

michelmores

Gender Pay Gap
Report 2023

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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 one of our strengths lies in the difference between us as individuals.

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 to help to reduce or eliminate pay gaps. We recognise that change does not happen overnight, and so we have made a long-term commitment to closing the gap.

Our analysis shows that a key driver of our gender pay gap continues to be occupational segregation, ie the tendency for men and women to be employed in different types of jobs. For us (and many other professional service firms), women are concentrated in our business support roles, which tend to be lower paid, whereas men occupy the more senior roles across legal and support.

Another key driver is the geographical variance of our offices. The majority of our support staff, who are primarily women, are based in the South West region, where salaries are lower than in London.

Headline results

- the mean pay gap (the difference between the earnings of men and women) has increased since 2022, with a year-on-year increase of 1.6%, and a 10% overall reduction since we first reported in 2017
- our median pay gap (being the difference between the midpoints of all male salaries and female salaries, when ordered from lowest to highest) has increased by 3% since 2022. This is largely due to the reduction of women in the upper middle quartiles as some have progressed into Partnership roles and as a result become self-employed and no longer counted as part of our employee figures; it has also been impacted by the recruitment of men into some of our lawyer roles in London
- there has been an improvement in the representation of women in the upper quartile, with an increase of 2% building upon the 2% increase from last year
- the representation of women in the lower quartiles is still high, due to women being overrepresented in the lowest paying roles (occupational segregation). This year there has also been a reduction of men in our lowest quartile by 5%
- our overall mean pay gap is 27.84%
- our mean bonus pay gap has reduced by 26% to 22.9%; the median figure is 1.7%

Understanding our results - employee data

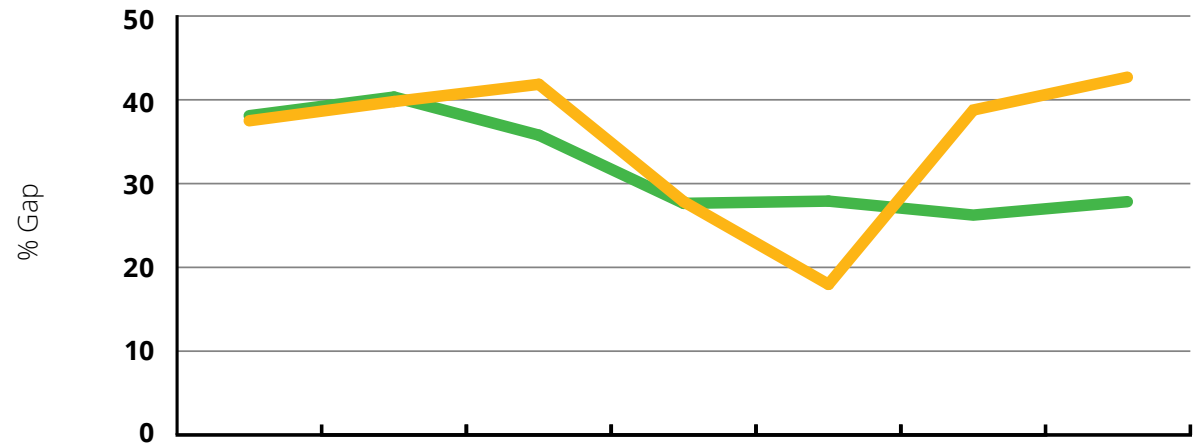
Gender pay gap

Our mean gender pay gap has increased slightly from 2022 but has reduced by 10% since we first reported in 2017. The graph shows how our mean gender pay gap has decreased and our median pay gap has remained similar since we first reported in 2017.

- our median pay gap has increased by circa 3% since 2017 due to an increased number of women now being in Partnership roles and therefore excluded from our employee figures

We are pleased with the progress that we have made and the positive impact our initiatives have had, but we know that there is still work to do.

Gender pay gap



	2017	2018	2019	2020	2021	2022	2023
Mean	38.1	40.33	35.78	27.64	27.91	26.24	27.84
Median	37.5	39.79	41.85	27.84	17.97	38.78	41.38

This table shows pay gaps by job level, some roles have had a reduction since 2022.

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.

