

# PAY GAP REPORT 2018

## AT CLIFFORD CHANCE WE ARE COMMITTED TO CREATING AN INCLUSIVE ENVIRONMENT BASED ON MUTUAL RESPECT WHERE EVERYONE HAS AN EQUAL OPPORTUNITY TO SUCCEED.

We see diversity and inclusion as a core value of our firm. It is an issue of fairness and justice. We believe that this is good for our staff and their families, our firm and our clients, and society generally.

Last year we reported our gender pay gap data for the first time. We went further than required by law and included our partner pay data. This year we are going further still and include data on our pay gap by ethnicity, sexuality and disability as well as gender.

We are doing this to try to drive change in ourselves and others. Data is a powerful means of driving change. It encourages candid discussion within the firm and externally with clients and legislators. Without data, it is hard to know if we are focusing our energy in the right places. It forces us to re-examine how we operate and to make changes.

Over the past year we have been examining the causes of our gender pay gap and have started to introduce changes to try to address these causes. Some of the changes are set out in this report. It is too early to judge if they will be successful and we will monitor and review them and if necessary, make further changes. The early signs are good in terms of engagement of our staff and determination to make a difference, but we are frustrated that it will take time to produce significant results.

Over the coming year, as well as continuing to address what we should do to reduce our gender pay gap, we will be examining the causes of, and potential solutions to, our ethnicity, sexuality and disability pay gaps. We expect some of the changes we have introduced to address our gender pay gap will also help address other pay gaps, but there may also be different causes and solutions. We are determined to try to identify these and make the changes we need to give everyone at Clifford Chance an equal opportunity to achieve to the best of their ability.

Our commitment to the best team means we must deliver the best opportunities for the people in our team. We seek diversity of thought and experience and believe that an inclusive and collaborative culture contributes to our success. This report highlights that we must both maintain and increase our efforts to deliver equality of opportunity. We are committed to developing and following through on our plan.

### AMY ROWLEY on skills development

"I'm currently completing my NVQ Level 3 in Business Administration via a new apprenticeship scheme, designed for the firm's legal support secretaries to develop their skills around work.

It's exciting to be part of something new and I'm ambitious about where it might lead. It's a great learning opportunity, but also an important step forward for the firm in terms of modernising our capabilities. The role of a secretary has a very gendered history, but with this scheme, we're broadening our skills within the wider scope of business administration, a less gendered field that is increasingly valued by organisations.

The support for this venture has also been encouraging, from being given a laptop so I can work at home to having allocated workspaces for training, as well as being encouraged to put coursework into practice within my department's operations.

As a secretary, your role is almost entirely centred around benefitting others, so it's been especially encouraging to be part of a scheme that's focused on me as an individual. It has certainly inspired me to develop my management offering by completing more NVQ levels in the future."



## Gender Pay Gap Action

We have a number of initiatives in place which are informed by our gender pay data. Their progress over the last year shows the extent to which our colleagues have engaged with the issue of gender parity.

