

Equality pay report

Inclusive of gender pay

UK 2020



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Diversity and inclusion is a central tenet of our global business strategy. We have continued to take the transparent approach of going beyond statutory requirements by publishing our UK partner data in addition to that for employees, as we did in our inaugural report.

For the third year running, we have also published data relating to our Black, Asian and minority ethnic employees. We are pleased to report for the second time on the data we hold for our employees who identify as LGBT+.

While we welcome an improvement this year in our overall employee gender gap as well as the ethnicity pay gap, we recognise that there is still more to do to build upon and sustain these results.

We support gender balance programs in order to address and reduce unconscious bias in our decision making. We provide targeted leadership development for women, including coaching, mentoring and sponsorship, and we facilitate and strengthen professional networking through our women's networks and diversity and inclusion committees.

Through a range of programmes, Norton Rose Fulbright continues to focus on increasing diversity and gender representation at all levels of our business and is working to improve the pay gap across the board.



Peter Scott

Managing Partner, Europe,
Middle East and Asia



Farmida Bi

Chair, Europe, Middle East and Asia

Introduction

Norton Rose Fulbright is pleased to provide its latest report on the gender pay gap, in accordance with the Equality Act 2010.

The first section of this report which focuses on our employee population, fulfils our statutory reporting obligations.

For the second consecutive year there has been improvement in the mean employee gender pay gap for hourly pay. Overall our mean pay gap has fallen significantly by 8% to 12.8%.

BAME and LGBT+ focus

For the third consecutive year, we also report on data based on the earnings of our Black, Asian and minority ethnic ("BAME") employees. BAME employees' data is calculated using the same methodology as that used for gender and is expressed as a difference between them and all other employees.

We are also reporting for a second year the pay gap for employees who identify as LGBT+. Whilst we recognise the data we hold for our BAME and LGBT+ employees is not complete, we feel it sends a positive signal of intent to publish the pay data on what we have.

Our work to encourage disclosure of BAME and LGBT+ employees, to allow for greater transparency and accuracy of our data, has seen our BAME disclosure rate increase from 67% to 88% in 2020, and our LGBT+ disclosure rate increase by 20% from 60% to 80%.

Partnership focus

The second section of the report provides data on our UK partnership. Although not a statutory requirement, we continue to maintain the open and transparent approach we have taken since our first gender pay report (before many other major firms) in order to have a complete understanding of the issue to help us improve the gender pay gap.

Data accuracy

The pay data is accurate as of 5 April 2020 and the bonus data for employees is based on the 12 months to 5 April 2020. The data below includes the latest results alongside a comparison of the previous year.

Diversity and inclusion remains a central tenet of our people and business strategy and this is a key area of focus around the world, spearheaded by our Global Diversity and Inclusion Committee and our Global and Regional Chairs.

As an organisation we have prioritised our diversity and inclusion strategy, making it central to, and an inherent part of, the firm's 2024 strategy.

While our work towards our long-term goals is progressing, we recognise that the gaps in pay and bonuses for our UK workforce as detailed in this report require more work in a number of areas.

Gender pay gap vs equal pay

It is important to restate that equal pay means men and women being paid the same for carrying out the same or similar work. This is a legal requirement and is very carefully monitored within the firm. This report is principally about the gender pay gap: the difference in average hourly pay, and bonuses, between all men and women in a workforce irrespective of role or seniority.

Employee data at a glance

The gender pay gap is defined as the difference between the mean or median hourly pay rate that women and men staff receive.

The mean pay gap is the difference between hourly earnings for men and women staff, taking the sum of all hourly rates divided by the total number of men or women staff in the sample.

The median pay gap is the difference between the midpoints in the ranges of hourly earnings between men and women staff. Median pay takes all salaries in the sample, in order from lowest to highest, and picks the middlemost salary.