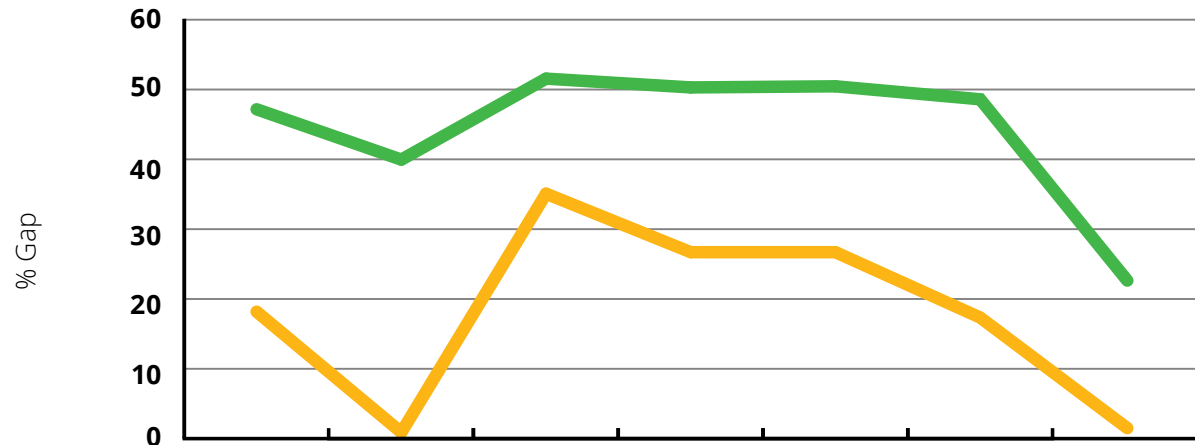
Role	Mean	Median
Senior Associate	0.61%	3.5%
Associate	4.62%	3.12%
Solicitor	-1.48%	0%
Trainee	-1.66%	0.42%
Support	-5.55%	-17.09%

Bonus – employee data

Bonus pay gap

- the bonus pay gap exists as our bonuses are paid as a percentage of salary and there is a higher proportion of women in the lower paid quartiles
- our mean bonus pay gap has reduced significantly compared to last year
- we have seen a reduction of 25.7% in the mean and a reduction of 15.64% in the median, since 2022

Bonus pay gap – Employees



	2017	2018	2019	2020	2021	2022	2023
Mean	47.17	39.96	51.56	50.3	50.46	48.6	22.9
Median	18.18	0	35.08	26.7	26.7	17.34	1.7

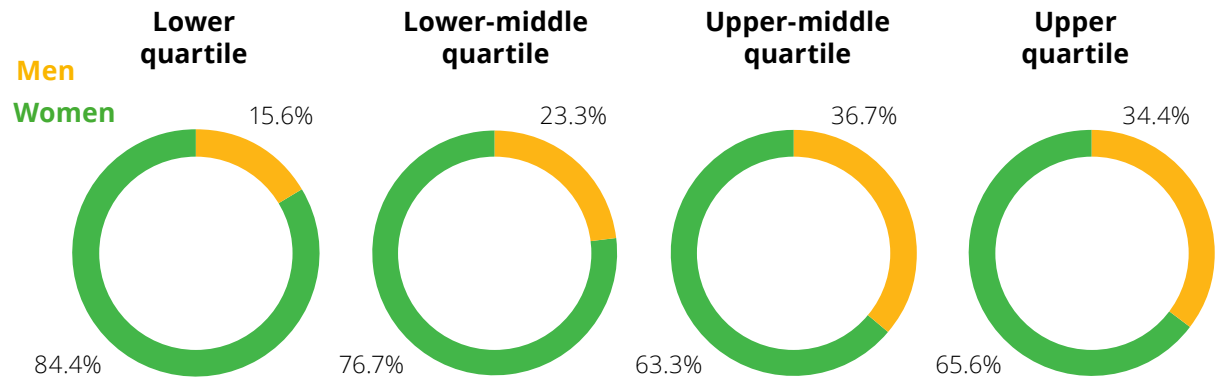
Bonus – employee data

Bonus pay gap

- as our bonus is paid as a percentage of salary, we believe this reduction in the bonus pay gap is due to the increase in women receiving a bonus in our upper quartiles compared with last year
- there has been an increase in the percentage of men and women receiving bonus compared with last year, this is due to more people being eligible to receive it (given many people had recently joined in the 2022 reporting year and therefore weren't eligible)

Pay quartiles - employee data

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



Proportion of men and women awarded a bonus in 2023:



84.5% of men received a bonus



91.6% of women received a bonus

Our Partner pay gap

As part of our commitment to greater transparency, although we are not obliged to do so, we have chosen to report our Partner pay gap figures. This is in the spirit of providing a complete picture of gender pay across the Firm.