### Tracking progress

Existing initiatives	Progress
We are reviewing our recruitment approach for Business Services roles	We have introduced new apprenticeship schemes, including a Business Administration NVQ level 3 aimed at our secretarial teams. We are at an early stage, but we are pleased that we are achieving more gender balanced recruitment, at junior and senior levels.
We are introducing gender pay gap reporting to department leaders at key decision points in the organisation such as pay and promotion	Gender pay is now considered when our reward packages are reviewed and partner champions now attend lawyer remuneration meetings to ensure that gender bias does not play a part in remuneration decisions.
We will increase our focus on reviewing key leadership roles (such as client relationship leadership) for gender balance.	We continue to review the gender balance of our leadership teams. In the last year, we have also examined the gender balance of a number of our UK organisation bodies. We will continue to monitor gender balance in these areas to improve gender diversity.
The firm has and continues to invest in training for all colleagues around unconscious bias. Additional enhanced training is being arranged for those in management positions.	<p>We have completed face-to-face training on diversity and inclusion for a pilot group of leaders across the firm.</p> <p>We have created a new Inclusion Advocate programme. This has created a community of advocates who can offer support to anybody in the firm on diversity-related matters. The advocates have been appointed from across our teams at all levels of seniority and have received training on how to promote a culture of equality and respect in the workplace.</p> <p>We have piloted senior leader reverse mentoring for gender, ethnicity and sexuality and we are now planning to widen the scope of reverse mentoring across the firm.</p>
We have been running courses to support the career progression of Associates and have included a gender balance component in induction courses for Senior Associates and new partners. Career Development Partners are assigned to every Associate – acting as a mentor for our lawyers' career development.	Our activity to support career progression has continued. Career Development Partners continue to play an important part in every Associate's career progression. We are developing a programme to improve the quality of feedback given by our Career Development Partners. A new training course to improve mentoring and career development conversations will be launched this year.
We have considered if changes to our working environment are appropriate.	We have increased our enhanced shared parental leave pay, so that overall it matches our enhanced maternity pay, and enables new parents to take more paid leave. We are refreshing our remote working policy.
We want to promote greater numbers of women and are working towards a target of 30% female partners.	Currently, 21.3% of our partners are women. Progress is ongoing toward the 30% target. The firm promoted 7 new partners in the London office in 2018 – 4 were women. Going forward, all senior leaders will have diversity and inclusion objectives.
We are refreshing and re-branding our London Women's Network with a revised strategy.	Our new gender parity group, Accelerate>>>, launched in November 2018. This is the successor group to our London Women's Network and has been launched as a global group.

## CHENG LI YOW

on the path to partnership

“From my perspective, role models are key to supporting women on the route to partnership. I was fortunate as a more junior lawyer to join a practice area with a majority of female partners, which was one of the reasons why I joined the group. I was able to see more of myself in the people I worked for.

It can be hard to find a role model exactly like you; you’re often influenced in different ways throughout your career, so it was helpful that the partners I looked up to had different styles, different ways of working, and different family arrangements.

Through communication came lots of support too. I’ve had fantastic support from both men and women, but ultimately the most helpful aspect was that they were flexible and always open to trying to accommodate what I needed, especially when I returned from maternity leave, which as every new parent knows can be difficult.

As a partner now myself, I hope to inspire others in this way. I try to remain visible and as authentic to myself as possible, and my conversations with Associates are an excellent chance to exercise that.”



## DAVID HARKNESS

on the value of reverse mentoring

“I have had two brilliant reverse mentors. They have helped me to see some of the many subtle ways in which women experience a more challenging environment than men. If you are a white middle-aged man you can be blind both to the privileges you have had and to the countless acts of discrimination women experience, individually insignificant but cumulatively crushing.

I have become more careful in my use of language and quite outspoken in challenging colleagues, male and female, about their behaviour.

I can’t say this was an entirely comfortable process. I thought I was a good listener, but I have realised that, while I have heard the words, I haven’t always understood them. A key for me has been accepting that the perception of others is the reality to be grasped.

This a journey for me – and for the firm. Some things can be easily changed, but others require making changes part of our everyday culture which is difficult. But I am very optimistic that we will be able to make improvements.”



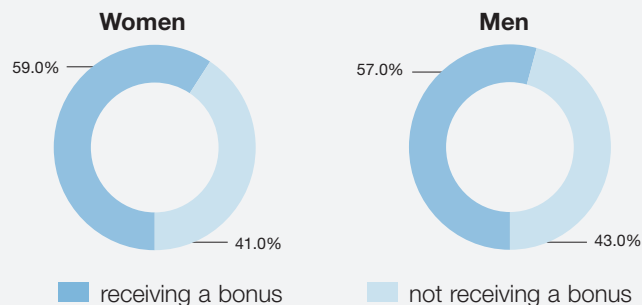
## Statutory 2018 Gender Pay Gap Reporting

