



2023

# ALVAREZ & MARSAL: UK GENDER PAY GAP REPORT 2022

## Foreword from Tony Alvarez III (Managing Director)

Inclusive Diversity is very personal to me and our co-founders, my father Tony Alvarez II and Bryan Marsal. Our Leadership team have a clear focus and personal accountability to continuously drive Inclusive Diversity progress whilst maintaining our meritocratic approach.



Over the past 12 months, we have continued to make positive strides in improving our Inclusive Diversity. Our Inclusive Diversity Office led by Erin Brooks and Marija Simovic (Managing Directors) are delivering against the agreed Inclusive Diversity strategy. We have established a new Inclusive Diversity Senior Manager role to support initiatives across EMEA. We are looking at every detail to find ways where we can make a difference. For example, we launched a new Mental Health Advocates Network, and a new Menopause Policy with accompanying training to encourage more open-door conversations and employee belonging.

We put our people first so they can deliver outstanding work for our clients - that's integral to our DNA and Inclusive Diversity mindset.

I recognise we have a way to go. We have absolute pay parity for individuals undertaking the same role and are working hard to recruit and promote women through all levels in the organisation. Whilst I am pleased to see continued progress at our entry level base, it will take time for this talent to progress through the firm. We are making the investments now for long-term Inclusive Diversity success. We can only eliminate our gender pay gap by improving gender mix at all levels.

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 echo Tony's sentiment on A&M's Inclusive Diversity progress. When forming the Inclusive Diversity Office (IDO) we established a strategic plan to improve our baseline monitoring; undertake rapid diagnostics and make key inroads to improve our inclusive culture. We are pleased to report the first phase of our strategic deliverables have been achieved, please refer to the key 2022 headlines below.

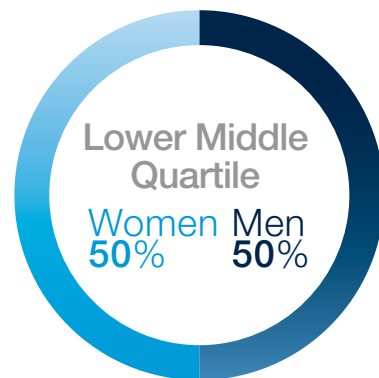
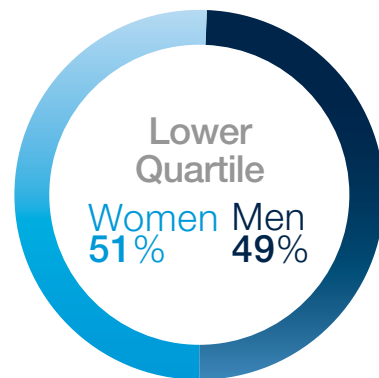
Our agile approach and cross-teaming culture form the foundations of how we service our clients. We are proud of our meritocracy, and this will always be the foundation for how we attract and retain top talent, irrespective of an individual's protected characteristics or background.

The IDO continues to collaborate closely with our employee resource groups and Leadership at the Business Unit level to improve Inclusive Diversity across all areas of the business. This combination of focus at both the macro and micro levels is how we will make substantive progressive over time.

We have now achieved gender parity at our junior levels and making good progress ('Lower Quartile – 51%' and 'Lower Middle Quartile – 50%). We will continue to improve diversity at our junior levels. We recognise that substantive improvements at the senior levels (Upper Middle Quartile and Upper Quartile) will take time and our continued, focus on attracting, retaining and developing our top talent.

We have made some good progress in the past 12 months though still a lot of work to do.

## We have now achieved gender parity at our junior levels and making good progress



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.



### Statutory UK Gender Pay Gap Results - 2022

A quartile is calculated by ranking all employees' hourly pay in numerical order and splitting them into equal groups of four, noting the gender distribution. The below quartiles reference the female distribution:

Statutory UK Reporting	2021	2022	Female Variance from 2021 to 2022
Lower Quartile	54%	51%	-3% ↓
Lower Middle Quartile	47%	50%	3% ↑
Upper Middle Quartile	33%	30%	-3% ↓
Upper Quartile	16%	17%	1% ↑
Mean Gender Pay Gap (hourly pay)	30%	30%	No change
Median Gender Pay Gap (hourly pay)	24%	32%	-8% ↓
Percentage of Men and Women receiving bonus pay	<p>Men 89% Women 85% Gap 4%</p>	<p>Men 85% Women 83% Gap 2%</p>	2% ↑
Mean gender bonus pay gap	48%	41%	7% ↑
Median gender bonus pay gap	67%	59%	8% ↑



## Reasons for the Gender Pay & Bonus Gap

We are pleased to see progress on the bonus gap. Both the mean (by x%) and median (by x%) bonus pay gaps have improved. In addition, the gap between males and females receiving a bonus has improved, the gap is now just 2%.

The main contributing factors for the gender pay gap and bonus pay gap continue to be:

### 1. Higher proportion of males in senior billable grades

Most colleagues in our senior grades continue to be males. We have made a modest 1% improvement in the upper quartile which is 83% male. The upper middle quartile is 31% male where we have dropped 2%.

We know this will take time to change and we remain committed to improving our junior female talent pipelines to improve our gender balance from within.

