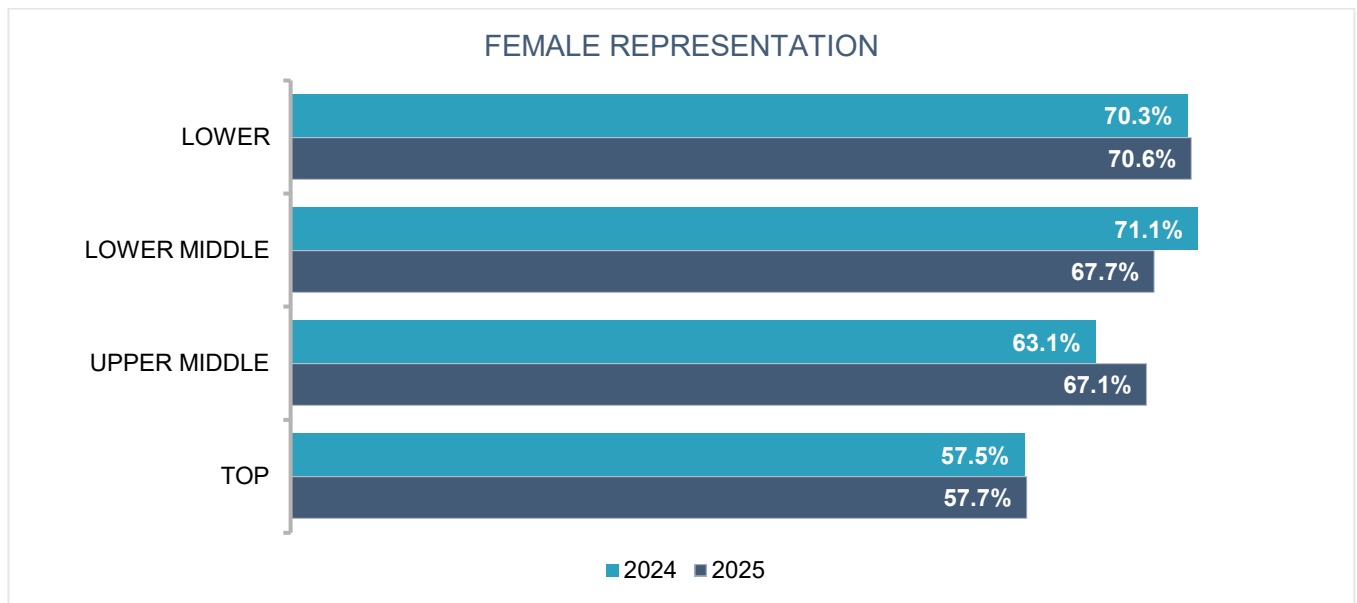
We also include data on ethnicity, social mobility, LGBTQ+, and disability pay gaps, though only gender pay gap reporting is a legal requirement.



