

michelmores

**Gender pay gap
report 2021**

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 have made a long-term commitment to closing the gap.

Given the continued impact of COVID-19 from 2020 into April 2021, we took the decision to defer our pay review until May 2021. As a result, there has not been a significant change in our mean pay and bonus pay gap figures from 2020 to 2021.

Our analysis shows that a key driver of our gender pay gap is occupational segregation, i.e. 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 female, are based in Exeter. Very few support staff are based in our Bristol, Cheltenham and London offices, where the cost of living, and therefore salaries, are higher.

Headline results

- The mean pay gap (the difference between the earnings of men and women) remains broadly similar to that of 2020, with a slight increase of 0.25%.
- 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 10% since 2020.
- There has been an improvement in the representation of women in the upper two quartiles, particularly in the upper middle quartile where the proportion of women has increased by 8%. This has largely contributed to the improvement in the median gap.
- The representation of women in the lower quartiles is still high, due to women being over-represented in the lowest paying roles (occupational segregation). Here the mean gap is 27.91%.
- Our mean bonus pay gap is similar to 2020 at 50.46% and median at 26.7%.

Understanding our results - employee data

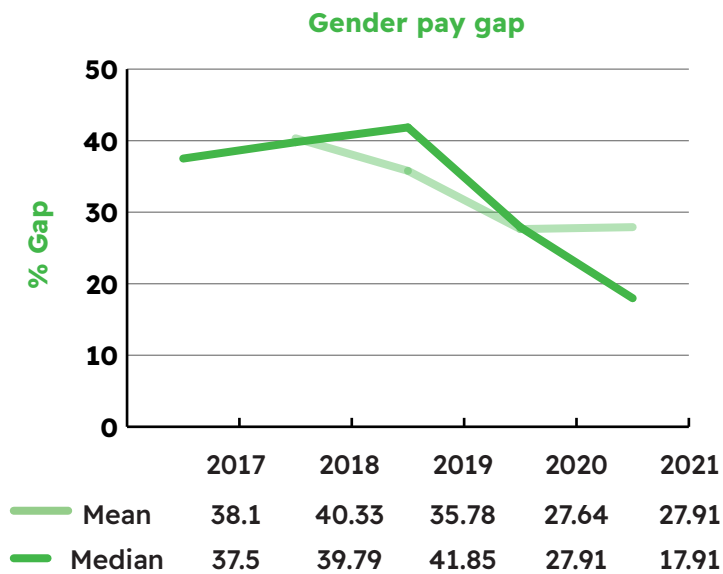
Gender pay gap

Our mean gender pay gap for 2021 is very similar to 2020, as salaries were frozen in FY21 due to market uncertainty caused by COVID-19. The graph below shows how our gender pay gap has reduced since we first reported in 2017.

- Our median pay gap has reduced by c10% since 2020 due to an increased number of women now being in our upper pay quartiles.
- Our mean and median gender pay gap for 2021 has reduced by approximately 10% and 20% respectively, since we first reported in 2017.

This table below shows pay gaps by job level. 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.