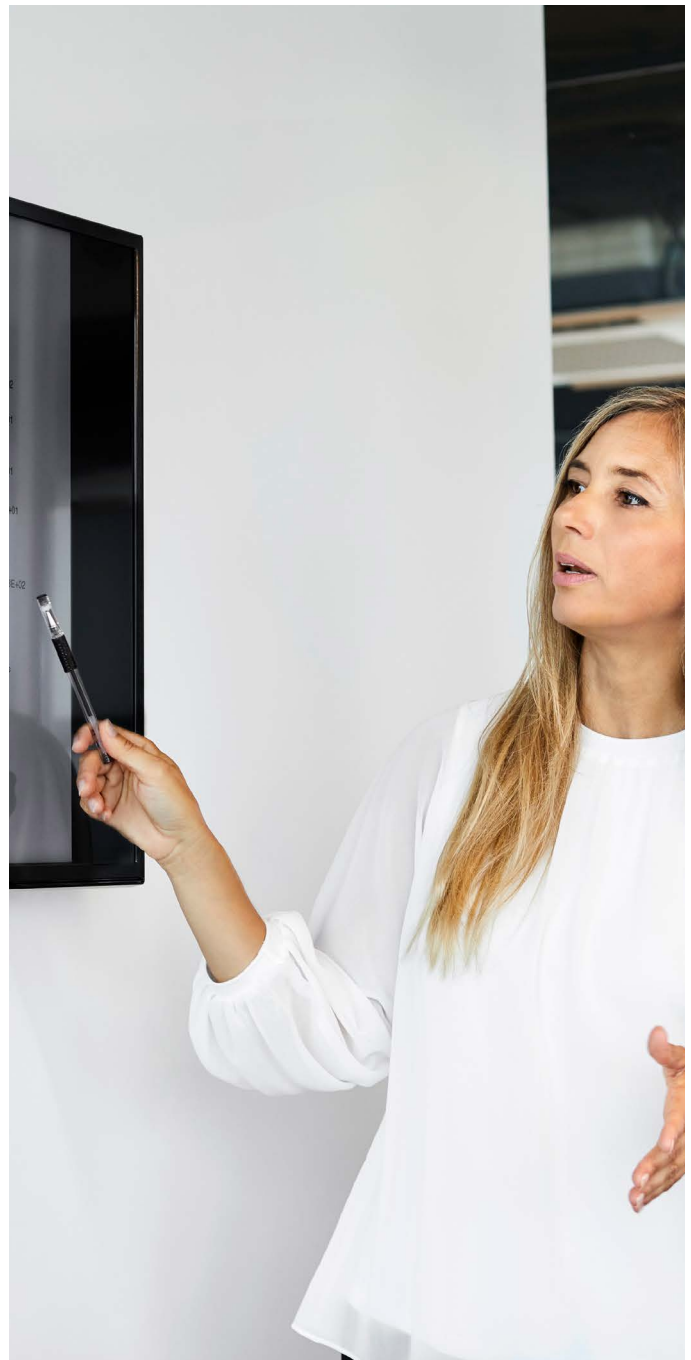
### 2. Higher proportion of females in support grades

We employ over 200 support colleagues in 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 service sector norm. Our Executive Assistant profession traditionally attracts females exclusively.

### 3. Working patterns and part-time workers

We employ 50+ part-time colleagues in the UK, of whom the majority are female. The additional positive element of this is that 63% of our UK part-time staff are billable, including 20 people between the senior grades of Director to Managing Director.

We are proud of this growing number as we continue to demonstrate that colleagues can have successful, high-profile careers at the firm whilst managing personal commitments and additional work/life balance needs. The gender pay gap report requires us to report against an individual's actual part-time salary and not their full-time equivalent salary. This disproportionately affects our pay gap results for women.



## Key 2022 headlines

1. Delivered against the 2022 IDO Strategic Plan, including:
  - a. Improvements to our Inclusive Diversity metrics. We have rolled out new equal opportunity monitoring across the UK and within our UK candidate hiring process. Over time this will enable us to measure our Inclusive Diversity progress against all protected characteristics. Both internally and externally for candidates we will have more data points to monitor for potential unconscious bias and identify potential barriers/bottlenecks for candidates in the hiring process and existing employees through their career development with the firm
  - b. Prepared and now launched (early 2023) an IDO Survey for all employees. This combined with an earlier engagement survey is providing rich diagnostics data, enabling us to focus efforts with Leadership on key areas to drive improvements
  - c. Created an Inclusive Diversity Senior Manager role – additional, dedicated resource to focus on EMEA initiatives and support all areas of the firm with our inclusive diversity journey
2. New Menopause Policy to provide more support for colleagues and encourage open conversations (including perimenopause). This includes new menopause awareness training for employees to improve awareness, understanding and how to support colleagues
3. Expanded our Employee Resource Groups, including a new Working Parents group
4. Improvements to our Inclusive Diversity training, including:
  - a. Mandatory unconscious bias training for all employees
  - b. Talent Acquisition have launched new Interviewer training to ensure a fair and objective process and help eliminate potential bias, mandatory for all interviewers

### 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 7,500 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.

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