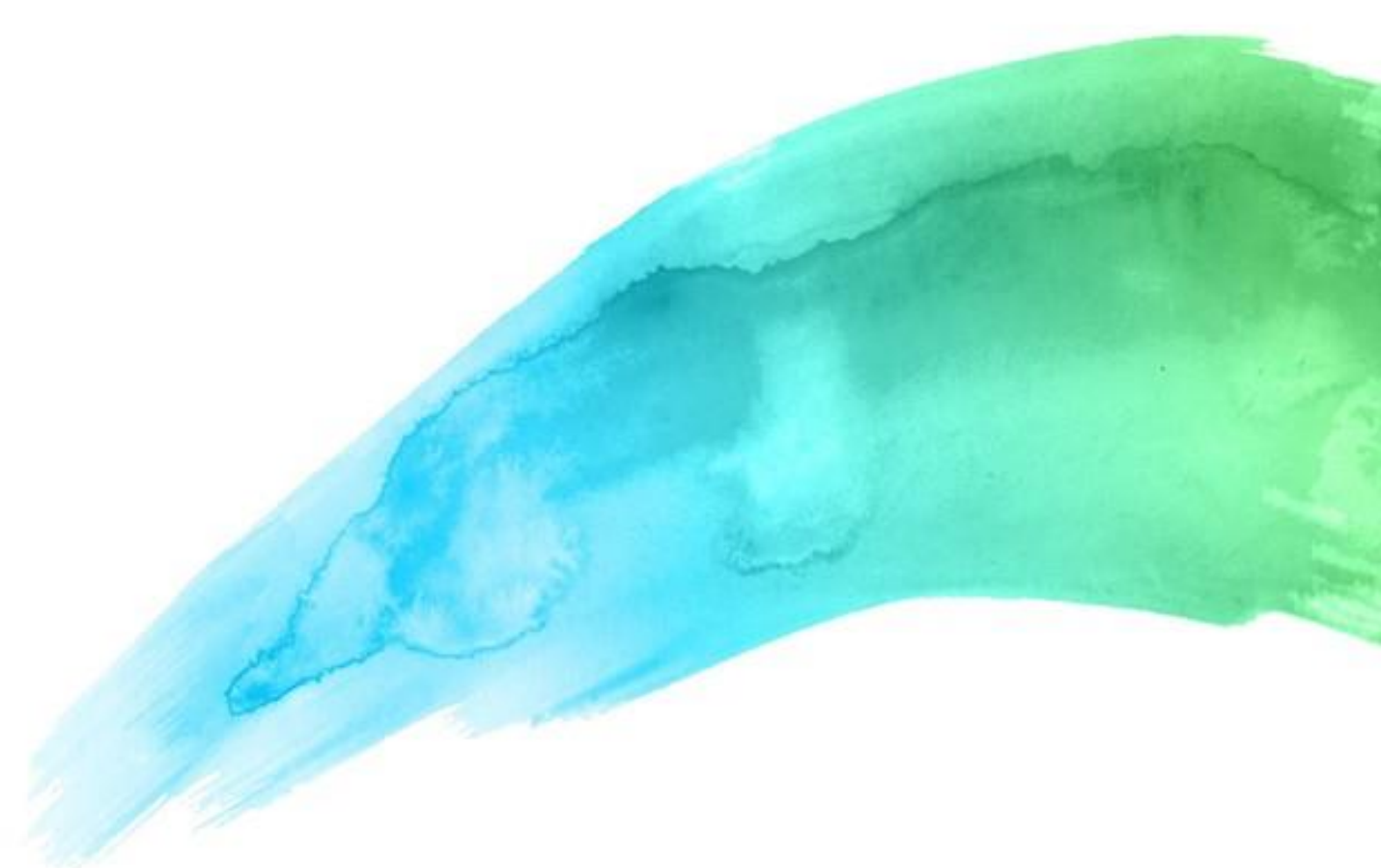
GENDER PAY GAP

FEMALE PAY REPRESENTATION (EMPLOYEES)

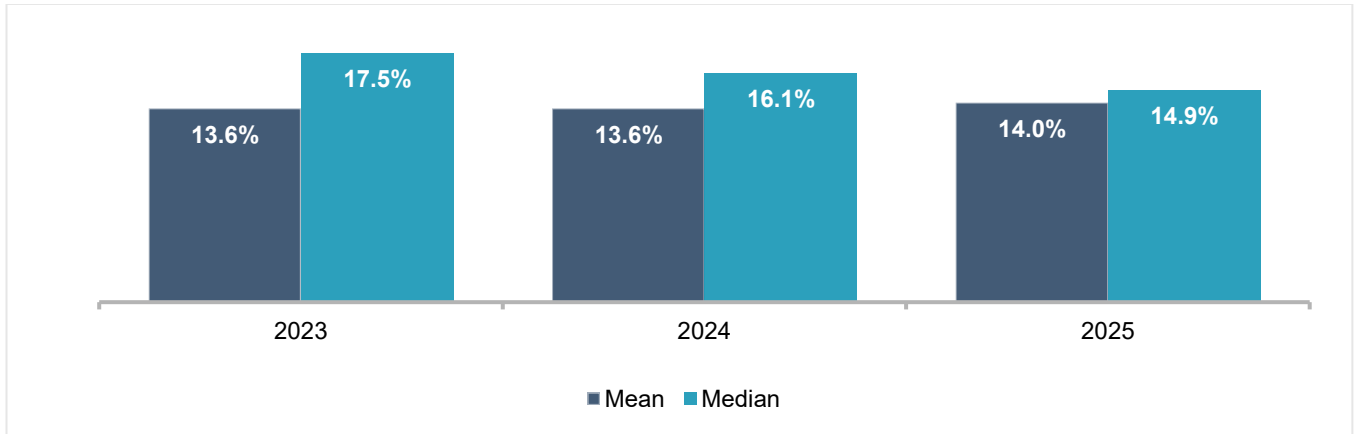
Our workforce as of April 2025 comprised 65.8% female employees and 34.2% male, excluding partners. Looking at the four pay quartiles against the previous year, women are represented as follows:



In the upper middle quartile, there has been a positive shift in female representation of 4.0% bringing this up to 67.1% however there continues to be significantly more women in junior, lower-paid roles, particularly in Secretarial Services.



