



2022

ALVAREZ & MARSAL: UK GENDER PAY GAP REPORT 2021

Foreword from Tony Alvarez III (Managing Director)

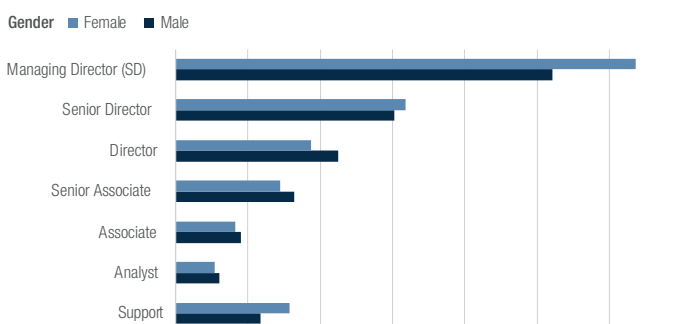
This gender pay gap report provides a good opportunity to reflect on the progress we have made as well as the challenges we continue to face with regards to Inclusive Diversity. As a leadership group, starting with my father Tony Alvarez II and Bryan Marsal, we have taken Diversity & Inclusion to heart and asked all of our leaders to make progress, including periodic reporting and personal accountability.

It is not just the right thing to do but good business. More of our clients demand we make progress which is great to see and we know diverse and inclusive teaming maximises our service delivery. In short, Inclusive Diversity makes us better, that's why it is a core value of the firm.

Within the UK and Europe, we are making substantial progress with gender diversity. Our female MD and employee population has more than doubled in the past 5 years. However, we know we have more work to do especially at senior levels, where we have a long way to go.

We also recognise the importance of having the right culture and inclusive environment to ensure we can attract and retain our diverse talent.

We ensure equal pay for equal work irrespective of gender and protected characteristics. We carefully monitor this by grade including annual audits. We feel this is the best lens to confirm pay parity and no bias. For example, the extracted diagram below shows the average total compensation (salaries and bonuses) of our UK colleagues for the fiscal year 2021, breakdown by gender and grade:



We note the gender pay gap report requires us to apply weighted averages across all grades (billable and support), which significantly impacts our statistics as explained in the report further below.

I am pleased to confirm we have established a new Inclusive Diversity Office led by Marija Simovic and Erin Brookes (Managing Directors) who will drive our Inclusive Diversity agenda forwards, including a range of short and longer term initiatives so we can continue to make progress. Here we believe the most important inclusive aspects are to foster an environment of trust, confidence and collaboration where employees can truly be themselves.

I confirm that Alvarez & Marsal's pay gap data has been collected and presented within this report in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

TONY ALVAREZ III
Managing Director

Foreword from Erin Brookes & Marija Simovic (Managing Directors, Chairs of the Inclusive Diversity Office)

We are committed to Inclusive Diversity. Our ambition is for all colleagues to feel they belong at the firm and can bring their whole selves whilst ensuring our teams truly represent the societies and communities in which we work. While we have made progress and done well in certain areas, we acknowledge that we are on a journey and have more to do.

In some of our sectors which are traditionally male dominated, we know we need to take a leading role to break down barriers and grow from within. This is an exciting journey for the firm and we are pleased to shine a light on this key issue which many firms are grappling with.

When specifically focusing on the gender pay gap – we appreciate the results as shown in the calculations and are committed to improving this through recruiting and promoting more women at all levels. When comparing salaries for the same level of role or job – we have pay parity between the genders, a fact which is important to note and one we work hard to ensure is the case.

As we share future gender pay gap reports we hope to demonstrate continued progress and ongoing reporting on key internal initiatives to improve both our inclusive culture and diverse representation across the firm.



ERIN BROOKES
Managing Director



MARIJA SIMOVIC
Managing Director

Gender Pay Gap

Legislation in the UK asks organisations with 250+ employees to publish gender pay information. It is important to note that A&M monitors pay at all levels of the firm and is committed to equal pay, including annual equal pay audits with Leadership and HR. As a result we confirm with confidence that we have pay equity when comparing colleagues who do the same role.

This gender pay gap report is not measured by reference to equal pay, which looks at men and women performing equal work, but is the measure of the difference between men and women's average earnings across all UK employees. Please find our statutory gender pay gap statistics below. In accordance with legislation, these statistics relate to employees only and do not include Managing Directors.

