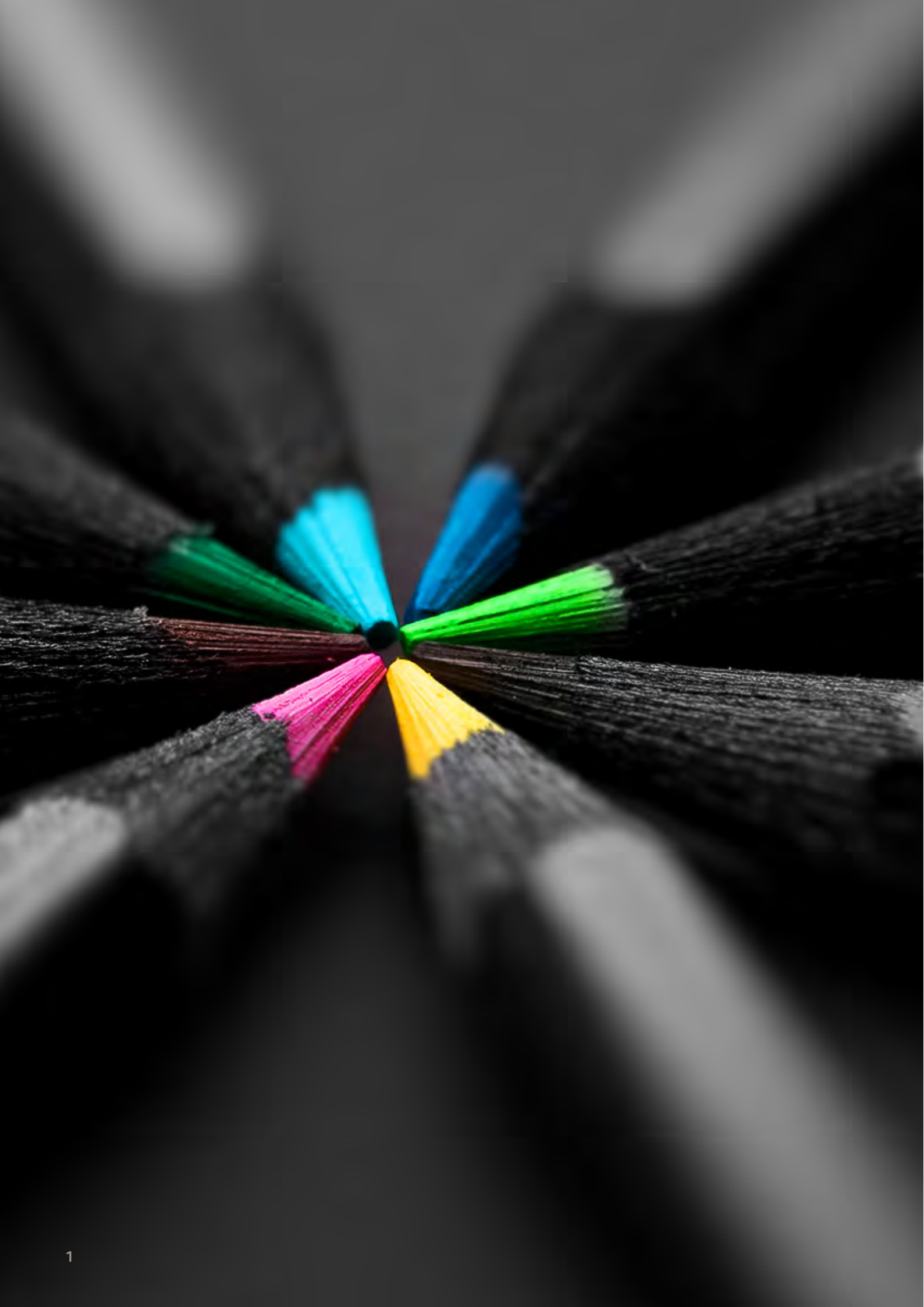


# UK PAY REPORTING 2018



# INTRODUCTION

**At Gowling WLG we believe that diversity and inclusion makes us a stronger business – more relevant and valuable to our clients, more empowering for our people, and more engaged with our wider communities.**

We celebrate different cultures, backgrounds, perspectives and experiences – something we reflect in one of our three global values: 'we all bring something different'.

We support the UK government's focus on gender pay gap transparency to encourage further efforts towards eliminating the gap and deliver lasting change in the workplace and society.