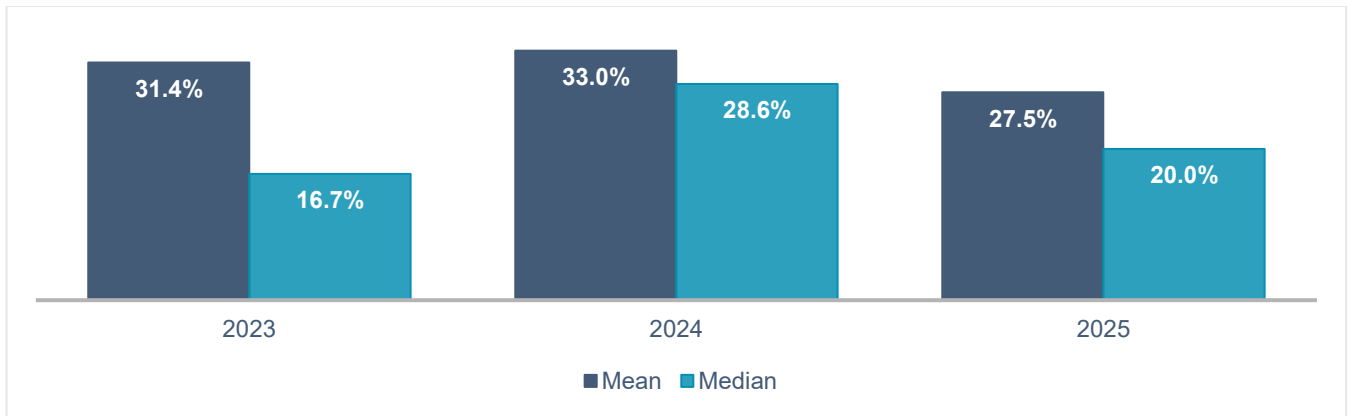
EMPLOYEE GENDER PAY GAP



Looking at the underlying data, the employee gender pay gap is largely being driven by a higher proportion of women in Business Services roles in offices outside of London (and therefore on a lower income to their London based counterparts). Despite this, it is positive to see a year-on-year reduction in the median gap.

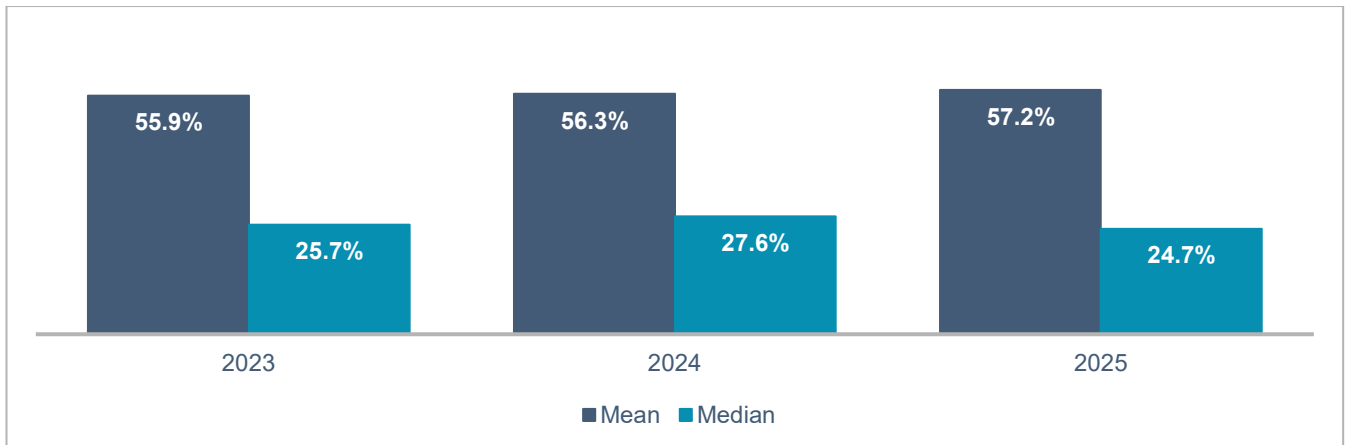
When we look at our Business Services population, the mean and median gender pay gaps continue to be in favour of women, with a mean pay gap of -2.4% and a median pay gap of -5.6%.

EMPLOYEE GENDER BONUS GAP



Pleasingly, the mean and median gender bonus gaps have both decreased by over 5.0%. However, a higher proportion of men (51.0%) than women (47.7%) received a bonus; something which we will keep under review.