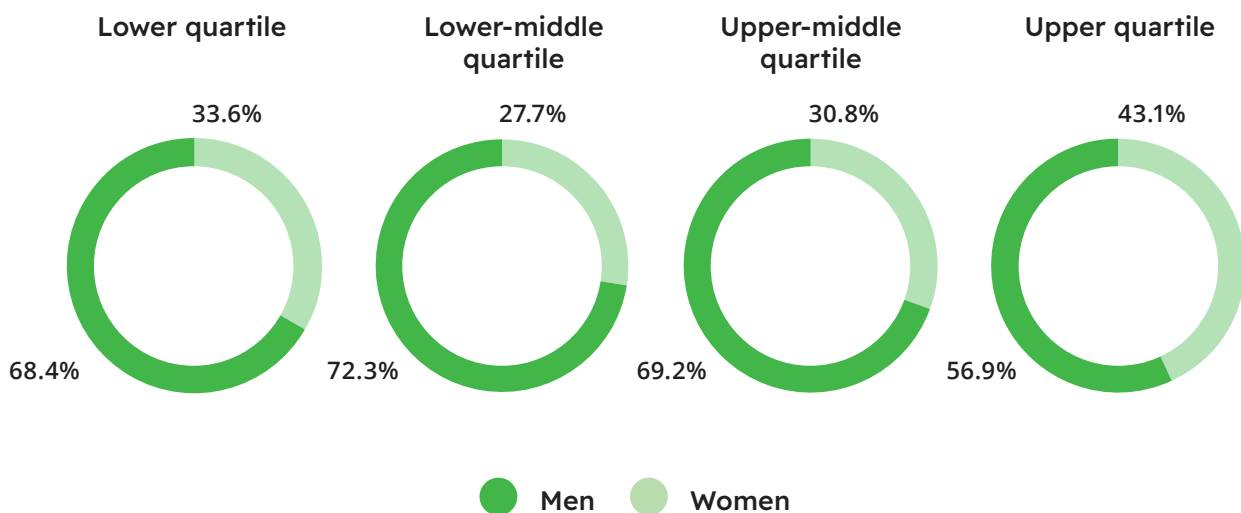
Role	Mean	Median
Senior Associate	9.76%	10.48%
Associate	10.66%	18.17%
Solicitor	1.85%	0.36%
Trainee	-1.50%	2.32%
Support	-3.51%	9.8%



We are really 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.

Pay quartiles - employee data

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

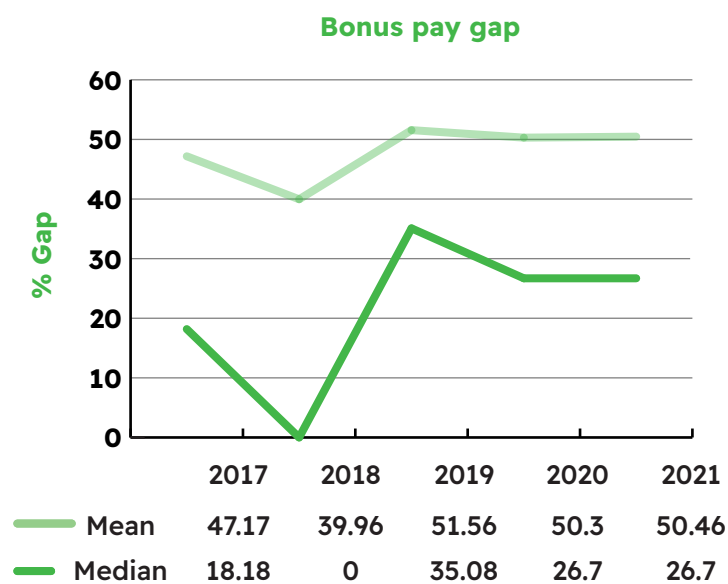


Bonus scheme - employee data

Bonus pay gap

To recognise the exceptional circumstances under which our colleagues were operating during COVID-19, we awarded firm-wide bonuses. The bonus pay gap exists as our bonuses were paid as a percentage of salary and there is a higher proportion of women in the lower paid quartiles.

- Our mean and median bonus pay gap have remained relatively static compared with last year. We have seen an increase of 3% in the mean and 8% in the median, since we first reported in 2017.
- The percentage of men and women receiving a bonus, remains the same as 2020. 4% more men and 2% more women received a bonus since 2017.



Proportion of men and women awarded a bonus in 2021:



