

michelmores

**Gender Pay Gap
Report 2024**

Gender Pay Gap Report 2024

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, i.e. the tendency for men and women to be employed in different types of roles. 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 reduced since 2023, with a year-on-year reduction of 4.9% and a 15% 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 reduced by 1.4% since 2023. 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 quartiles overall by 1%, but a reduction in the upper quartile by 2%
- the representation of women in the lower quartiles is still high and at a similar level to last year, due to women being overrepresented in the lowest paying roles (occupational segregation)
- our overall mean pay gap is 22.91%, a reduction of 4.9% from last year
- our mean bonus pay gap has increased to 40.38% and is similar to pre-2023 figures; and the median figure is 39.2%

Understanding our results – employee data

Gender pay gap

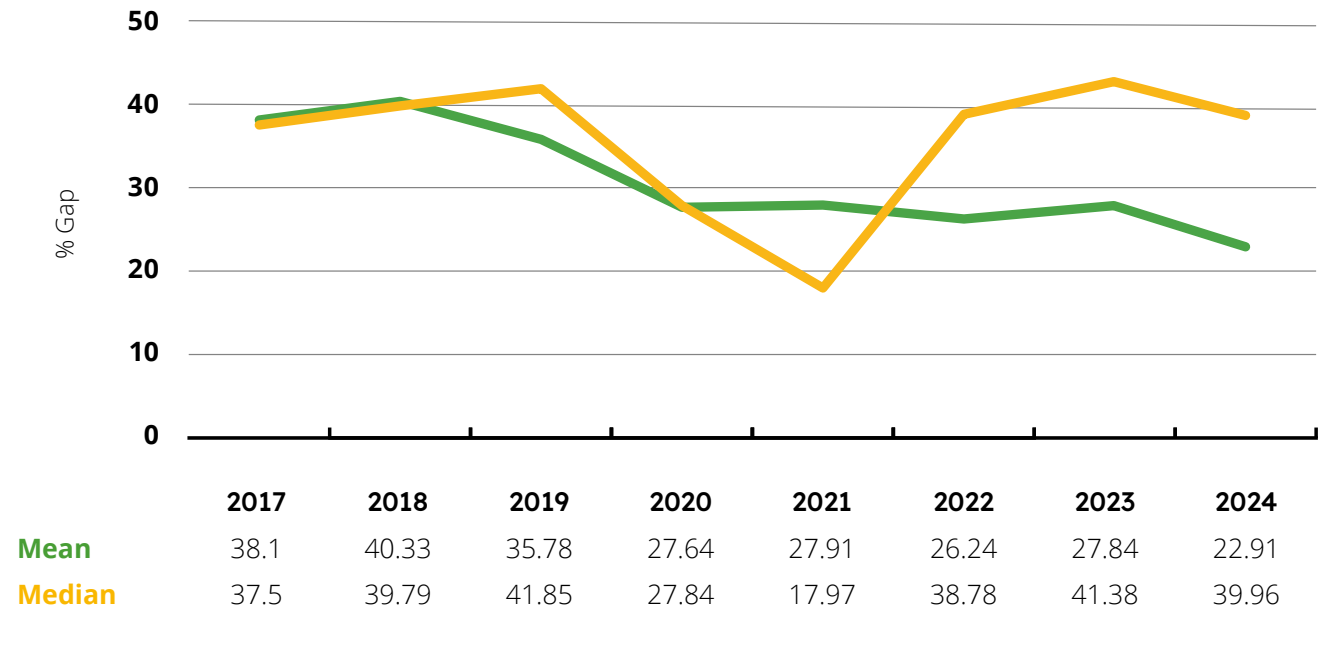
Our mean gender pay gap has reduced from 2023 by 4.9% and has reduced overall by 15% since we first reported in 2017. The graph shows how our mean gender pay gap has decreased and our median pay gap has remained similar since we first reported in 2017.

- our median pay gap has reduced by 1.4% since last year and increased by 2.5% since 2017 due to an increased number of women now being in Partner roles and therefore excluded from our employee figures

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

Role	Mean	Median
Senior Associate	0.08%	0.23%
Associate	3.45%	1.12%
Solicitor	-1.65%	-1.57%
Trainee	-4.29%	-4.95%
Support	-2.75%	-9.42%

Gender pay gap

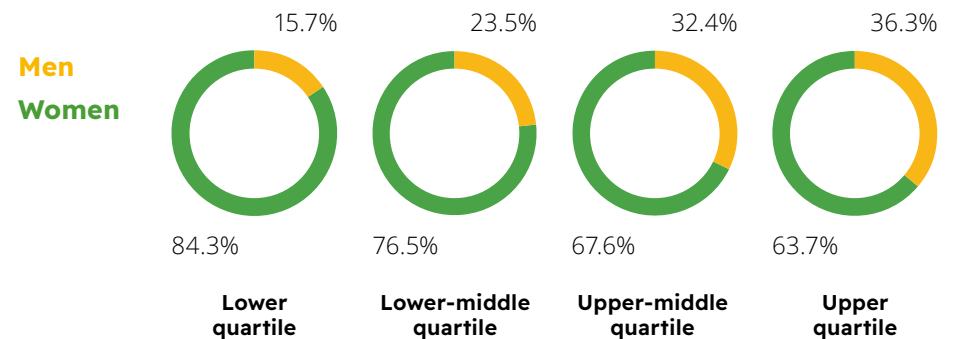


Pay quartiles - employee data

This table shows pay gaps by job level, some roles have had a reduction since 2023.