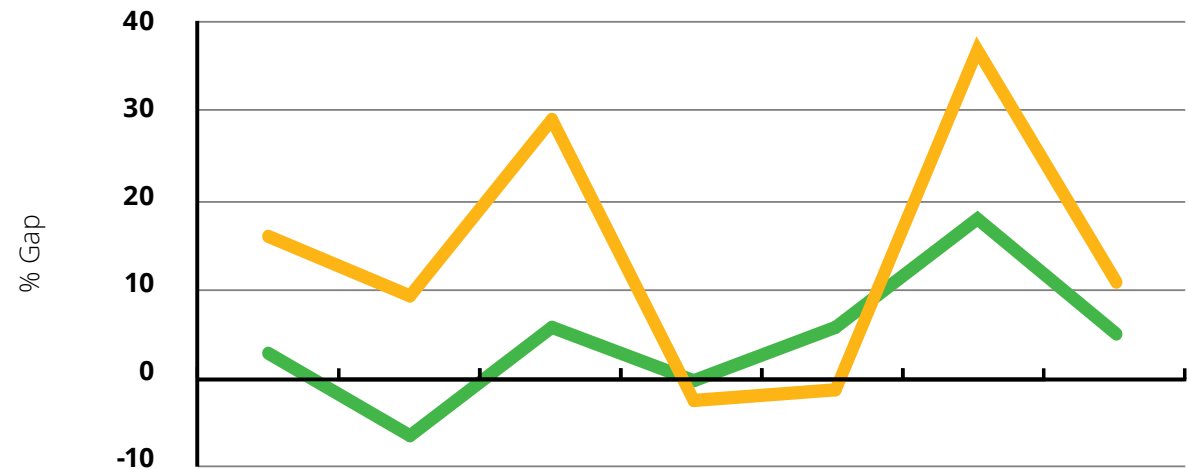
The mean and median pay gaps have reduced again this year as we see those women who were recently promoted starting to progress through the Partnership. Longer term we expect that we will see the gap reduce further as more women progress through to Tier 1 status.

Partner Pay

The difference between men and women

	Mean	Median
Hourly pay	5.22%	10.52%

Partner gender pay gap



	2017	2018	2019	2020	2021	2022	2023
Mean	2.75	-6.52	5.66	-0.34	5.66	17.85	5.22
Median	15.89	9.19	29.02	-2.56	-1.36	36.83	10.52

Our overall gap

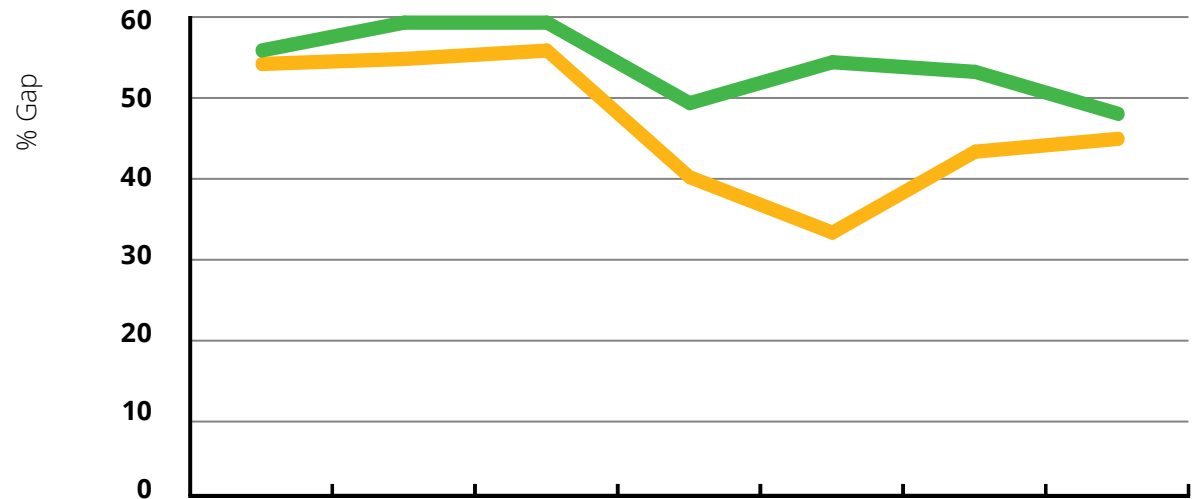
Bringing together the Partner and employee data gives us a metric to understand the overall pay gap across the entire Firm.