With this in mind, we have expanded our 2018 reporting beyond the statutory requirements. Our 2018 report includes:

- Our statutory gender pay gap data.
- Additional voluntary data on our gender pay gap showing our partner gender pay gap and total gender pay gap (consolidating employee and partner data).
- Additional voluntary data on our ethnicity pay gap – reporting for the first time our Black, Asian and Minority Ethnic (BAME) pay gap.

We remain confident that we offer equal pay for equal roles and performance – we are committed to promote a workplace in which everyone is free to develop and progress to the best of their abilities. With this in mind, we have extended our programme of activity to support our progress in the coming years, something we cover in detail at the end of this report.

I confirm that the data reported is accurate.



**David Fennell**

Chief Executive, Gowling WLG (UK) LLP

27 February 2019

# GENDER PAY GAP – KEY POINTS

- **Our statutory gender pay gap in 2018 remains essentially static from 2017 at 25% (both mean and median) – with a slight reduction in our pay gap at both the mean and median of 0.4% and 0.8% respectively.**
- The main causes of our statutory gender pay gap relate to the structure of our UK workforce:
  - We have proportionately more females in our Business Services (63% female), Secretarial (100%) and Legal Support (77%) roles. These have lower average hourly rates than in our Lawyer population.
  - We have proportionately more males in our Partner population which – when combined with our wider workforce – increases the overall gender pay gap.
- When we group equivalent roles together, **our average salaries are comparable for females and males** based on comparable roles and performance.
- Looking at our Partners alone (who receive a share of profits which vary from year to year, rather than a guaranteed salary) our **Partner gender pay gap is 16% mean and 10% median.**
- If we combine our employee and Partner populations our **combined pay gap is 61% mean and 46% median.**
- We have seen a **reduction in our gender bonus gap which is now 56% mean, 43% median** - a reduction of 8% and 6% respectively.

### GENDER PAY GAP



Mean Gender Pay Gap



Median Gender Pay Gap



Quartile 1 (Lower 25%)



Quartile 2



Quartile 3



Quartile 4 (Upper 25%)

			FEMALE		MALE		FEMALE		MALE		FEMALE		MALE	
	Mean	Median	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Employee	25%	25%	81%	19%	75%	25%	62%	38%	58%	42%				
Partner	16%	10%	30%	70%	13%	87%	23%	77%	10%	90%				
Combined	61%	46%	80%	20%	72%	28%	64%	36%	37%	63%				

### GENDER BONUS GAP



Mean Gender Bonus Gap



Median Gender Bonus Gap



Females receiving bonus



Males receiving bonus

Employee	56%	43%	75%	72%
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# ETHNICITY PAY GAP – KEY POINTS

- To underpin our commitment to transparency and pay fairness, we are voluntarily publishing our ethnicity pay gap for 2018, based on data for our Black, Asian and Minority Ethnic (BAME) workforce.
- At the snapshot date, our BAME population accounted for 17% of our workforce.
- **Our employee ethnicity pay gap is 24% mean and 16% median.**
- **Within our Partner population, we have a -1% mean and -5% median ethnicity pay gap** (BAME Partners receive 1% and 5% more than non-BAME Partners based on a mean and median average respectively).
- **Adding our employee and Partner populations together, our overall BAME pay gap is 45% mean and 24% median.**
- Our BAME bonus gap is 49% mean and 15% median.
- Our data analysis shows that the principal cause of our ethnicity pay gap is due to having fewer BAME people in more senior roles, which have higher pay.
- When we group equivalent roles together, we are confident that our average salaries are comparable for BAME and non-BAME based on the role content and performance.

### ETHNICITY PAY GAP



Mean Ethnicity Pay Gap



Median Ethnicity Pay Gap



Quartile 1 (Lower 25%)



Quartile 2



Quartile 3



Quartile 4 (Upper 25%)

	Mean Ethnicity Pay Gap	Median Ethnicity Pay Gap	Quartile 1 (Lower 25%)		Quartile 2		Quartile 3		Quartile 4 (Upper 25%)	
			BAME	NON BAME	BAME	NON BAME	BAME	NON BAME	BAME	NON BAME
Employee	23%	17%	25%	75%	16%	84%	17%	83%	11%	89%
Partner	-1%	-5%	6%	94%	3%	97%	3%	97%	6%	94%
Combined	44%	24%	25%	75%	19%	81%	13%	87%	8%	92%

### ETHNICITY BONUS GAP



Mean Ethnicity Bonus Gap



Median Ethnicity Bonus Gap



BAME receiving bonus



Non BAME receiving bonus

Employee	47%	15%	64%	76%
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# OUR COMMITMENT TO ACTION

We are committed to being a great place to work – having appeared in The Great Place to Work® Institute's Best Workplaces list for 18 consecutive years – with a strong and fair culture in which all of our people can thrive and progress in their role, pay and bonus.