FIRMWIDE (PARTNERS AND EMPLOYEES) GENDER PAY GAP



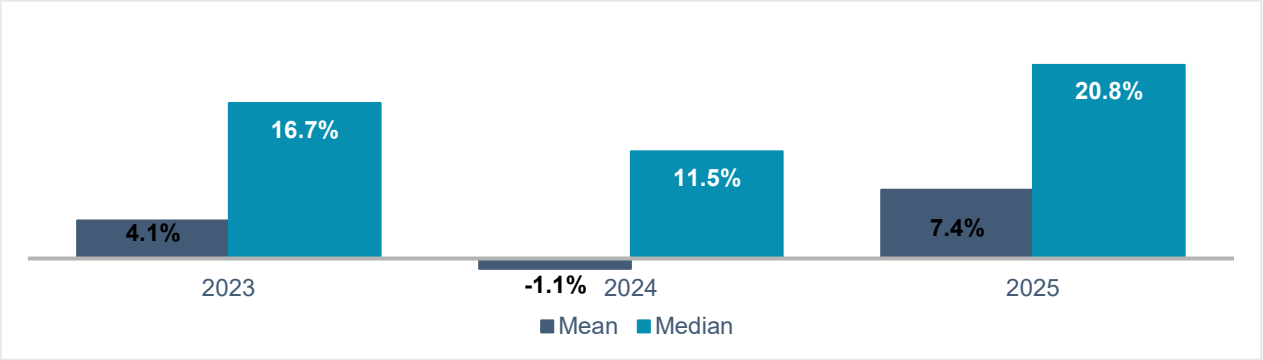
This year, we have again combined employee and partner statistics to report an overall firmwide gender pay gap. There has been little change, with a slight increase in the mean gap (+0.9%) and a decrease in the median gap (-2.9%) compared to last year.

ETHNICITY PAY GAP

To create a data sample of a meaningful size, we have grouped colleagues from multiple ethnically diverse backgrounds and compared their pay and bonuses to their white counterparts.

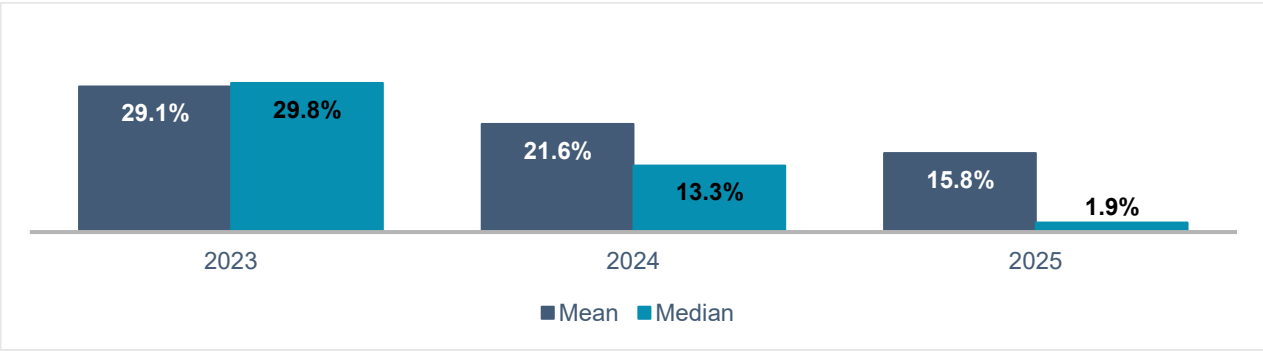
Positively, we have seen increase in the declaration rates of our ethnically diverse colleagues across the firm from the previous year (from 78% to 85.2%) and an overall increase in ethnically diverse representation too in the same period (from 12.8% to 16.1%).

EMPLOYEE ETHNICITY PAY GAP



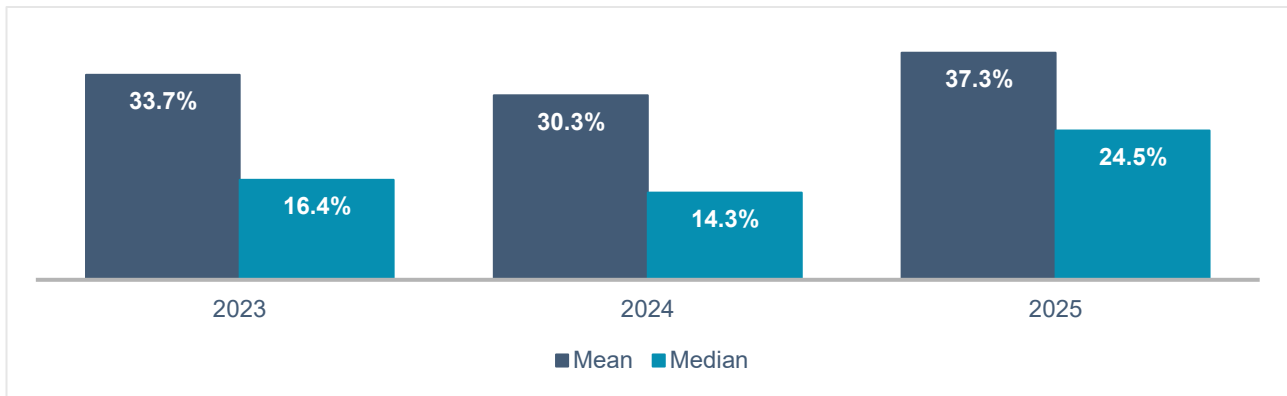
Although we have seen a widening of the employee ethnicity pay gaps, this is partly due to an increase in declaration rates, resulting in more comprehensive reporting rather than a genuine increase in pay disparities within the same population as previous years. Also, most of our ethnically diverse colleagues are at earlier stages of their careers. As they progress into more senior roles, this should have a positive impact on reducing the gap.

