

ADDLESHAW GODDARD
2017 GENDER PAY RESULTS



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At Addleshaw Goddard, we aim to be a true meritocracy where everyone is able to reach their full potential, within a culture that embraces diversity, equality and inclusion. For a number of years we have been working hard to make this happen and have seen some good progress in that time. Our commitment to diversity and inclusion has been consistently recognised over the years and in 2017 we were accredited (for the 10th time) with a place in The Times Top 50 Employers for Women / Business in the Community Gender Campaign and won the Managing Diverse Talent Award at the UK Diversity Legal Awards.

The publication of our gender pay gap, and the actions that flow from it, remind us of the importance of our diversity initiatives and will form a central plank of our diversity and inclusion agenda. What our results show, in common with many others within the legal sector, is that there is more work to be done on achieving higher levels of female representation at senior levels within our business and less “gendered” roles elsewhere within the business.

WHAT IS THE GENDER PAY GAP?

From April 2018, employers with 250 or more employees are required to report on the gender pay and bonus gaps within their organisation. The gender pay gap shows the difference between the average mean and median rates of pay of all the men and all the women working across an entire organisation, regardless of job role. In other words, men and women are treated as two large groups. This is very different to an equal pay audit, which compares specific groups of men and women to identify whether they are paid equally for performing the same, similar or equivalent work. Although distinct concepts, it is not uncommon for people to mistakenly describe an equal pay issue as a gender pay gap issue.

The presence of a gender pay gap does not mean an employer is paying men and women unequally. For example, some of the typical causes of the gender pay gap are occupational segregation (ie. women tend to be steered towards and form a greater proportion of the population in certain occupations and/or sectors which offer narrower scope for financial reward) and representation (ie. relative lack of female representation within senior, high earning positions).



OUR RESULTS

Our results represent the gender pay and bonus gap figures for AG Service Company Limited for 2017. They do not include data relating to the Members of Addleshaw Goddard LLP (ie. the partner group), which is a separate legal entity falling outside of the gender pay gap reporting obligations. They also do not include data relating to colleagues who joined the firm following the firm's merger in June 2017 with HBJ Gateley, as this fell after the reporting period.

The results are reported on a mean and median basis, which are two very different ways of presenting average figures. The mean pay gap figure is calculated using the average pay rate of all the men and women within the business. The median pay gap figure is calculated using the mid-point pay rate of all the men and women within the business i.e. where half earn more and half earn less.

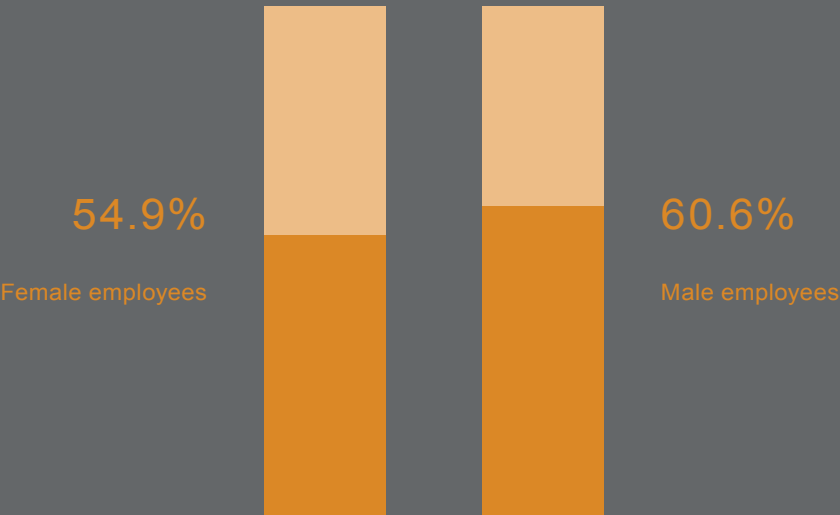
The Government considers the median gap figure is the better representation of the “typical” difference as it is unaffected by very high or low earners.

As well as reporting on our mean and median pay and bonus gap, we are required to report on the proportion of men and women that received a bonus in a specified 12-month period and the number of men and women working across four pay quartiles.