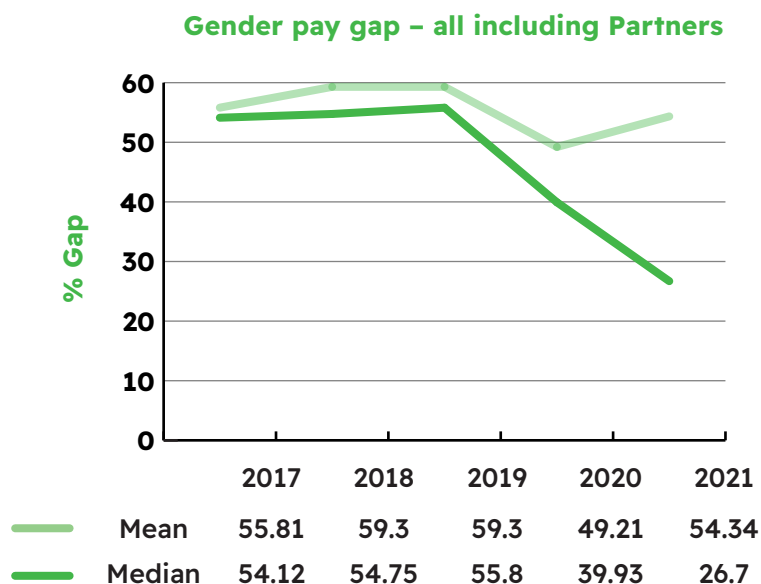
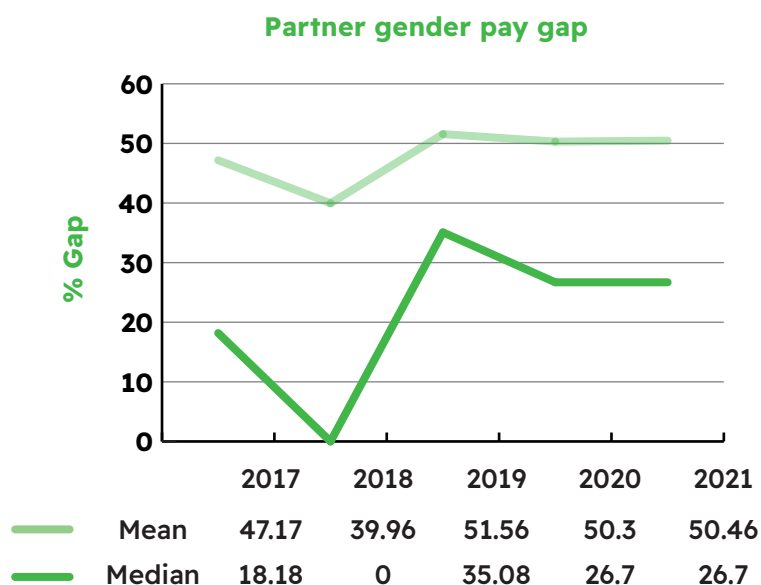
93% of men received a bonus



97% 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 increased slightly due to the greater proportion of men promoted to Tier 1 (from Tier 2) within the Partnership.

Partner Pay

The difference between men and women

	Mean	Median
Hourly pay	5.66%	-1.36

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	54.34%	32.99%

Our overall gap

Our overall mean pay gap has reduced from when we first looked at the data in 2017, the mean by 1.5% and the median by 21%. We will continue to track and monitor this overall pay gap position over the coming years.

Our initiatives

Our focus continues to be to enable everyone to reach their full potential and open opportunities to everyone. Our talent programmes focus on personal development, which should help with the progression of women.

1 May 2018, a year after we launched Women@Michelmores, our representation of women at Partner level was 21%, and by April 2021 this had increased to 31%. For the same period, our representation of women at Senior Associate level rose from 40% to 74%.

We are pleased with the increase in female Partner representation, and we have already exceed our original target of reaching 30% females in partnership roles by 2022.

Below are some of our initiatives that we have pursued to help reach this target:

Aspire programme

- This programme 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 where women may lack confidence. Feedback from attendees of the programme has been incredibly positive.

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 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.
- 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

- For the year ahead, we are reviewing our family leave policies to ensure that we are providing the best support to our colleagues who are about to commence, are currently on, or are returning from a period of family leave.

Flexible working

- With the increase in agile working, we have seen a reduction in the number of formal requests for part time working. We believe this demonstrates that people are realising the benefits of more flexibility as to where, when and how they work.

Agile working

- Agile working has been introduced across the firm, giving individuals more autonomy and flexibility as to where, when and how they work. This in turn has increased employee engagement and productivity.

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.