Our 2019 Great Place to Work engagement survey returned a 91% positive score for diversity – one of our highest scoring areas. We are confident that we do not have any equal pay issues (with a thorough moderation process for each annual pay/bonus award and Partner profit share).

However, our gender pay gap and ethnicity pay gap show that more needs to be done – bringing through our best talent at all levels and being more representative of our client base and communities.

**Our commitment is rooted in our Inclusion 2020 programme. Ongoing and new initiatives include:**

- **Partnership gender targets** – aiming for 25% female Partners by 2021, rising to 30% by 2026. Currently, females represent 19% of the partnership – but we have a good gender balance in our pipeline for potential Partners and Directors.
- **Future partner sponsorship** - a new formal sponsorship programme to work with high-potential female and BAME lawyers on the path to partnership.
- **Unconscious bias training for all of our business leaders** – ensuring that decisions are made on merit alone, with active challenge of unconscious bias.
- **Maternity coaching** –for senior associate lawyers and above and leaders in business services to help effectively manage the lead up to maternity leave and manage the transition back to work.
- **Family leave bridging** – when lawyers have a period of family leave for 6 months or more, we reduce chargeable hours targets to support the transition leading up to and returning from the period of leave.
- **Reverse mentoring** – Board members are being mentored by those in junior roles (drawn from a diverse cross-section of our workforce) to share their perspectives on how the firm can enable (or inadvertently block) career and pay progression.
- **Agile working practices** - rolled out firmwide in 2017 in response to feedback that work/life flexibility is a crucial enabler for workplace equality (for both males and females).
- **Revised Lawyer Bonus Scheme** – which now scores wider contribution (not solely chargeable hours) and which saw a 24% increase in female lawyers receiving a bonus in its first year.
- **Family Matters network** – supporting working parents and those with caring responsibilities.



- **New BAME network** – following consultation with internal forums, we have launched a new EmbRACE network whose three key areas are role models, allies and champions and raising awareness.
- **Re-launch of our THRIVE gender network** – our gender diversity programme is now aligned and active across the UK, Europe, North America, the Middle East and Asia.
- **Legal Social Mobility Programme** – our award-winning programme creates work experience opportunities (both within our firm and at partner client organisations) for those under-represented in the legal profession.
- **Recruitment** – we have adopted the “Mansfield Rule” with the aim of ensuring that at least 30% of our shortlisted external applicants for senior roles are from diverse backgrounds.
- **Developing Excellence** – we have recognised the need to do more to support the development of our non-lawyer population, launching a new training and development programme for those in Business Services and PA roles to acquire new skills and career/pay progression opportunities.
- **Board sponsorship** – every strand of our Inclusion 2020 programme has at least one Board-level sponsor (two for gender diversity) with progress reviews at the Board twice a year.
- **Enable** – our disability, mental health and well-being network that has delivered line manager mental health awareness education across the firm.
- **OpenHouse** - our established LGBT and allies community that has supported our goal of being recognised as a Stonewall Top 100 Employer.

**We are committed to delivering long-term change – supported by pragmatic and visible actions that will make a practical difference at all levels of our organisation. We look forward to working with our people, our clients and our wider stakeholders to make further progress in 2019.**

## Appendix: notes on methodology

- Our calculations take into account the average position across all jobs across both of our UK offices (approximately 950 people excluding Partners, 1,100 including Partners). Around a third of our employees are based in London (with London market aligned salaries). The other two thirds are based in our Birmingham office.
- Partners do not receive a guaranteed salary but receive a share of the firm's profits – which can rise and fall from year-to-year. To calculate hourly pay, we have added up earnings over the qualifying period and used the same formula as the employee calculation.
- We base our ethnicity pay gap reporting on data from our Black, Asian and Minority Ethnic (BAME) workforce. At the snapshot date, our BAME population accounted for 17% of our workforce (95% of our population have disclosed their ethnicity).
- There is no statutory methodology for reporting UK ethnicity pay gaps. For the purposes of our initial reporting this year, our ethnicity data follows the same methodology as the Gender Pay Gap Reporting regulations.
- Business Services includes our people in Finance, I.T., Business Development, Operations, General Counsel and Human Resources.
- Legal Support includes our Professional Support Lawyer, Paralegal and Legal Clerk populations.



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**GOWLING WLG**

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