EMPLOYEE ETHNICITY BONUS GAP



Looking at the ethnicity bonus gap, it is positive to see a year-on-year decrease in the gap.

FIRMWIDE ETHNICITY PAY GAP

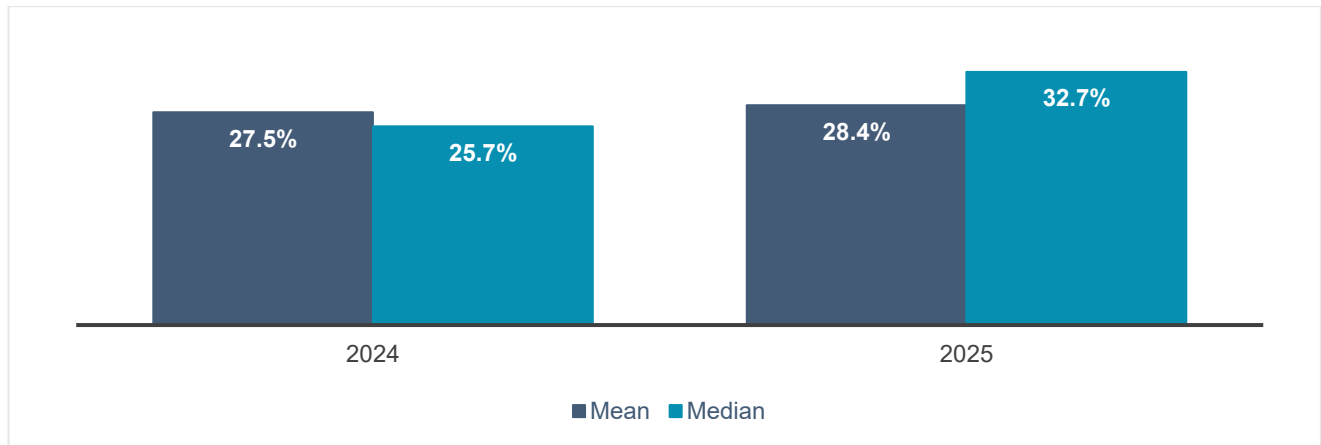


Reflecting the employee pay gap data, there has been an increase in both the mean and median gaps, again, accounted for in part by the increase in declaration rates and there being a higher proportion of ethnically diverse colleagues in junior, lower-paid roles. As these junior colleagues progress in their careers, we hope to see a narrowing of these gaps.

LGBTQ+ PAY GAP

With an overall declared LGBTQ+ population size of 6.7% across the firm (7.0% (employees) and 4.9% (partners)), we are only reporting on a firmwide basis, without a separate analysis of employee data.

FIRMWIDE LGBTQ+ PAY GAP

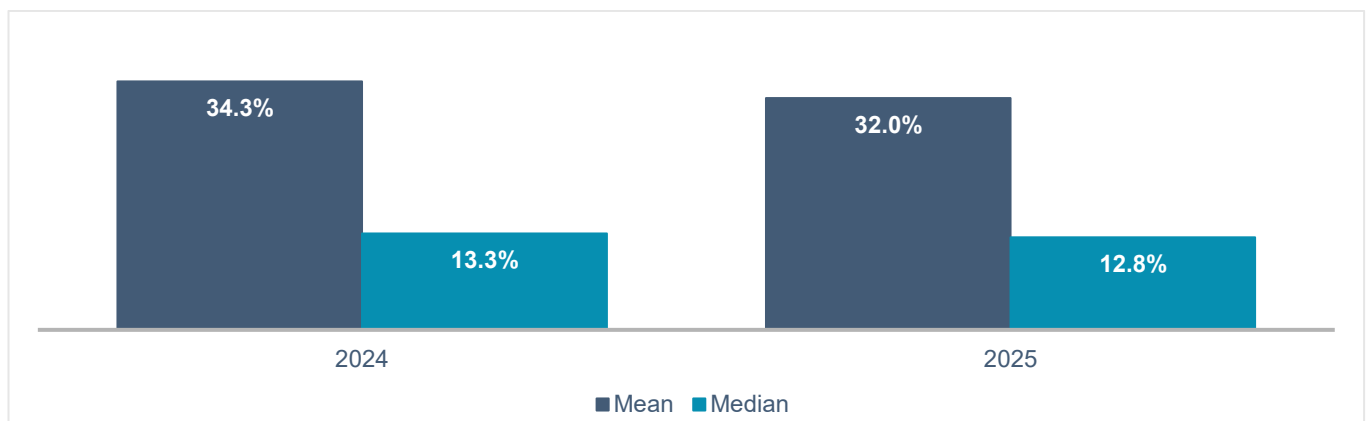


Given the small population size, it's difficult to understand if these gaps truly represent pay inequality across our LGBTQ+ population or small changes (joiners, leavers etc) having a disproportionate impact on the overall picture. We will continue to monitor the LGBTQ+ gaps and hope that as we get richer data, we will be able to undertake more detailed analysis of the results.