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.

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



Bonus – employee data

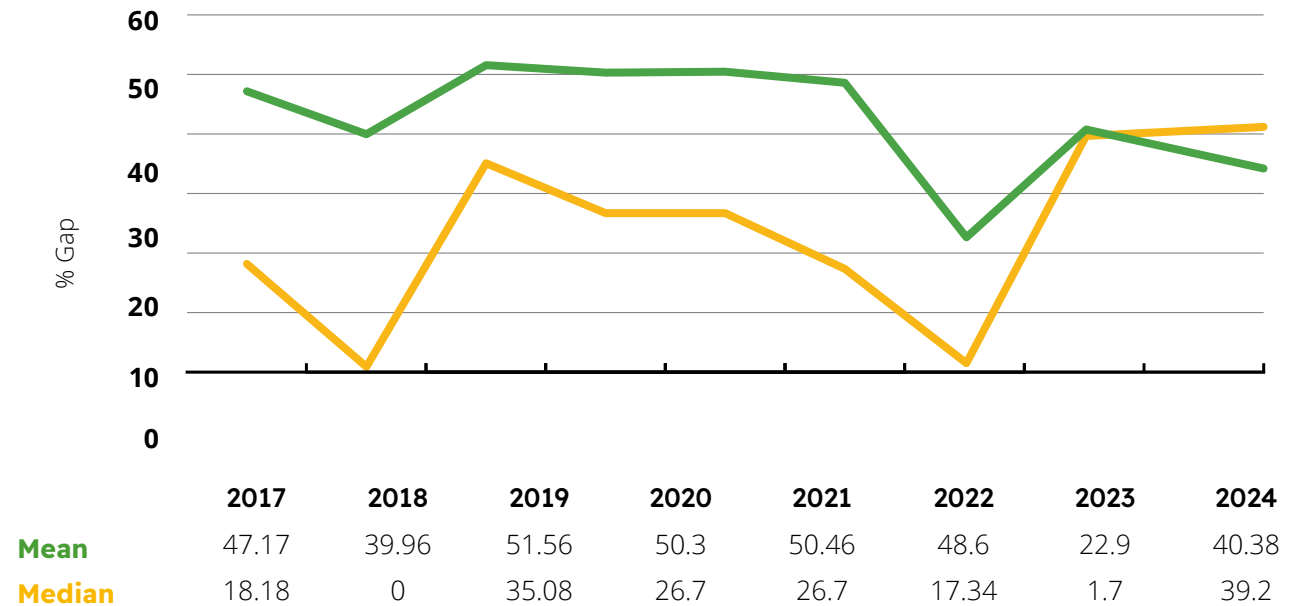
Bonus pay gap

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 increased compared with last year

- We have seen an increase of 17.5% in the mean, following a 25% reduction last year. The median has also increased to 39.2%. The reason for the difference in these figures is due to one-off bonus payments being paid to our lower earners in the prior year to help them with the cost of living crisis.
- There has been an 8% reduction in the proportion of women receiving a bonus payment between 2023 and 2024.

Bonus pay gap – employees



Proportion of men and women awarded a bonus in 2024:



