

# UK PAY REPORTING 2020

# HOURLY PAY GAPS AT A GLANCE

## STATUTORY GENDER PAY GAP

MEDIAN	22%	↑ 2% from 2019
MEAN	22%	↓ 1% from 2019

## COMBINED EMPLOYEE & PARTNER GENDER PAY GAP

MEDIAN	42%	↑ 1% from 2019
MEAN	58%	↔ no change from 2019

## EMPLOYEE BAME PAY GAP

MEDIAN	24%	↑ 9% from 2019
MEAN	28%	↑ 4% from 2019

## COMBINED EMPLOYEE & PARTNER BAME PAY GAP

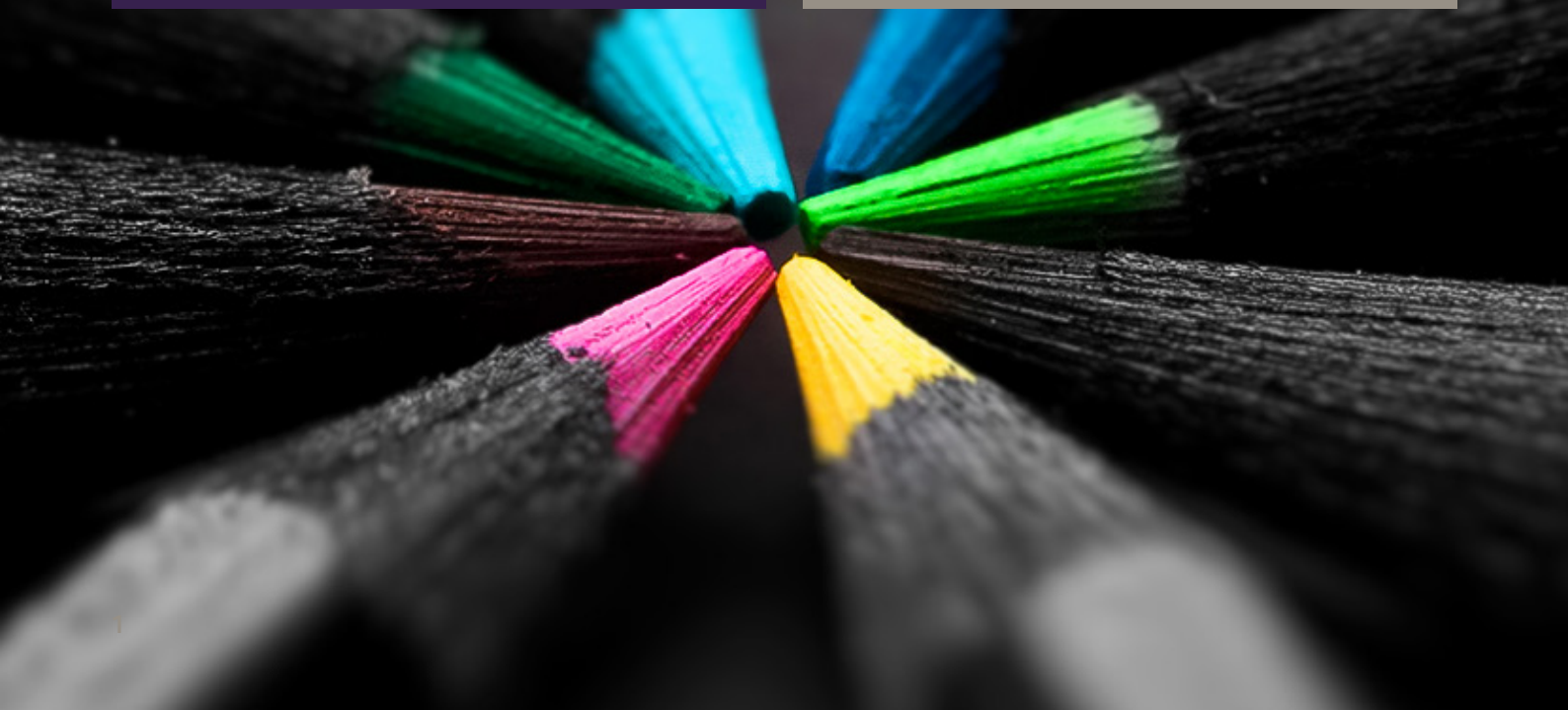
MEDIAN	36%	↑ 13% from 2019
MEAN	50%	↑ 2% from 2019

## EMPLOYEE SEXUAL ORIENTATION PAY GAP

MEDIAN	7%	↓ 8% from 2019
MEAN	9%	↑ 1% from 2019

## COMBINED EMPLOYEE & PARTNER SEXUAL ORIENTATION PAY GAP

MEDIAN	32%	↑ 9% from 2019
MEAN	7%	↔ no change from 2019



# INTRODUCTION

**Welcome to our UK Pay Report 2020. At Gowling WLG we firmly believe 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 and we support the UK government's focus on gender pay gap transparency to highlight areas of potential unfairness.

We were one of the first law firms to expand on the statutory requirements to include our ethnicity pay gap and last year we took another step forward by publishing our sexual orientation pay gap. Both are included in this year's report.