DISABILITY PAY GAP

As with LGBTQ+ data, given the small (declared) population size (6.7% (employees) and 3.3% (partners)) of disabled colleagues we are only reporting on a firmwide basis, without a separate analysis of employee data.

FIRMWIDE DISABILITY PAY GAP



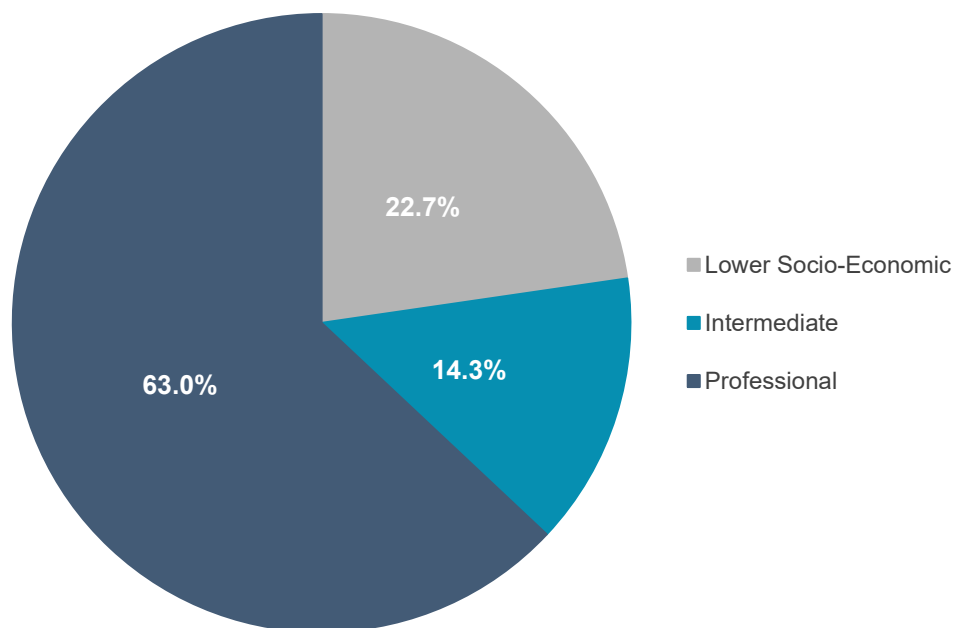
It is positive to see that both mean and median gaps have reduced year-on-year, showing progress is being made.

SOCIAL MOBILITY PAY GAP

We have based this reporting on guidance taken from the Social Mobility Commission and the National Statistics Socio-Economic Classification (NS-SEC) and have measured socio-economic background by analysing colleagues' responses to the question "When you were aged 14 what was the occupation of the main earner in your household?". Responses were then grouped into the three broad categories:

PROFESSIONAL BACKGROUND	Teacher, Nurse, Accountant, Solicitor, Police Officer
INTERMEDIATE BACKGROUND	Secretary, Call Centre Agent, Nursery Nurse, Restaurant Manager
LOWER SOCIO-ECONOMIC BACKGROUND	Electrician, Farm Worker, Train Driver, Cleaner, Security Guard, Plumber

75.8% of those asked in the UK (including partners) voluntarily answered the above question about their parents' occupation and using the above groupings, this statistically translates as follows:



Looking at our different colleague populations in turn reveals the following pay gaps. Please note that where the data shows a negative value, this indicates that the pay gap is in favour of people from a lower socio-economic background.

Trainee solicitor salaries do not vary so pay gap analysis is not required, but for context, 67.4% of trainees come from professional background households, 16.3% from intermediate backgrounds and 16.3% from lower socio-economic backgrounds.

SECRETARIAL SERVICES

40.6% of colleagues come from professional background households, 42.7% from lower socio-economic backgrounds and 16.7% from intermediate backgrounds. The pay gaps for this population are:

	2023		2024		2025	
	Mean	Median	Mean	Median	Mean	Median
Professional vs. Lower Socio-Economic	-5.9%	-5.0%	-4.4%	-5.1%	-8.3%	-9.1%
Professional vs. Intermediate	-4.6%	1.5%	-0.5%	3.7%	-2.9%	1.6%
Intermediate vs. Lower Socio-Economic	-1.2%	-6.6%	-3.9%	-9.1%	-5.2%	-10.8%