The Gender Pay Gap aims to show the distribution of men and women across different roles within an organisation and highlight where there may be concentrations of a particular gender at lower or higher pay levels. The Gender Pay Gap legislation is not aimed at showing equal pay for the same role; this has already been a legal requirement since the Equal Pay Act 1970. The firm examines that question regularly and we are confident that we pay women and men equally for the same role. Our 2018 data shows that based on hourly rates of pay, women's pay is 21.8% lower (mean gap) than men. The median gap is 37.0%. As a percentage, overall female pay and bonus is lower than male pay and bonus as follows:

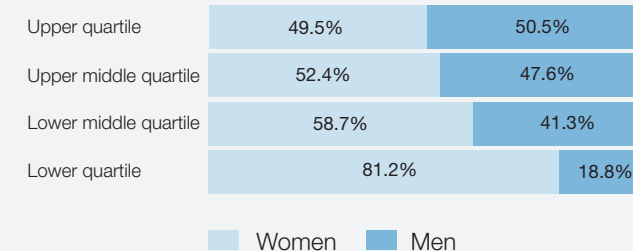
### Pay and bonus gaps (% less than men)

	Mean	Median
Hourly Pay gap	21.8%	37.0%
Bonus gap	48.5%	44.3%

### Proportion of employees receiving a bonus



### Proportion of men and women in each pay quartile band



For more details on the definitions used in this report and the % change since our 2017 Report, please refer to the Appendix.

## Our 2018 Overall Gender Pay Gap Data

We believe that the gender pay gap is an important issue for our entire firm. The law does not permit us to include our partners in the statutory calculations. The legislation only allows inclusion of employees; our partners are not employees. However, in order to have a complete understanding of the issue and to help our efforts to tackle gender imbalance, we feel it is important to show the gender pay gap for the whole of our UK firm including all partners and employees. We have therefore continued to include our partners in our overall reported figures in order to offer a more transparent view of the firm. In this report, the 2018 overall pay gap data includes the pay gap data for Clifford Chance Newcastle Limited, our legal delivery centre which was acquired in February 2018.

### Overall Pay Gap

	Mean	Median
Pay Gap	68.9%	45.7%

### Partner Pay Gap

	Mean	Median
Pay Gap	25.9%	30.5%

### Associate Pay Gap

	Mean	Median
Pay Gap	6.9%	6.5%

### Business Services Pay Gap

	Mean	Median
Pay Gap	28.4%	34.5%

### Our Overall Pay Gap remains significantly impacted by two main factors:

- The level of remuneration that the partners receive, and the proportion of women in the UK Partnership making up 21.3% of the total
- The high proportion of women in our secretarial roles who make up a large part of our lower quartile population

Our Partner pay is a share of the Firm's profits, much of which is not paid monthly. We think the most honest and informative way to show the figures is to look at total annual FTE pay for UK based partners and employees (including FTE bonus) rather than looking only at a single month snapshot (which would not include significant amounts of our partner pay).

## LYNETTE WILLIAMS

on her role as an Inclusion Advocate

“One of the most important drivers of an inclusive culture is ensuring everyone has a voice. We need to listen to our people, support them, and to do what we can to steer them in the right direction.

In a large organisation, it can be difficult for people to know where to go if they need help. Whether people want to talk to someone who will understand a specific situation, or they can't yet articulate a problem beyond a feeling of unease, it's important that our people see that the members of the senior team care about colleagues as complex human beings, not just as staff members.

I manage a large team, so listening to people is one of the biggest and most important parts of my role and something I encourage in all of my managers too.

We must also be cognisant of the fact that this is a broader issue than gender. We know that our differences enrich us as a firm, but if we don't listen to each other, and engage in a constructive dialogue, we'll never make the changes that matter to our people. We're having that dialogue more and more, and that's progress.”



## ALASTAIR WINDASS

on shared parental leave

“I'm a strong advocate of shared parental leave, not only because I found it enormously valuable as a father, but because I believe we have equal roles as parents in the home, and this should be reflected in our opportunities at work.