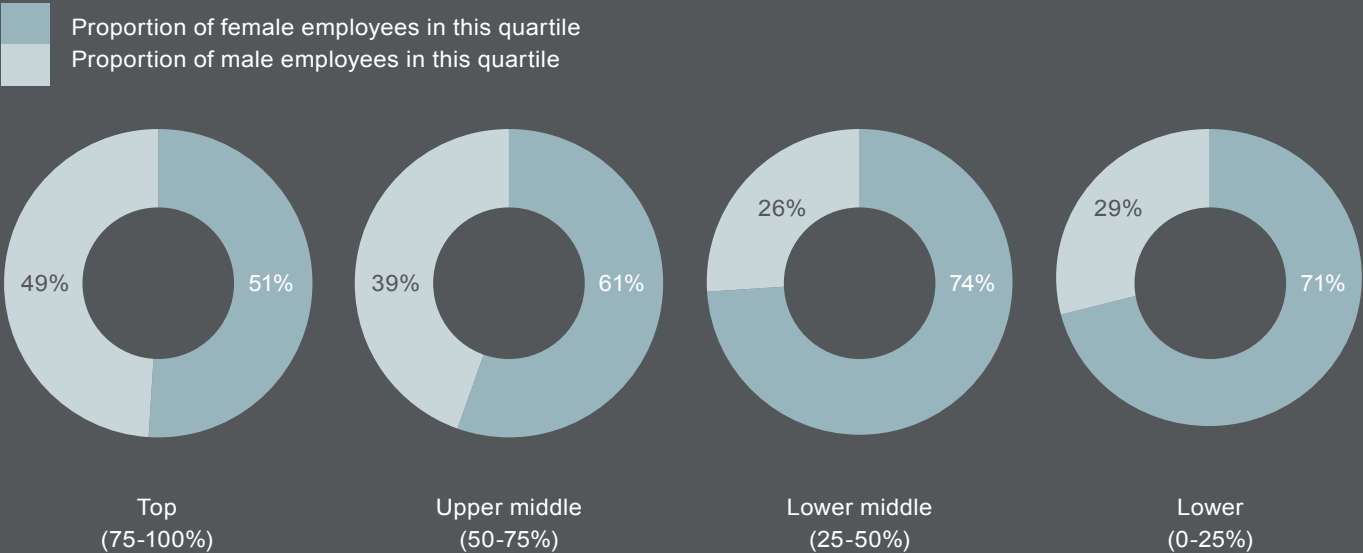
Our headline gender pay and bonus gap results:

	Gender pay gap (as at 5 April 2017)	Gender bonus gap (6 April 16 – 5 April 2017)
Median	16.4%	33.3%
Mean	23.8%	43.2%

The proportion of men and women that received a bonus in the 12 month period 6 April 2016 – 5 April 2017:



The proportion of men and women working across pay quartiles as at 5 April 2017:





EXPLAINING OUR RESULTS

Gender pay gap results

We believe the gender pay results are driven by the following factors:

- ▶ There are significantly more women in junior, lower paid roles across the business compared to men, who tend to occupy more senior, higher paid roles. For example, our business support function, where salaries are lower, is predominantly made up of women. Similarly, our PA population is 98% female
- ▶ There is also a differential in pay linked to location. Support roles (which are predominately occupied by women) tend to be based in our Leeds and Manchester offices, where salaries are lower than in London.

Gender bonus gap results

We believe the gender bonus results are driven by the following factors:

- ▶ We have more male employees in senior roles where higher bonuses are paid
- ▶ We have a significantly higher proportion of women working part-time. The bonus gap calculation requires us to consider actual bonus paid and not the full time equivalent amount. If we remove a small number of bonuses which are at the 'extremes', and look at full time equivalent data, the bonus gap closes to 26% (mean)
- ▶ Historically, fewer bonus awards are made in the non-fee earning areas of our business, which is where we have more female employees.