83.19% of men received a bonus



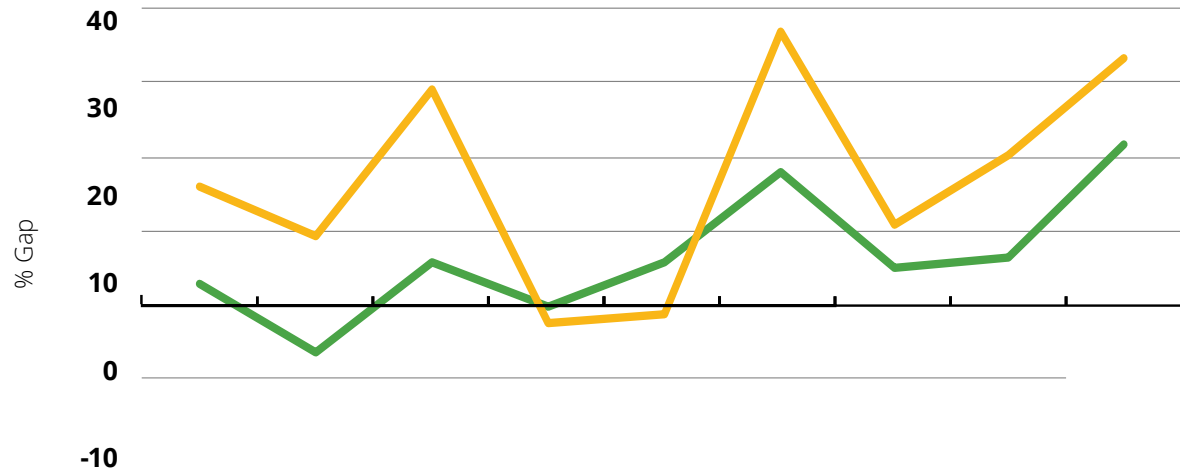
89.59% of women received a bonus

Our Partner pay gap

As part of our commitment to greater transparency, although we are not obliged to do so, we chose 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 increased this year. We believe this is due to the recent promotions into the Partnership. As we see those women who were recently promoted starting to progress through the Partnership, we expect that the gap will reduce further as more women progress through to Tier 1 status.

Partner gender pay gap



Partner Pay

The difference between men and women

	Mean	Median
Hourly pay	6.54%	20.09%

	2017	2018	2019	2020	2021	2022	2023	2024
Mean	2.75	-6.52	5.66	-0.34	5.66	17.85	5.22	6.54
Median	15.89	9.19	29.02	-2.56	-1.36	36.83	10.52	20.09

Our overall gap

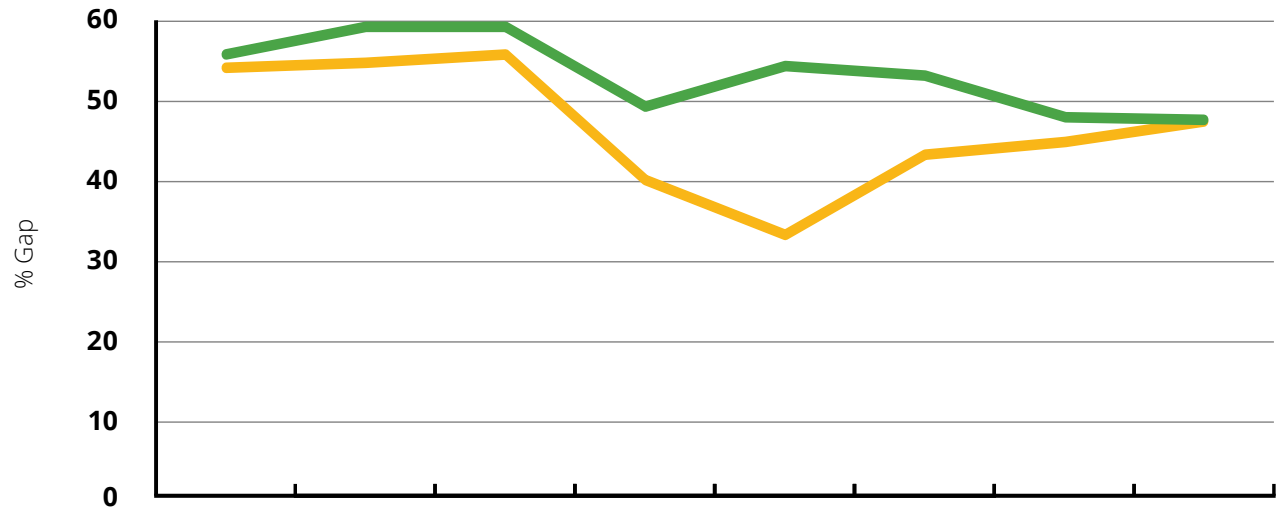
Bringing together the Partner and employee data gives us a metric to understand the overall pay gap across the entire Firm.

	Mean	Median
Hourly pay	47.94%	47.63%

Our overall mean pay gap has reduced by 8% and our median pay gap by 6.5% 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 colleagues including Partners



	2017	2018	2019	2020	2021	2022	2023	2024
Mean	55.81	59.3	59.3	49.21	54.34	53.13	48.39	47.94
Median	54.12	54.75	55.8	39.93	32.99	43.13	45.73	47.63

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 is to treat people as individuals. We have a 'one size fits one' approach when it comes to development needs and aim to encourage our people to grow 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 2024 we achieved 49% representation of women at Partner level, an increase of 5% from 2023. This is a significant milestone for the Firm but there is still work to be done to create gender parity within the upper echelons of the Partnership.

We introduced new **development opportunities for aspiring and new partners** to build confidence in their impact and leadership presence. This initiative was driven by feedback from the promotion process, which highlighted that female candidates often lack confidence in this area. These opportunities are now embedded in our career development programmes.

We continue to invest in initiatives that support our work to improve gender balance across the Firm and to foster our inclusive culture.

Policies – our policies help to create a psychologically safe environment for everyone at Michelmores. We continue to provide training and support on fertility treatment, pregnancy loss, domestic violence and the menopause. Our Family Leave project supports colleagues during and when returning from parental leave

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.



Tim Richards, Managing Partner

I confirm the data reported is accurate and has been calculated to the relevant legal requirements.