For me, the benefits of shared parental leave extend well beyond an individual situation. We need to recognise that everyone's circumstances are different, and the traditional working model is changing. A more flexible approach to working is fast becoming the norm, and only when we become more accustomed to both men and women taking time away from the office will we start to level the field of opportunity.

I strongly welcome the firm's policy on shared parental leave and am grateful for the opportunity it has given me to better fulfil my role as a father. I understand that it can take time for the attitudes to move, but that is no reason not to be impatient about changing things for the better.”



## Using ethnicity, sexuality and disability pay gap data to drive change

We have learned a great deal from our experience of gathering, analysing and acting on our gender pay gap data. Over the coming year, we aim to extend our focus by examining our ethnicity, sexuality and disability pay gap data and the underlying issues to drive further changes. The starting point for this analysis is our data and so we have chosen to publish in this year's report our ethnicity, sexuality and disability pay gap data, along with some information about the work we are doing in each of these areas. We believe that it is important to show pay gap data for the whole of our UK firm including partners and employees. The data presented here for our overall ethnicity, sexuality and disability pay gaps therefore includes data from all partners and employees. The overall pay gaps for ethnicity, sexuality and disability are impacted by the relatively small populations in each of these categories which can have a disproportionate and significant impact on our pay gap figures. The data we have reported is another indication that our partners do not reflect the diversity we aim to achieve. Diversity in ethnicity, sexuality and disability will remain a key area of focus for us.

### Overall ethnicity pay gap

	Mean	Median
Pay gap	52.0%	0.0%

#### Ethnicity pay gap

- Our London BAME Network recently won the 'Outstanding Multi-Cultural / BAME Employee Network' award at the UK Diversity Legal Awards 2018.
- The BAME network has created a forum for BAME (black, Asian and ethnic minority) employees to voice their concerns about the firm's culture which has facilitated discussions with senior leaders about these issues.
- We have developed a 'reverse mentoring' programme involving several senior leaders within the firm that has increased awareness and understanding of the experiences of BAME colleagues in the workplace.
- We have a long-term partnership with diversity recruitment group Rare, which was founded in 2005 to support BAME candidates secure graduate positions in top City firms and help companies recruit more diverse talent. We have adopted Rare's Contextual Recruitment System to identify outstanding candidates by not only looking at grades, but how those grades compare to a candidate's schooling and background.

### Overall sexuality pay gap

	Mean	Median
Pay gap	35.6%	-0.2%

#### Sexuality pay gap

- Our thriving LGBT+ Network, Arcus, recently celebrated its 11th anniversary with 11 offices participating in our global Annual Pride Art Exhibition.
- We have introduced monitoring on gender identity within our recruitment process and have organised client and colleague events around transgender awareness.
- We have developed a targeted attraction strategy for LGBT+ trainees, giving students the opportunity to meet our LGBT+ Network (Arcus) members before applying to the firm.
- We were ranked 11th, and the first magic circle law firm, in the Stonewall UK Workplace Equality Index for 2018.
- We have a well-established 'reverse mentoring' scheme on LGBT+ issues for our senior leaders.

### Overall disability pay gap

	Mean	Median
Pay gap	61.9%	0.4%

#### Disability pay gap

- We have a Disability Action Group, who have acted as a consultative body on issues of accessibility, awareness raising and support. We have started to develop a series of 'I Can' articles, to share inspirational stories amongst our colleagues.
- We are supporters of the 'This is me' campaign, using the power of personal story telling to help tackle the stigma associated with mental ill health.
- We are signatories of the 'Time to Change' pledge, our commitment to support mental wellbeing at work.

We collect diversity information on a voluntary basis through our HR self-identification portal. The proportion of people who have responded to our requests to provide diversity information is:

- Ethnicity 81.2%
- Sexuality 65.2%
- Disability 70.2%

Those who have chosen not to disclose their data, have been excluded from these calculations.