	Mean	Median
Hourly pay	48.39%	45.73%

Our overall mean pay gap has reduced by 7% and our median gap has reduced by 9% since we first reported in 2017.

We will continue to track and monitor this overall pay gap position over the coming years.

Gender pay gap - All including Partners



	2017	2018	2019	2020	2021	2022	2023
Mean	55.81	59.3	59.3	49.21	54.34	53.13	48.39
Median	54.12	54.75	55.8	39.93	32.99	43.13	45.73

Our initiatives

At Michelmores, we believe our strengths lie in valuing our people as individuals and sustaining a culture where inclusion and a sense of belonging are paramount. We constantly evolve to meet our people's diverse needs which allows everyone the opportunity to thrive and reach their full potential, whilst being their true selves at work.

Our ethos of treating people as individuals, means we encourage people's development needs so one size fits one and encouraging our people to develop in areas that excite them or make them different. That is how we nurture the brightest and best people.

In 2016, we launched the [Women@Michelmores](#) initiative, which supports the development and progression of women in the Firm, with a key aim of creating a better gender balance across our Partnership. In April 2022, we exceeded our target of 30% representation of women at Partner level. In April 2023 we achieved 44% representation of women at Partner level, an increase of 7% from 2022.

On the right are some of the initiatives that have contributed to us reaching this target:

- **policies** - we launched new policies and ran initiatives to help create a psychologically safe environment at work. We have provided training and support on fertility treatment, pregnancy loss, domestic violence and the menopause. We also launched our Family Leave project and increased the number of family leave buddies, who support colleagues during and after a period of family leave
- **Aspire** - we redesigned and launched our Aspire programme which is designed to equip our Associates with both the skillset 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 where women may lack confidence. Feedback from attendees of the programme has been incredibly positive
- **coaching for 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 their new role brings. It also provides

additional support and advice on how to balance the new challenges of a more senior role with family/ home responsibilities and how to maintain a healthy balance between work and personal life. Female Senior Associates have particularly valued this coaching and the additional support it offers as they progress through their career

- **Continuous Conversations** - more regular and open discussions focused on work, individual contribution and performance have been well received. Team Leaders are also optimising the more formal Development Conversations to promote open and constructive discussions around future ambitions and developmental feedback, particularly for female members of their team
- **transparency** - we provide transparency in our pay and promotion processes. All of our colleagues are aware of the promotion criteria for each stage, and we focus on alleviating unintentional bias for those who have a role in our internal promotion processes. We communicate annually on how our pay decisions are made and have 121s with individuals so they can understand where their pay sits within the pay range and why

Agile and flexible working

Our approach to agile working provides greater equality of opportunity for all. Our philosophy is based on finding the best mix to meet the needs of our clients, to collaborate and connect with each other, and to balance individual needs.

For many parents and carers, traditional full-time office-based roles aren't easy; sometimes they aren't possible. This is why where our people choose to conduct their work is activity-led, with a balance between time spent remote working, and time in the office available for most roles. Providing an agile approach, with flexibility embedded into it, enables a wider variety of people to find, keep and progress in a meaningful role at Michelmores.

Since the launch of our approach to agile working we have seen a reduction in our formal flexible working requests, but increased employee engagement and productivity.

Next steps

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, however we are committed to making further improvements.

Our Core Goals, expressed as three pillars are the foundation of what our business needs to do to progress. They will help our clients to navigate change and underpin everything we do.

Under our Culture of Choice pillar, we are focused on cultivating how we can better work together in ways which support our strategic aims and are aligned to our values. This pillar is about finding more ways to involve everyone in co-creating solutions to help drive our business forward. This includes developing more inclusion and belonging programmes that help our people to realise their potential and to grow with the Firm. It is also about creating opportunities that help us to foster a more diverse and inclusive workforce.

