

UK Pay Report 2020

We are pleased to publish Clyde & Co's UK pay reports for the year ending April 2020 in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

At Clyde & Co, we are committed to achieving gender equality and improving diversity at every level of our business. We consider it central to our long-term success to ensure that we recruit, retain and promote the very best people, and that we reflect the industries, businesses and communities we serve. In order to do so, we must create an inclusive workplace where everyone is able to reach their full potential.

This report contains statutory reporting for each of Clyde & Co's three UK legal entities – Clyde & Co Services (our largest UK entity), Clyde & Co Claims and Clyde & Co Scotland (see page 4). We have once again decided to go beyond the legal reporting requirements and include partner figures in order to be able to publish an overall 'all firm' pay gap for all our UK-based partners and staff. This year, we have also chosen to publish details of our ethnicity pay gap for the first time.

Clyde & Co combined figures

As partners are remunerated differently from employees we have calculated our combined figures by looking at total annual full time equivalent (FTE) earnings for all UK partners, including profit share and bonuses and total FTE pay and bonuses for all UK employees. The hourly pay rate values for employees have been annualised and added to bonuses to reach total annual FTE earnings.

Last year's figures are in brackets.

Gender pay gap

Partner and employee pay gap combined

	Mean	Median
Total compensation	57.5% (56.8%)	41.0% (37.0%)

Partner pay gap

	Mean	Median
Total compensation (all partner)	27.7% (45.5%)	38.1% (39%)
Senior Equity Partner	3.6% (9.3%)	-5.1% (-3%)
Equity Partner	9.6% (19.5%)	7.1% (15%)

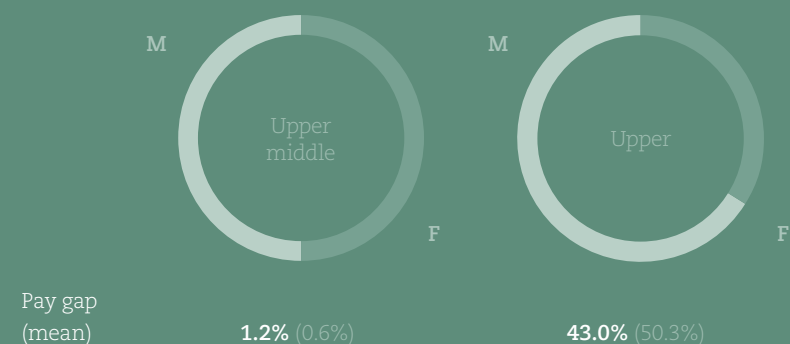
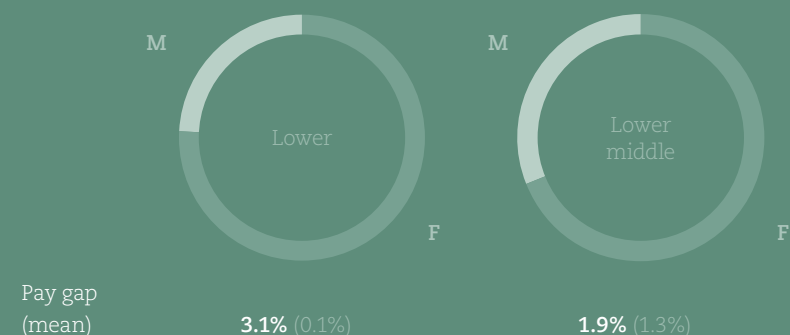
Last year's figures have been updated to ensure consistency in approach year-on-year.

Pay quartiles – Clyde & Co (combined UK entities) all employees and partners

The image to the right shows the gender distribution at Clyde & Co across four equally-sized quartiles with the corresponding gender mean pay gap within each quartile. The pay gap is based on an FTE basis.

Pay quartiles for entire UK firm including partners

	Lower	Lower middle	Upper middle	Upper
Women	76% (73%)	70% (68%)	51% (55%)	37% (36%)
Men	24% (27%)	30% (32%)	49% (45%)	63% (64%)