BUSINESS SERVICES POPULATION

58.7% of colleagues come from professional background households, 13.9% from intermediate backgrounds and 27.4% from lower socio-economic backgrounds. The pay gaps for this population are:

	2023		2024		2025	
	Mean	Median	Mean	Median	Mean	Median
Professional vs. Lower Socio-Economic	8.7%	6.0%	7.9%	9.8%	3.5%	-1.0%
Professional vs. Intermediate	18.8%	17.5%	20.6%	24.5%	13.0%	11.7%
Intermediate vs. Lower Socio-Economic	-12.4%	-14.0%	-15.9%	-19.5%	-10.9%	-14.4%

SOLICITORS

70.2% of colleagues come from professional background households, 11.9% from intermediate backgrounds and 17.9% from lower socio-economic backgrounds. The pay gaps for this population are:

	2023		2024		2025	
	Mean	Median	Mean	Median	Mean	Median
Professional vs. Lower Socio-Economic	-2.0%	3.6%	4.4%	6.9%	1.4%	4.3%
Professional vs. Intermediate	3.5%	15%	5.4%	15.9%	-0.0%	12.0%
Intermediate vs. Lower Socio-Economic	-5.7%	-13.4%	-1.0%	-10.7%	1.4%	-8.7%

PARTNERS

68.4% of partners come from professional background households, 14.8% from intermediate backgrounds and 16.8% from lower socio-economic backgrounds. The pay gaps for this population are:

	2023		2024		2025	
	Mean	Median	Mean	Median	Mean	Median
Professional vs. Lower Socio-Economic	-11.2%	-10.6%	-6.9%	-13.9%	0.4%	12.2%
Professional vs. Intermediate	0.6%	-38.3%	4.6%	-30.7%	6.0%	-8.1%
Intermediate vs. Lower Socio-Economic	-11.8%	20.0%	-12.1%	12.8%	-6.0%	18.8%

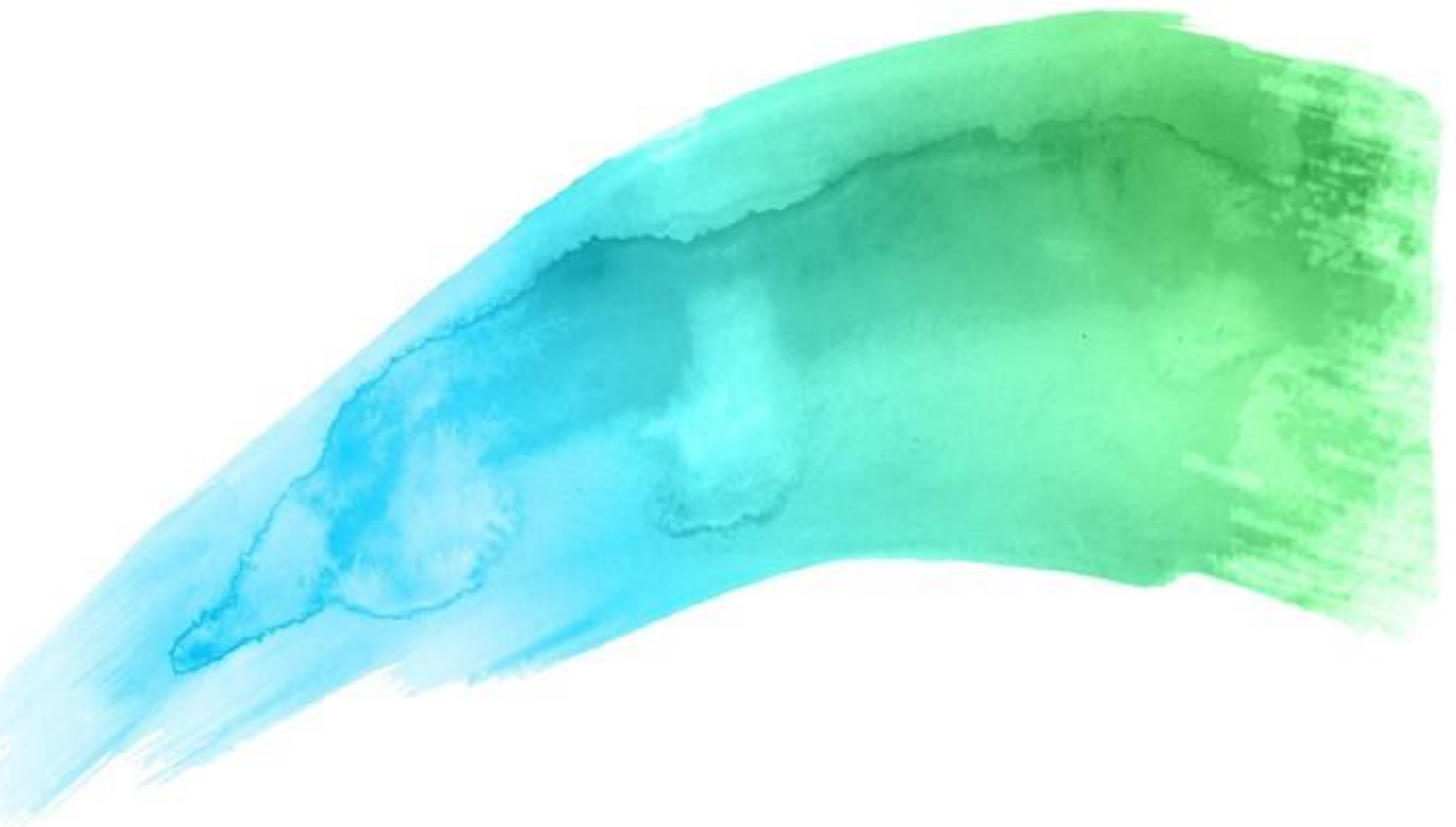
Looking at the above, there appears to be some significant changes in the gaps, however, as with other populations, this year we have more underlying data and therefore it's likely that these apparent changes are much flatter than they appear and are more a result of greater accuracy when reporting.

