

michelmores

**Gender pay gap
report 2020**

At Michelmores we are committed to creating an inclusive working environment where everyone has the opportunity to reach their potential, whilst being their authentic self at work. We believe that the source of excellence lies in the difference between us as individuals. Our people are the key to our success.

We are an advocate of gender pay gap reporting as a tool to improve transparency on pay. We use the information from our gender pay gap reporting to help inform where we need to focus, in order to reduce or eliminate pay gaps. We recognise that change does not happen overnight, and so have made a long-term commitment to closing the gap.

Our analysis shows that the key drivers of our gender pay gap are occupational segregation and the locational variance of our offices. Women are concentrated in our business support roles which tend to be lower paid whereas the more senior roles across legal and support are occupied by men. The majority of our business support staff are based in Exeter, with only a small proportion of business support staff based in Bristol and London, where the cost of living is higher.

COVID-19 has significantly affected all of our colleagues this year. Whether it was navigating home schooling, shielding, caring for elderly relatives, being placed on furlough leave or dealing with bereavement, we are so proud of the way our colleagues have pulled together and adapted to the challenges they have faced. This year's figures are reflective of the uncertainty we all faced in April 2020 when many of our support colleagues (many of whom are women) were placed on furlough leave (and therefore not featured in this Gender Pay Gap report). As a Firm our annual performance was better than originally forecast and we are pleased to have subsequently paid back the furlough money claimed to HMRC.

Headline results

- The mean and median gaps have seen a large improvement from 2019; decreasing by 8.2% and 14.1% respectively.
- There has been an improvement in the representation of women in the lower two quartiles, particularly in the lower middle quartile where the proportion of women has decreased by 8.8%. This has largely contributed to the improvement in the median gap and to some extent the mean.
- The representation of women in the upper middle quartile has decreased by 4.5% and is almost unchanged in the upper quartile, increasing by just 0.1%. Due to the lack of movement in these highest paying roles, and women being over-represented in the lowest paying roles, the mean gap is 27.64%.

Understanding our results - employee data

Gender pay gap

Our mean and median gender pay gap for 2020 has reduced by approximately 10% since we first reported in 2017.

The table below shows pay gaps by job level. Compared to 2019, the mean gaps for all job levels have decreased. We believe this can be attributed to our initiatives which focus on coaching and therefore progressing employees through their career.

In particular, our Aspire Programme has resulted in a 78% promotion of women into Senior Associate roles. Building the skill set of our Associates has helped them to develop through this role itself and this is reflected in the reduction of the Associate mean and median gaps.

Based on our analysis, we are confident that men and women are paid equally for doing equivalent roles at Michelmores and the variance by job level is due to the locational variance of our offices.

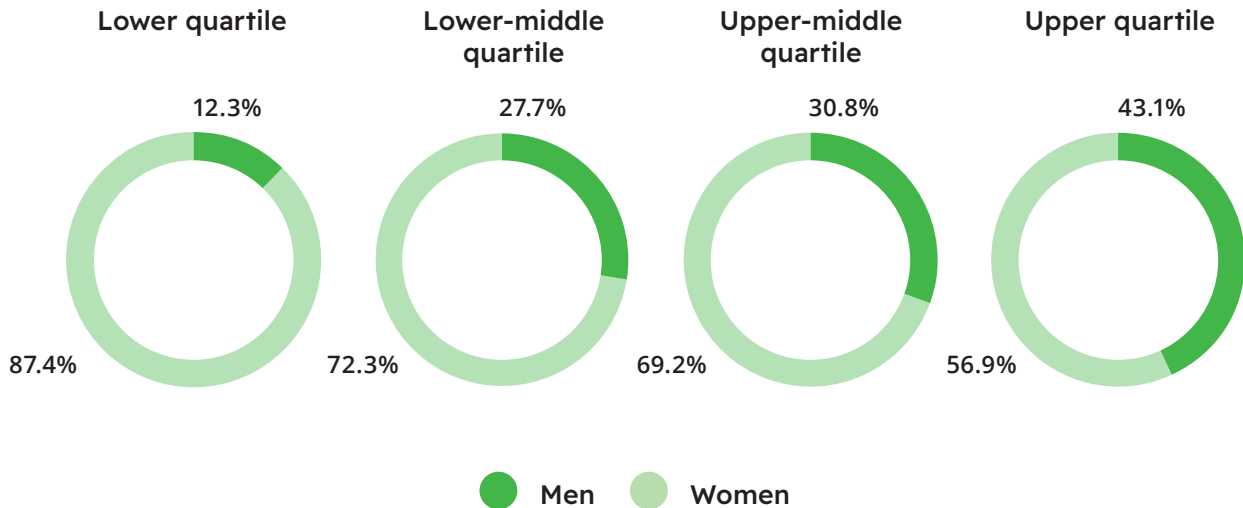
Employee Pay and Bonus Gap: difference between men and women