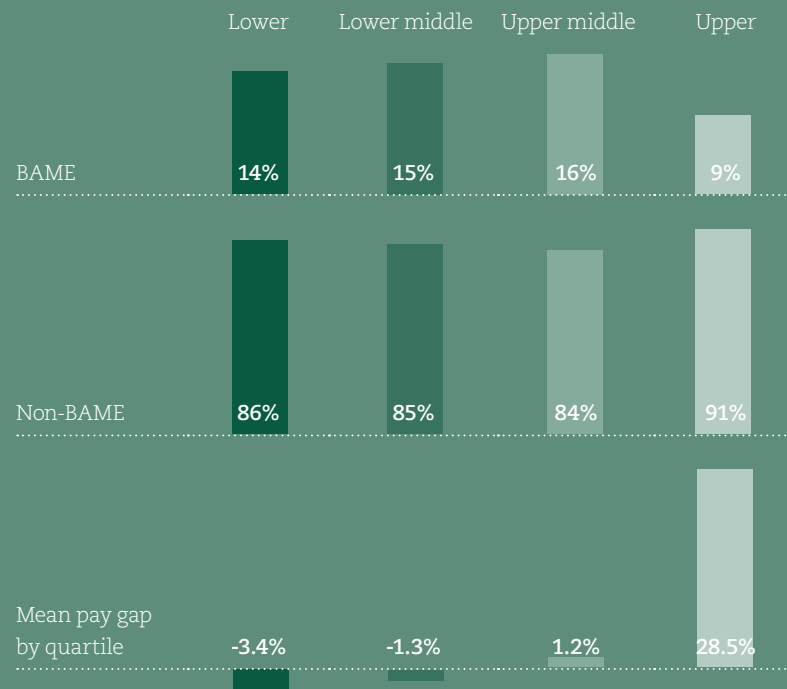
Ethnicity pay gap

Our ethnicity pay gap shows the difference in average total annual earnings between the firm's Black, Asian or Minority Ethnic (BAME) population and its non-BAME population. The gap has been calculated on the same basis as our gender pay gap. The figures are based on 90% of our people in the UK who have recorded their ethnicity.

Partner and employee pay gap combined

Ethnicity	Total compensation pay gap	
	Mean	Median
BAME	28.6%	4%

Pay quartiles for entire UK firm including partners



Understanding our pay and bonus gaps

We are confident that we pay men and women and BAME and non-BAME employees fairly for equivalent roles, and are pleased that the pay gaps for most of our quartiles are smaller than our overall averages.

- Our overall gender pay gap is higher when partners are included. This is because, like many law firms, we have a higher proportion of men than women in our partnership, as well as a higher proportion of men in senior partnership positions
- However, when we look at our two partner groups (Senior Equity and Equity) independently, the gap for annual FTE earnings is significantly smaller, reflecting more consistent gender pay levels within these groups
- We are pleased that the pay gap in most of our quartiles is small; however, we still have some way to go to close the gap in the upper quartile. Figures this year show an improvement in the upper quartile gap, which is largely owing to several senior level women hired in 2019. When partners are excluded, the gap in the upper quartile is 6.5%
- Gaps between the quartiles are caused by the fact that the roles that sit within the lower quartiles are predominantly secretarial and junior business services positions, many of which are held by women. Meanwhile, many of our highest earning employees and partners are men
- Our bonus gap has continued to reduce this year, which is in large part a result of measures taken following the publication of our first gender pay gap report three years ago to enhance and standardise the bonus schemes available at the firm. Measures include introducing more bonus opportunities within our business services department, in which 58% of staff are women
- The structural factor mentioned above also affects the bonus pay gap, as there is a concentration of men in senior roles paying higher bonuses. In addition, significantly more of our female staff work on a part-time basis than our male staff, which has had some impact on our bonus gaps because we have to report on bonus figures based on actual amounts paid and not on a full-time equivalent basis
- In the first year of reporting on our ethnicity pay gap, we find that out of those who have chosen to disclose their ethnicity (90% of the firm's UK population), 12% were Black, Asian or Minority Ethnic (BAME). The mean total compensation pay gap between BAME and non-BAME employees and partners was 28.6% in 2020 and the median total compensation pay gap was 4%
- The same structural factors that affect the gender pay gap also affect the ethnicity pay gap as we have a smaller BAME population in senior fee earning positions than in more junior positions. The total compensation pay gaps for our three lower pay quartiles are small or negative. However, the pay gap becomes larger in the upper quartile as a majority of the roles in this quartile are held by non-BAME individuals

Clyde & Co – Employees only

Pay and bonus gap – differences between men and women – Clyde & Co Services

	Mean	Median
Hourly pay	22.4% (24.6%)	36.4% (36.8%)
Bonus	40.9% (44.0%)	20.0% (30.0%)

Proportion of men and women receiving a bonus – Clyde & Co Services

W	
M	
Women	41.6% (27.4%)
Men	42.0% (31.3%)

Pay quartiles – Clyde & Co Services

	Lower	Lower middle	Upper middle	Upper
Female	76% (76%)	71% (72%)	48% (49%)	52% (52%)
Male	24% (24%)	29% (28%)	52% (51%)	48% (48%)
Pay gap (mean)	-1.0% (-1.3%)	5.6% (3.5%)	-1.5% (-0.2%)	9.5% (11.3%)

Pay and bonus gap – differences between men and women – Clyde & Co Claims

	Mean	Median
Hourly pay	14.5% (13.9%)	20.5% (16.2%)
Bonus	9.1% (23.7%)	20.0% (40.2%)

Proportion of men and women receiving a bonus – Clyde & Co Claims

W	
M	
Women	36.4% (31.6%)
Men	43.6% (38.9%)