FIRMWIDE SOCIAL MOBILITY PAY GAP

	2023		2024		2025	
	Mean	Median	Mean	Median	Mean	Median
Professional vs. Lower Socio-Economic	25.0%	31.9%	25.2%	26.9%	22.8%	20.8%
Professional vs. Intermediate	10.2%	16.3%	10.0%	17.9%	10.3%	17.7%

Intermediate vs. Lower Socio-Economic	16.5%	18.7%	17.0%	11.0%	14.0%	3.7%
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It is positive to see most of the gaps narrowing and we hope this is because of our continued focus on our Social Mobility Inclusion Programme.

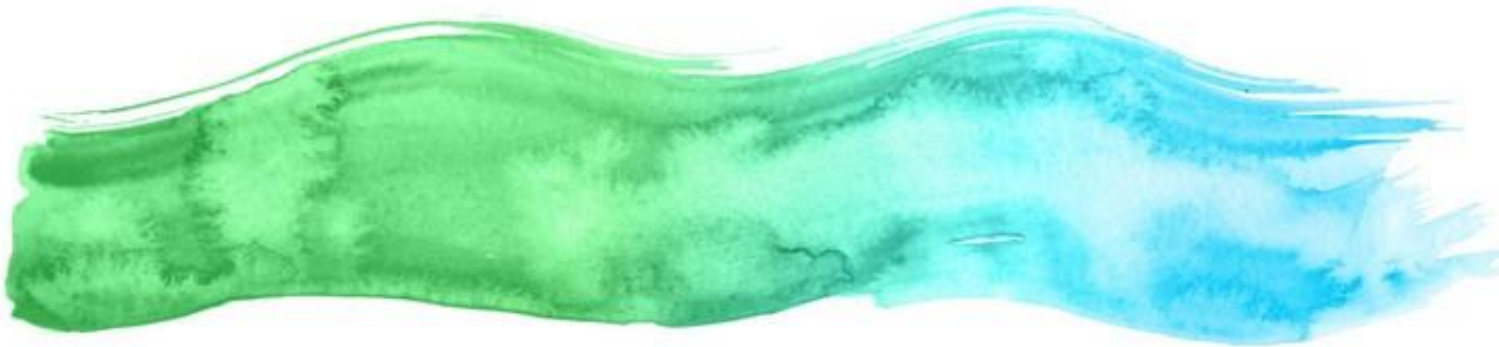


CLOSING THE GAP

It is encouraging to see reductions in some of our pay gaps; however, we remain focussed on closing all our gaps.

To achieve this, we will continue to:

- attract the best talent by building connections across diverse communities through initiatives such as UK Black Business Week, the Legal Neurodiversity Network, PRIME and many more;
- gather and monitor our attraction, recruitment and attrition data to better understand where there are still barriers;
- robustly use data led processes and dashboards to inform performance assessments and remuneration decisions and reduce bias in decision making;
- invest in our employee networks to understand the experience of our diverse talent and break down barriers to progression;
- develop our diverse talent through initiatives such as reverse (ethnicity) mentoring, broader mentoring (LGBTQ+ and Social Mobility) programmes, our “integration mentor” programme for new starters, neurodiversity professional coaching programme and both our award-winning gender development programme (Flourish) and LGBTQ+ development programme (the LLP).



As a firm we continue to focus on our AG2030 strategy, in which culture is one of the main pillars.

It is pleasing to see increased declaration rates across many of our minoritised communities, which we believe shows increased confidence in our DE&I programmes. This increase in declaration rates also means we can report with greater accuracy and have more informed discussion about the progress we still want to make.

Closing our pay gaps remains a key priority for our business.

I confirm that the information above is accurate.



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