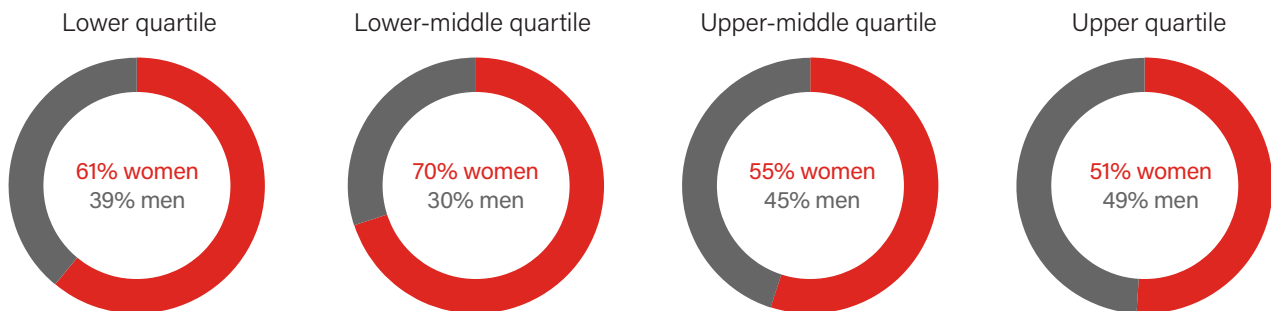
Table 1 – Pay and bonus gap

	2019		2020		Mean +/- % change 19/20
	Mean	Median	Mean	Median	
Hourly pay	21.0%	35.1%	12.8%	31.2%	-8.25
Bonus	40.8%	50.0%	42.3%	45.3%	+1.5%

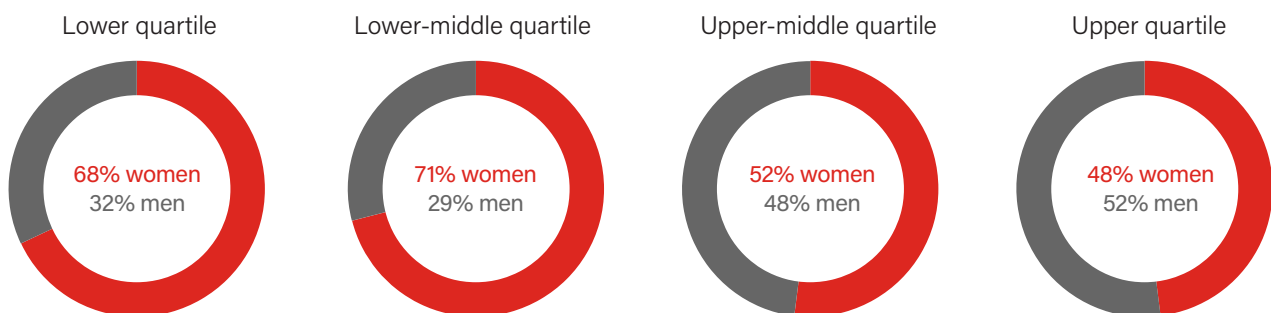
Table 2 – Proportion of women and men receiving a bonus payment in the UK

	2019	2020
Women	25.9%	27.1%
Men	32.0%	23.1%

Pay quartiles 2020



Pay quartiles 2019



Breakdown of data for associates and other staff

In addition to our statutory gender pay gap reporting we have also analysed the mean and median difference in pay and bonuses for our associates and other employees. The data for this is as follows:

Breakdown of data for associates and other staff					
All associates ¹	2019	2020	All other employees ²	2019	2020
Mean hourly pay	5.7%	2.3%	Mean hourly pay	21.0%	14.5%
Median hourly pay	3.5%	1.6%	Median hourly pay	23.8%	9.0%
Mean bonus	19.4%	7.5%	Mean bonus	48.4%	63.9%
Median bonus	24.1%	17.4%	Median bonus	44.8%	66.7%

¹ Includes all qualified lawyers below partner level

² Includes all business services, secretarial staff and trainee solicitors. Excludes Associates

Summary points

There has been an improvement of 8% in the mean gender pay gap for hourly pay in 2020.

Analysis of our pay quartile data shows a gradual movement of women from the lower quartiles to the middle upper and upper quartile. PA roles, which are predominantly held by women sit within the lower middle quartile (70% women).

This year for the first time women received slightly higher number of bonuses proportionately compared to men.

The mean hourly gender pay gap for associates has fallen to 2.3% from

5.7%.

The bonus gap for all associates has fallen to 7.5% from 19.4%.

The 2019 process improvement work on salary, bonus equality and fairness through moderation has seen a positive impact in our associate results again this year.

The mean gender pay gap remains bigger in the non-associate UK workforce, though it has reduced in this population since last year. The larger gap is partly explained by more varied job roles and levels of seniority.