Gender Pay and Bonus Gap

	Pay Gap	Bonus Gap
Mean	30%	48%
Median	24%	67%

	Male	Female
Percentage receiving a bonus	89%	85%

Quartiles:

	Female	Male
Upper	16%	84%
Upper Middle	33%	67%
Lower Middle	47%	53%
Lower	54%	46%

Definition of Terms:

Mean:	The difference between the mean (average) hourly rate of pay/bonus for all men and women
Median:	The difference between the middle rate of pay/bonus for all men and women when hourly rate is ranked in numerical order
Quartiles:	Calculated by ranking all employees' hourly pay in numerical order and splitting them into equal groups of four, noting the gender distribution

Reasons for the Gender Pay & Bonus Gap

We know that our gender pay and bonus gap will statistically remain until we achieve proportionate gender representation at every grade in the firm. The main contributing factors for the gender pay and bonus gaps are:

1. Higher proportion of males in senior billable grades

The majority of colleagues in our senior grades are males, noting the upper quartile (84% male) and upper middle quartile (67% male) statistics.

Across our functions, we acknowledge that we operate in some sectors which have been historically male dominated and slower to improve their gender balance. Thankfully we

believe this is a matter of when, and not if, such change will happen and we wish to take a lead on this.

In these functions we note the critical importance of improving our junior female talent pipelines to improve our gender balance from within, this will be a key priority for the firm.

2. Higher proportion of females in support grades

We employ over 170 support colleagues across the UK of which the majority are female. These roles generally attract lower salaries and bonuses compared to billable colleagues, in line with the professional services sector norm. Our Executive Assistant profession traditionally attracts females exclusively.

Our Leaders Will Drive Change

Inclusive Diversity is one of A&M's Core Values. We take this seriously and we know as a firm, we must improve our representation of the communities in which we work and live including our gender representation across all grades. It is not just the right thing to do but critical to our long-term success.

Our business plan sees us significantly increasing headcount over the next 3+ years. This gives us a real opportunity to materially improve our gender mix at all grades through more balanced recruitment and a focus on ensuring we offer a culture and career path which appeals to all our people irrespective of gender.

With a shared focus across our business, and in particular our leaders, we can make real improvements to our gender balance, while also maintaining a meritocratic approach to people development. Importantly, we are convinced of the advantages to our business of doing so.

Key 2021 headlines

- Inclusive Diversity added as a Core Value of the firm
- Establishment of a new Inclusive Diversity Office co-chaired by Marija Simovic and Erin Brookes to drive the Diversity & Inclusion agenda across EMEA
 - Including close alignment with Leadership, HR and our Employee Network Groups to improve our inclusive culture
- Uplift of our UK maternity pay to 18 weeks, including phased hybrid return to work approach
- Leadership alignment with Talent Acquisition to improve the diverse range of candidates applying for roles and present diverse interview panels wherever possible
- Discretionary bonus pay of our leaders to include reference to Inclusive Diversity progress
- Establishment of mentorship programmes for our female talent
- Three new female Country Heads in EMEA, Siham Slaoui (France), Jessika Van Veen (Netherlands) and Penelope Lepeudry (Switzerland).

ABOUT ALVAREZ & MARSAL

Companies, investors and government entities around the world turn to Alvarez & Marsal (A&M) for leadership, action and results. Privately held since its founding in 1983, A&M is a leading global professional services firm that provides advisory, business performance improvement and turnaround management services. When conventional approaches are not enough to create transformation and drive change, clients seek our deep expertise and ability to deliver practical solutions to their unique problems.

With over 6,000 people across four continents, we deliver tangible results for corporates, boards, private equity firms, law firms and government agencies facing complex challenges. Our senior leaders, and their teams, leverage A&M's restructuring heritage to help companies act decisively, catapult growth and accelerate results. We are experienced operators, world-class consultants, former regulators and industry authorities with a shared commitment to telling clients what's really needed for turning change into a strategic business asset, managing risk and unlocking value at every stage of growth.

To learn more, visit: [AlvarezandMarsal.com](https://www.alvarezandmarsal.com)

Follow A&M on:



© Copyright 2022 Alvarez & Marsal Holdings, LLC.
All Rights Reserved. 405474-22470