The pay gaps highlighted in this report are a direct result of the structure of our UK workforce and, as such, we don't expect to eliminate these gaps. Progress to reduce them will take time and our continued commitment.

We remain confident we offer equal pay for equal roles and performance and have annual assurance processes in place to monitor this.

We continue to be committed to promoting a workplace in which everyone is free to develop and progress to the best of their abilities, not only in the UK, but all our offices globally. We are pleased to share in this report a snapshot of our recent activities and investments to bring this to life - and promote fairness, inclusion and equality across all parts of our organisation.

I confirm that the data reported is accurate.



**David Fennell**

Chief Executive, Gowling WLG (UK) LLP







September 2021





# GENDER PAY GAP – KEY POINTS

- Our gender pay gap for employees in 2020 has been largely stable since the previous report – with a small reduction in our mean pay gap and small changes in our mean and median pay gaps (mean gap has reduced 1%; median gap has increased 2%).
- The main drivers of our statutory gender pay gap continue to be structural:
  - We have strong female employee representation at c70% across the UK firm. However, we have proportionately more females in our Business Services (62% female), Secretarial (98%) and Legal Support (75%) 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 variable share of profits rather than a guaranteed salary) our **partner gender pay gap is 19% mean and 20% median**.
- When we combine our employee and Partner populations our **combined pay gap is 58% mean and 42% median**.

## Bonuses

- For the reporting year to 5 April 2020 our gender bonus gap is 56% mean and 29% median, with bonuses paid to 60% of males and 65% of females (63% of our employee population overall).
- The reporting period includes bonuses paid in July 2019, when payments were made under all the firm's bonus plans including the Lawyer bonus plan, Director and Senior Manager plans and the firmwide plan (covering Legal Support and the majority of Business Services roles).
- Different bonus schemes are triggered each year depending on business performance. The previous (2019) pay gap report covered the period including July 2018 bonus payments where our firmwide bonus plan, related to firm profit, was not triggered. The result of this difference is (i) many more employees received bonus in this reporting period vs the previous period, and (ii) the mean female bonus fell significantly (as the majority of participants in the firmwide bonus, which pays out at a lower rate than the Lawyer and Director/Senior Manager plans, are female). This caused the significant increase in bonus gap when compared to the previous pay gap report.


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	FEMALE	MALE
			Employee	22%	22%	75%	25%	79%	21%	64%
Partner	19%	20%	35%	65%	24%	76%	24%	76%	9%	91%
Combined	58%	42%	77%	23%	74%	26%	64%	36%	42%	58%

GENDER BONUS GAP	 Mean Gender Pay Gap	 Median Gender Pay Gap	 Females Receiving Bonus	 Males Receiving Bonus
			Employee	56%





# ETHNICITY PAY GAP – KEY POINTS

- We are committed to transparency and pay fairness, and voluntarily publish our ethnicity pay gap for based on data for our Black, Asian and Minority Ethnic (BAME) workforce.
- At the snapshot date, our BAME population accounted for c15% of our workforce (incl Partners and employees), with 69% non BAME, and the remainder (c15%) preferring not to disclose or unknown.
- Our analysis shows that the principal cause of our ethnicity pay gap is due to having fewer BAME people in more senior roles. We are working with the Board and our Embrace network to improve representation at all levels.
- When we group equivalent roles together, we continue to be confident that our average salaries are comparable for BAME and non-BAME based on the role content and performance.





**PAY GAP**

	 Ethnicity Mean Gap	 Ethnicity Median Gap
Employee	28%	24%
Partner	22%	25%
Combined	50%	36%

**PAY QUANTILES**

	 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	24%	52%	16%	68%	18%	69%	10%	90%
Partner	6%	82%	6%	88%	6%	88%	0%	85%
Combined	23%	53%	18%	68%	13%	75%	8%	82%

**BONUS GAP**

	 Mean Ethnicity Bonus Gap	 Median Ethnicity Bonus Gap	 Bame Receiving Bonus	 Non Bame Receiving Bonus
Employee	45%	26%	70%	73%

# SEXUAL ORIENTATION PAY GAP - KEY POINTS

- For the second year we are publishing our sexual orientation pay gap based on data for our Lesbian, Gay and Bisexual (LGB) workforce.
- At the snapshot date, our LGB population accounted for c3% of our overall workforce, with 83% heterosexual and the remaining 14% preferring not to disclose or unknown.
- While the people who disclose as LGB is relatively small, they are represented at most levels across the firm.

PAY GAP		
	Sexual Orientation Mean Gap	Sexual Orientation Median Gap
Employee	9%	7%
Partner	42%	43%
Combined	32%	9%

PAY QUARTILES	Quartile 1 (lower 25%)		Quartile 2		Quartile 3		Quartile 4 (upper 25%)	
	LGB	NON LGB	LGB	NON LGB	LGB	NON LGB	LGB	NON LGB
	Employee	3%	77%	3%	85%	3%	85%	2%
Partner	3%	68%	3%	79%	0%	85%	0%	76%
Combined	2%	78%	3%	84%	3%	87%	2%	83%

BONUS GAP	Sexual Orientation Mean Gap	Sexual Orientation Median Gap	LGB Receiving Bonus	Non LGB Receiving Bonus
	Employee	7%	1%	68%

# OUR COMMITMENT TO ACTION

Understanding our gender pay gap is just one part of the equation to make the workplace fairer for all. Gowling WLG is committed both to promoting equality and diversity in the firm and to equal opportunities in employment.