## Summary

Pay Gap reporting reminds us that we must increase and maintain momentum in relation to diversity and inclusion. Organisations which are best able to cater for a global and diverse client base and workforce will be those that thrive. We are committed to following through on our plan of targeted, recommended actions to address these issues.

## Declaration

Our methodology for the statutory gender pay gap reporting has been reviewed by a third party. We confirm that the data reported is accurate.



A handwritten signature in black ink that reads "M. A. Bates".

**Michael Bates**

Regional Managing Partner, United Kingdom



A handwritten signature in black ink that reads "Laura King".

**Laura King**

Global Head of People and Talent

# APPENDIX

## DETAILED COMPARISON TO 2017 REPORT

### Pay and bonus gaps (% less than men)

	Mean 2017	Mean 2018	Difference	Median 2017	Median 2018	Difference
Hourly pay gap	20.3%	21.8%	+1.5%	37.2%	37.0%	-0.2%
Bonus gap	53.2%	48.5%	-4.7%	50.7%	44.3%	-6.4%

### Proportion of men and women in each pay quartile band

	Women 2017	Women 2018	Difference
Upper quartile	51.1%	49.5%	-1.6%
Upper middle quartile	53.4%	52.4%	-1.0%
Lower middle quartile	59.4%	58.7%	-0.7%
Lower quartile	81.5%	81.2%	-0.3%

### Proportion of employees receiving a bonus

	2017	2018	Difference
Women	55.9%	59.0%	+3.1%
Men	55.1%	57.0%	+1.9%

### Pay gaps by employee type

	Mean 2017	Mean 2018	Difference	Median 2017	Median 2018	Difference
Partner	27.3%	25.9%	-1.4%	46.3%	30.5%	-15.8%
Associate	3.9%	6.9%	+3.0%	5.4%	6.5%	+1.1%
Business services	27.7%	28.4%	+0.7%	32.7%	34.5%	+1.8%
Overall	66.3%	68.9%	+2.6%	43.6%	45.7%	+2.1%

### How to read this data

#### Mean

Mean figures represent an average, i.e. the compensation of the individuals included in the data, divided by the number of individuals.

#### Median

If we rank each individual's pay/bonus data from lowest to highest the median is the value in the middle of that list.

#### Hourly Pay Gap

This reflects the equivalent hourly rate of pay for all employees of the firm, so long as they were in receipt of full-pay in April 2018. This includes those working both part and full time.

For example – In 2018, on a mean basis, women were on average paid 21.8% less than men. This gap has increased by 1.5% since 2017, when women were paid 20.3% less.

#### Bonus Gap

The bonus gap reflects the actual bonuses paid to employees in the 12 months to April 2018.

For example – In 2018, on a median basis, women received an average bonus which was 44.3% lower than that paid to men. This gap has reduced by 6.4% since 2017, when the average gap on the same basis was 50.7%.

#### Proportion of men and women in each quartile band

The quartile distributions divide our employees into four equal groups ranked from highest to lowest levels of pay. The proportions show the relative number of each gender in those groups.

For example – In 2018 49.5% of those employees in our upper pay quartile were women. This has reduced by 1.6% since 2017, when 51.1% of the upper pay quartile were women.

#### Proportion of employees receiving a bonus

This shows the proportion of employees who receive any level of bonus payment.

For example – in 2017 55.9% of women received some form of bonus payment. This has increased in 2018, when 59.0% of women received a bonus.

#### Pay gaps by employee type

These figures break down the pay gaps for our major job families in the UK. We use 'Partners' to refer to members of Clifford Chance LLP. Associates are our other qualified lawyers. 'Business Services' refers to those employees whose role does not include giving legal advice.

For example – In 2018, on a mean basis, women Associates were on average paid 6.9% less than men. This gap has increased by 3.0% since 2017, when women were paid 3.9% less.

In February 2018, Clifford Chance acquired the Newcastle business of CAS, Carillion Advice Services, later incorporated as Clifford Chance Newcastle Limited. Pay Gap data for this company is therefore now included in our 2018 overall Pay Gap data.