OUR STRATEGY FOR PROMOTING DIVERSITY AND TACKLING THE GENDER PAY GAP WITHIN OUR BUSINESS

What is clear is that the gender pay and bonus gap within our business is primarily driven by occupational segregation (i.e. women predominating in lower paid functions) and proportionally fewer women represented at senior levels within the business. We are championing a number of initiatives which we believe will tackle these issues head on (detailed below), although we are conscious that given the reasons for our gender pay gap, change will take time.



We support the careers of women throughout our business:

As well as offering appropriate learning and development interventions to women across the firm, and access to female networking events, we have a dedicated in-house programme designed to help women rise to senior positions. In 2012 we launched our innovative female development programme, “How to Flourish”, which is aimed at addressing gender disparity at senior levels. Since its launch, the programme has helped attendees think more strategically about their career, build a network of support, and increase their skills and confidence. In 2017 the programme celebrated its sixth year in operation, and over that period we have worked with over 240 women (including some of our clients). Since 2012, almost a third of lawyers promoted to partnership have been female (32%) and the UK female partner proportion has risen from 20% to 26%. Looking forward, we have plans to further develop our programme, with an intervention for more junior female colleagues and ongoing support for alumni.



We operate a robust pay and reward structure:

A reward system is only as fair as a performance review process that underpins it and, mindful of this, we analyse performance review data for gender bias and have increased awareness of the effect of unconscious bias amongst line managers who are responsible for making decisions about performance and promotions.



We promote a culture of flexible working:

We have embedded a flexible, agile culture in recent years, sharing the belief that work is an activity we do, rather than a place we go. We support a wide range of flexible working patterns, from part-time and term-time working to longer holiday arrangements, treating each request on a case-by-case basis. In July 2016, we launched a new home working policy which is intended to enable the majority of employees to work from home on a regular basis. Around 13% of our workforce has a formal flexible working arrangement in place, but in our recent engagement survey 78% of respondents reported that they work flexibly on an informal basis.



We encourage and support our male employees to take Shared Parental Leave:

When the system of Shared Parental Leave (SPL) was introduced in 2015, we decided we wanted to support our male employees who wanted to spend an extended period of time away from work and with their child. As such we equalised the pay we offered for SPL with the pay we offered our female employees for periods of Maternity Leave (20 weeks of leave at full pay) and operated a fully flexible approach to the way in which the SPL pay is taken i.e. we do not stipulate that the paid leave has to be taken within a certain number of weeks of the birth (or adoption). Our approach has been recognised by the charity Working Families who awarded us “SPL Pioneer” status – we were one of only 30 employers in the UK to receive this accolade. Since its introduction, we have seen good uptake from across the business – 13 people have taken SPL to date.



We provide a programme of support for working parents:

In addition to our pioneering approach to SPL, we have significantly increased other forms of support for working parents and carers. The aim of these initiatives is to help colleagues who are balancing family and work responsibilities. We believe this improves employee engagement and retention rates. The support available includes: keeping in touch with colleagues on leave; a maternity buddy scheme; networking lunches for new and expectant parents; topical webinars and seminars.



We operate a Returner Programme, helping women return to the legal profession:

We support the ambitions of the Women Lawyers' Division of The Law Society by continuing to invest and develop our award winning Returner Programme. This programme targets female solicitors who have been out of the profession for a number of years but are now seeking a return. It provides opportunities to help women re-experience life in a commercial law firm, develop professional networks, update skills and rebuild their confidence for a return to the legal profession. We have been able to offer some of the returners ongoing employment in various functions within our business, including our consultancy provision, AG Integrate.



Raising awareness of diversity and unconscious bias:

All partners and employees in the UK have recently been asked to participate in mandatory diversity and inclusion training (following the last roll out of training in 2013). In addition, we have provided unconscious bias training for groups of partners and embedded this learning into other programmes, for example, into our training for new Trainee Supervisors. We are also piloting “in the moment” awareness raising strategies, so that decision makers are reminded of their biases at important moments. Mindful of the link to career progression, and the potential for bias to affect decisions about where work is allocated, in the coming year we will be looking at our work allocation processes to ensure that these are both efficient and fair.

We confirm that the information above is accurate



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* a formal alliance with Hashidate Law Office

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REF: 11899