	Mean	Median
Hourly pay	27.64%	27.84%
Bonus	50.30%	26.70%

Role	Mean	Median
Senior Associate	9.76%	10.48%
Associate	6.07%	-1.48%
Solicitor	-0.60%	0.36%
Trainee	-1.50%	2.32%
Support	-6.81%	-11.47%

Pay quartiles - employee data

The charts illustrate the gender distribution across the Firm in four equally sized quartiles.



Bonus pay gap

Our mean bonus pay gap has increased by 3% and the median bonus gap has increased by 8% since we first reported in 2017.

Bonus scheme - employee data

The mean and median bonus gaps have decreased from 2019 by 1.3% and 8.4%, respectively. This year, the proportion of women receiving a bonus is greater than that of men receiving a bonus. However, the gap exists as our bonuses are based on a percentage of salary and there is a higher proportion of women in the lower paid quartiles.

Proportion of men and women awarded a bonus in 2020:



93% of men received a bonus



97% of women received a bonus

Our Partner pay gap

As part of our commitment to greater transparency, we are reporting our Partner pay gap figures. This is in the spirit of providing a complete picture of gender pay across the Firm.

Partner Pay
The difference between men and women

	Mean	Median
Hourly pay	0.34%	-2.56%

The mean and median pay gap have both significantly reduced since 2019.

Our overall gap

Bringing together the Partner and employee data gives us a metric to understand the overall pay gap across the entire Firm.

	Mean	Median
Hourly pay	49.21%	39.93%

Our overall mean and median pay gap has significantly reduced from 2019, by 10% and 16% respectively. We will continue to track and monitor this overall pay gap position over the coming years.

Our initiatives

Our focus continues to be enabling everyone to reach their full potential and by doing so we open the opportunities for all. Our talent programmes are all about enabling everyone to develop which will in turn help the progression of women.

On 1 May 2018, a year after we launched Women@Michelmores, our representation of women at Partner level was 21%, by 1 May 2020 this had increased to 27% and for the same period our representation of women at Senior Associate level has risen from 40% to 71.4%.

We are really pleased with our increase of women at Partner level, and in May 2020 it was clear that we were on target to reach 30% women lawyers in partnership roles by 2022. Below are some of our initiatives that we have pursued to help reach this target:

Aspire programme

- This is designed to equip our Associates with both the skill set and confidence to prepare and put themselves forward for promotion to Senior Associate. A key focus of the programme is enhancing an Associate's business development skills which is often an area of the Associate role that women lack confidence in. Feedback from those who have attended the programme highlights the value placed in this training.
- Introduction of coaching to all our newly promoted Senior Associates. The coaching is designed to offer support and advice to Senior Associates in managing the transition into their new role and the additional responsibilities and expectations that this brings. However, it has also provided additional support and advice to individuals as to how to balance the new challenges of work with family/ home responsibilities and how to maintain a healthy balance between work and personal life. Senior Associates, who are women, have particularly sought out this coaching and have valued the additional support it can offer them as they progress through their career.

Continuous Conversations

- This has seen a positive impact on encouraging more regular and open discussions focused on work and individual contribution and performance. Team Leaders are optimising the Development Conversations to redress the balance of career progression for our female employees and are promoting open and constructive discussions around future ambitions and developmental feedback.
- We have delivered unintentional bias training to all those who are involved and have a role in our internal promotion processes.

Equal Opportunity to Flexible working at Michelmores:

Family leave policies

- Following the promotion of family leave policies, we saw a clear increase in requests for Shared Parental Leave in 2019 by men and women – 6 men (66.7%) and 2 women (33.3%). These requests are from a wide range of our employees, including senior manager and partner positions.

Flexible working

- In May 2020 32% of our colleagues work part time, 17% of which were our male colleagues. 21% of our Partners also worked part time. But it is not just about part time working, it is about innovative flexible working for all.

Agile working

- This has allowed individuals more autonomy and flexibility as to where, when and how they work – increasing employee engagement and productivity which has increased significantly during the pandemic.

We believe the steps that we are taking will improve progression and development opportunities for women and men, and thereby help to reduce the gender pay gap at Michelmores. We know that we have more work to do and will not see results immediately: but we are committed to making further improvements.