However, we realise that reducing any pay gap will take time. Through our commitment to diversity and inclusion and collaborative relationships with our people, clients and local communities, we hope to see our firm become a reflection of the diverse make-up of the cities we work in.

While our gender pay gap was stable, the ethnicity pay gaps show that there is still more to be done and addressed over time through our range of diversity and inclusion programmes.

## Our actions include:

- **Thriving in Partnership** - To support our progress towards our target of 30% female representation in our Partnership by 2026 we wanted to really understand what barriers and challenges were holding us back in making faster progress. We therefore undertook our largest consultation and research project on gender to date (Thriving in Partnership) framed around a core question: "what should / will it take to become and thrive as a female Partner in our firm?". This covered both the route to Partnership and then, once a Partner, thriving in the role. Through a series of consultation workshops, one-to-one interviews with current and former partners and the latest market research we collated our most comprehensive feedback and data on these issues to date.

Delivery of the Thriving in Partnership recommendations is being led from the top with Executive Board oversight, support and commitment from the whole partnership, with a robust governance model to ensure that we make tangible and sustained progress against each of the report's recommendations.

- **'Breakthrough' programme** - Our sponsorship programme, Breakthrough was launched in July 2019 and creates opportunities for high potential females and BAME colleagues to increase their visibility with senior leadership support for their career development and progression. Our first group of 10 participants continue to maintain their sponsor relationships and benefit from the network they have formed amongst themselves. In an encouraging sign of success, 50% of those on the programme have already been successfully promoted to Partner.
- **Black Lives Matter** - We have over 1,500 legal professionals worldwide, who all bring different perspectives and experiences to the firm. It is important that we ensure that our people represent the communities in which we live and work and black talent is properly represented in our firm and the legal profession as a whole. In the UK we have focused on ethnicity inclusion for a number of years, but we know that we need to do more. In 2020 with the input of our EmbRACE employee network, our people and leadership we have developed a clear action plan to help us increase the representation of ethnic minority and particularly black talent at Gowling WLG.



This action plan covers:

- Culture, transparency and values
  - Recruitment
  - Talent management
  - Community outreach
  - Client/market engagement
- **Employee networks** - we have five employee networks (each sponsored by at least one Board member) to bring together colleagues with similar characteristics or diversity and inclusion interests internationally. Our networks include family, ethnicity, gender, disabilities and LGBT. These allow our people to share their experiences and promote understanding and support for inclusion across the business. We also include clients and leading market figures in network sessions, making these available to all across the firm.
  - **Allies programme** - We launched our inclusion allies programme in November 2020. Our allies register and share their motivation behind being an inclusion ally and are given access to resources and tools to help educate themselves on being effective. Their advocacy and support helps to foster a diverse and inclusive workplace where all of our people are free to bring their authentic selves to work.
  - **Mentoring** - We launched our mentoring toolkit in October 2020, to enable our people to identify mentors and maintain effective mentoring relationships. This initiative is supported by each of our employee networks who have a mentoring lead who can help our people access mentors.
  - **Family** - There has been an increased focus over the last 12 months on balancing family and work, with all of our people working from home during the COVID-19 pandemic and in many cases balancing this with home-schooling children and not being able to rely on their normal support structures. As a firm we have recognised this challenge and put in place a number of measures to help our people, both practically and by offering support and guidance. We have updated our family policies to enable our people to take more time off for caring responsibilities as well as enabling people to flex their working hours around childcare and home-schooling. We have also piloted the introduction of emergency childcare provision.
- We also set up monthly Parenting Cafés as a safe space for parents to come together and share any challenges or issues they were experiencing and get advice, guidance and understanding from others. In addition to these parenting cafes, we also offer parenting coaching to anyone who is going on long term parenting leave. This consists of a pre, during and post leave session of coaching either in a group or 1-2-1 setting.
- 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 future years.

# APPENDIX: NOTES ON METHODOLOGY

Our statutory gender pay gap reporting under the Regulations is based on an overall average across all roles and seniorities (excluding Partners) at the snapshot date 5 April 2020.

Our calculations take into account the average position across all jobs across both of our UK offices (approximately 1,000 people excluding Partners, 1,140 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 15% of our workforce (85% of our population have disclosed their ethnicity).

We base our sexual orientation pay gap reporting on data from our lesbian, gay and bisexual (LGB) workforce. At the snapshot date, our LGB population accounted for 3% of our workforce (86% of our population have disclosed their sexual orientation).



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Online platform	Online base 100%	Online portal ↓ Pricing up	• David + [circular arrow] Personalisation SU -> 10
20% Online blog	New placement	Network design	
Todo list and hand over design			

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