Pay quartiles – Clyde & Co Claims

	Lower	Lower middle	Upper middle	Upper
Female	67% (68%)	74% (70%)	51% (55%)	51% (51%)
Male	33% (32%)	26% (30%)	49% (45%)	49% (49%)
Pay gap (mean)	-0.2% (-1.9%)	3.0% (1.7%)	1.3% (-1.8%)	-0.3% (0.6%)

Pay and bonus gap – differences between men and women – Scotland

	Mean	Median
Hourly pay	11.9% (9.0%)	15.2% (14.3%)
Bonus	-33.9% (-5.4%)	-9.5% (8.3%)

Proportion of men and women receiving a bonus – Scotland

W	
M	
Women	31.1% (35.8%)
Men	41.0% (27.1%)

Pay quartiles – Scotland

	Lower	Lower middle	Upper middle	Upper
Female	71% (73%)	84% (82%)	73% (79%)	63% (71%)
Male	29% (27%)	16% (18%)	27% (21%)	37% (29%)
Pay gap (mean)	5.9% (-6.8%)	-5.8% (3.5%)	-0.7% (7.0%)	7.1% (4.6%)

Closing the pay gaps at Clyde & Co

We are pleased to once again have published gender pay gap figures for the firm's employees and partners and to have included details of our ethnicity pay gap for the first time, which we believe provides increased transparency on our pay gaps across the organisation.

Pay gap reporting is a useful way to track progress and identify areas in need of closer attention. We accept that we must take a long term view on closing our pay gaps and recognise that doing so will require sustained focus. We are, however, making improvements through various initiatives, some of which are listed below.

- We continue to apply a rigorous approach to the gender mix of candidates at all levels during our recruitment processes and promotion to partnership, including 50:50 shortlist targets and ongoing reviews of recruitment materials to ensure they do not discourage women from applying for roles. We are pleased to have made progress with regard to diversity at the global and regional board levels and among our senior management team. For example, in the financial year 2019/20, 64% of senior hires in our Services entity were women
- We are committed to providing fair and competitive rewards to all our people irrespective of gender and ethnicity, and actively review our talent identification, annual performance, pay, and bonus activities to ensure fairness in the process and in outcomes
- Our efforts to ensure that all high potential fee earners have equal access to our Senior Leadership Programme designed to help participants reach the partnership continue. The same applies to

our Global Associate Programme, which gives associates experience working in and with our international offices

- We have rolled out inclusive leadership training to all partners in the UK, the aim of which is to help raise awareness of unconscious bias and how this can impact decision making. It also highlights the benefits of diversity and helps partners understand how they can lead their teams in a way that values difference
- We recognise the importance of role models in helping create an inclusive culture where those at the start of their career can see themselves progress. To celebrate International Women's Day in 2020 we created an e-book in which female partners and senior leaders at the firm share their career stories. Female partners built on this theme by arranging a series of lunches where female associates have the chance to learn more about the routes to partnership at the firm
- In the second year of running our Balanced Brand initiative, 38% of the firm's media contributions were from a female spokesperson. This is in line with 2019's figure of 39%, which was a sharp increase from approximately 15% in previous years
- We launched a reverse mentoring programme in 2020 as an evolution of our global mentoring programme. The aim is to develop

mutually beneficial mentoring relationships between senior staff and underrepresented groups in the legal profession, and to help deepen the understanding of diversity and inclusion issues. 77% of mentors and 41% of mentees on the programme are women

- We continue to support working parents through our partnership with My Family Care, who provide all UK employees with access to an online portal, funded emergency backup care sessions, and parental leave toolkits. We also continue to run Keeping in Touch days enabling female and male employees on parental leave to network and share experiences
- Our Early Careers team partners with Aspiring Solicitors, The Bright Network and myGwork to reach candidates from diverse backgrounds. The team also uses RARE's Contextual Recruitment System to measure candidates' achievements and put them into context to identify outperformers. In 2021, 20% of our trainee cohort is made up of BAME employees, up 18% from 2016, and 30% come from non-Russell Group universities, compared to 16% in 2016
- In 2020, we signed up to the Rare Race Fairness Commitment, which involves implementing a range of measures to combat career obstacles faced by BAME lawyers. We also became a member of the Law Firm Antiracism Alliance, through which we will work

with other law firms to identify and dismantle racial inequality in the industry. In addition, we signed up to the Social Mobility Pledge to offer opportunities to young people from disadvantaged backgrounds

- Our Gender Equality at Clyde & Co (GECCO) initiative continues to be a forum for discussing gender diversity at the firm and identifying issues where it can lobby for change and support in progressing the agenda
- Our Achieving Cultural and Ethnic Diversity (ACED) network addresses and tackles issues relevant to BAME employees while providing all members of staff a place to share and celebrate their culture and ethnicity

We confirm that the data reported are accurate.



Robert Hill
Chair of the UK Board



Lisa Collins
HR Director (UK)