

GENDER PAY GAP REPORT 2017

AT CLIFFORD CHANCE WE ARE COMMITTED TO CREATING AN INCLUSIVE ENVIRONMENT WHERE EVERY EMPLOYEE HAS THE OPPORTUNITY TO SUCCEED.

We know that there are clear business advantages of having a diverse workforce – it is better for our clients, better for our business and better for our people. To achieve this, inclusivity, diversity and professional development must be central to our strategy and supporting the career development of women at all levels is an integral part of this.

The Gender Pay Gap aims to show the distribution of men and women across different roles within an organisation and to 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.

The law does not permit us to include our UK based 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 London office including all partners and employees. You'll find this on page 2.

Statutory reporting

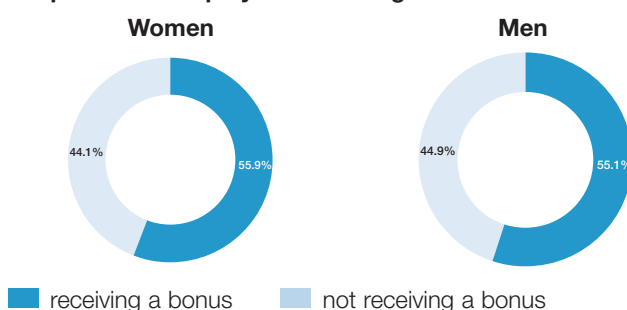
Our data shows that based on hourly rates of pay, women's pay is 20.3% lower (mean) than men. The median gap is 37.2%. As a percentage, overall female pay and bonus is lower than male pay and bonus as follows:

Pay and bonus gaps (% less than men)

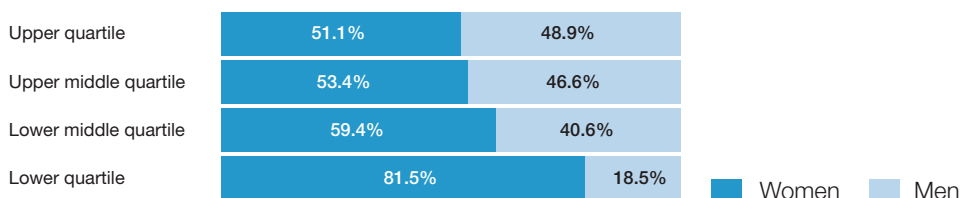
	Mean	Median
Hourly Pay gap	20.3%	37.2%
Bonus gap	53.2%	50.7%

Figures calculated for the bonus gap are based on actual amounts paid, rather than on a full-time equivalent, it is important to note that we currently employ more of our female colleagues on a part-time basis than our male colleagues.

Proportion of employees receiving a bonus



Proportion of men and women in each pay quartile band



There are significantly more women than men in the lower middle and lower pay quartiles, which are largely roles in our Business Services teams which support our lawyers.

The structure and make-up of law firms, including ours, greatly impacts the numbers reported. In particular, the vast majority of our secretarial roles are performed by women.

Our analysis suggests that this is the main factor behind the firm's overall hourly pay gap, and it inevitably impacts our bonus gap, since the level of bonuses paid for roles in the lower quartiles is less than those in the top two quartiles.

The proportion of men and women that fall in the top two pay quartiles is almost the same, as is the proportion of men and women receiving a bonus.

1. Hourly pay is based on the snapshot date of 5th April 2017 for pay.
2. Bonus information relates to bonuses paid in the 12 months leading up to 5th April 2017.

Our commitment to transparency

We want to accelerate change and improvement and believe that this requires a broader analysis of gender pay, which includes our partners. The statutory requirement is for organisations to publish figures for their employees and not partners as they are considered owners of the business rather than employees, having invested private capital in the firm.

The difference between the data provided to meet the statutory requirements (which is for Clifford Chance London employees only) and the adjusted data we have chosen to provide (which is for Clifford Chance London employees and London partners) is due to two main factors:

- the level of remuneration that partners at Clifford Chance receive and the proportion of women in our UK Partnership accounting for only 21%
- the high proportion of women in our secretarial roles which makes up a large part of the lower quartile figure

We hope other law firms will take an equally transparent approach, and we expect their figures to show a similar gap when partners are included. We believe this will show a more accurate reflection of the gender pay gap across our industry.

Overall Pay Gap

	Mean	Median
Pay Gap	66.3%	43.6%

Partner Pay Gap

	Mean	Median
Pay Gap	27.3%	46.3%

Associate Pay Gap

	Mean	Median
Pay Gap	3.9%	5.4%

Business Services Pay Gap

	Mean	Median
Pay Gap	27.7%	32.7%

Partner pay is a share of the Firm's profits, paid irregularly, and it is disappointing that there are no statutory guidelines on how to include it in the figures. 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).

Our commitment to improvement

We continually review our processes and practices around career development, performance review, salary and bonus, and recruitment and promotion, to ensure that they are fair and aligned to our values and aspirations.

Gender pay gap reporting has provided us with an opportunity to reflect on these and we are actively considering how we can take steps to reduce the pay and bonus gaps that this report has identified. We have created a Working Group, made up of a number of senior female and male colleagues, where the firm's management and the London Women's Network are working together. The aim of the group is to facilitate the career progression of women in the firm.

Although we expect changes in the pay gap to be incremental over a number of years given the main factor behind the gaps, we recognise the importance of making progress and are committed to do so.

What we have already done:

Transparency and fairness:

- We have conducted examination of our partner promotion process with third party external bias awareness experts and we analyse our partner promotion process statistically by gender.
- We use a globally consistent approach to appraisals – ensuring everybody is assessed on a fair basis.
- We have introduced resource managers within the practice areas to ensure work is allocated fairly and appropriately.
- We publish gender data each year on our website.

Training:

- We track development course participation by gender and employ an 'ask and explain' methodology when participation is not representative.

Role models:

- We have introduced a Role Models network to encourage members to share their experiences and to network. This provides a range of specific contacts and guidance on issues such as wellbeing, balancing family life and facilitating career progression.

Career Planning:

- We track attrition of associates by gender and seek to understand the reasons.

Support:

- We offer enhanced maternity pay, shared parental leave pay and maternity coaching (for associates) to support individuals on their return to work.



What we are planning:

We have a number of planned initiatives:

- We are reviewing our recruitment approach for business services roles, and use of apprenticeship as a potential route
- We are introducing gender pay gap reporting to department leaders at key decision points in the organisation such as pay and promotion
- We will increase our focus on reviewing key leadership roles (such as client relationship leadership) for gender balance. We have already changed the balance of several key committees including our London leadership group. Women now make up 50% of the group.
- 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. We have also started to embed discussions around gender balance at a practice area and business function level.
- We have been running courses to support the career progression of Associates – both male and female ('Building Personal Profile' and 'Planning your Career Success') – and have included a gender balance component in induction courses for Senior Associates and new partners. Career Development Partners are assigned to every Associate – playing a role as a mentor and guide for our lawyers' career development.
- The firm's leadership wants to promote greater numbers of women and is working towards a target of 30% female partners.
- We are refreshing and re-branding our London Women's Network with a revised strategy.

Broader Support

The firm understands the importance of gender equality and inclusion in the workplace, recently signing up to the UN's 'Women's Empowerment Principles': a set of principles offering guidance on how to empower women in the workplace, marketplace and community. Internally, we have a robust set of policies which help support diversity and inclusion.

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,
London



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

Laura King

Global Head of People and Talent

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