Ethnicity

Norton Rose Fulbright's focus on diversity remains broader than gender, so for the third consecutive year we have reported our pay gap data between our BAME and other employees.

Ethnicity pay gap		
	2019	2020
Mean hourly pay	14.4%	2.6%
Median hourly pay	17.1%	6.0%
Mean bonus	18.1%	17.8%
Median bonus	11.1%	6.7%

Summary points

The data shows that the ethnicity salary and bonus pay gap has decreased on last year.

The ethnicity pay gap has decreased to 2.6%.

Our focus on continuing to improve disclosure of diversity data has seen some success. Our BAME disclosure rate increased to 88% from 67% in 2019.

Following the success of our first career development programme for BAME associates in 2019, we will continue to offer this programme on an annual basis.

Our focus is on improving the retention and progression of BAME talent in the firm and continue to build upon these achievements. We have recently set new targets for BAME representation in the UK to achieve by 2025: 25% BAME overall; 15% BAME partners; 25% BAME lawyers; 25% BAME business services.

Sexual orientation – pay gap between LGBT+ and heterosexual employees

Sexual orientation		
	2019	2020
Mean hourly pay	-9.5%	4.7%
Median hourly pay	-26.9%	-5.3%
Mean bonus	11.8%	1.4%
Median bonus	-40.0%	-36.4%

Summary Points

The data should be read with the caveat that 20% of our people have not disclosed their sexual orientation. 4% of employees identify as LGBT+ and 76% identify as heterosexual.

The data presents a broadly balanced picture of the pay and bonuses of our LGBT+ employees compared to heterosexual employees.

This year we have seen a rise in disclosure data from 60% to 80% for LGBT+ colleagues.

As sexual orientation data of our partners is limited, it has not been included as it does not meaningfully add to the statistics.

Partner gender pay gap

As last year we have used the same methodology to produce the mean and median “pay” data for partners as we have for employees noting that partners receive a profit share rather than “pay”. This analysis is based on UK partners only and also includes all partners in management positions.

Partners		
	2019	2020
Mean hourly pay	31.5%	23.9%
Median hourly pay	46.8%	44.7%
Mean bonus	-4.3%	28.9%
Median bonus	50.0%	45.0%

Summary points

The data suggests there is still work to be done at partner level, however this is moving in the right direction. The mean hourly partner pay gap has improved by 76%.

The pay and bonus data for partners is subject to fluctuation due to the demographics of the partner population.

There was a similar spread of bonus payments for men and women partners this year, but as we continue to have a higher number of men at the senior end of the partnership, the value of the bonuses awarded to women is split between a smaller number of women, which can distort the data.

We continue to promote more women to partnership than at any time in the past, with a more balanced approach to equality of pay. Improvements are starting to be seen in pay quartiles and mean hourly pay. We continue to monitor this closely.

Combined employee and partner

When we combine both employees and partners for the purposes of this exercise we see the following outcome:

Employees and partners		
	2019	2020
Mean hourly pay	51.9%	49.7%
Median hourly pay	41.1%	39.8%
Mean bonus	52.3%	62.7%
Median bonus	57.9%	54.4%

The steps we're taking

We remain committed to the recruitment, career progression and retention of women and continue to focus on increasing gender diversity and representation of women at all levels. As an employer of choice, we aim to create a culture of respect for every individual. This commitment is integral to our approach to doing business.

We work hard to create gender diversity at all levels of our business. We are committed to ambitious targets to drive a more gender-representative partnership and to encourage accountability within practice groups to achieve them.

We have recently set new targets for both the firm's partnership and its management boards aspiring to have 40% men, 40% women and 20% flexibility. Currently, 29% of our partners in the UK are women. Women also represent 40% of our EMEA Management committee members.

We focus our efforts on active career development through our development curriculum and talent management programmes. The Career Strategies Programme (CSP), designed to support and develop women on track for partnership has, since its launch in 2010, contributed to increasing the representation of women in the annual partner promotion cohorts, with 45% of the programme alumnae having made partner within three years of attending the CSP. In the Europe, Middle East and Asia (EMEA) region alone, 41% of the partners made up between 2013 and 2021 were women and 79% of those women were CSP alumnae. Recognising the value of the CSP, we were pleased to launch in 2019 a similar programme for our BAME employees.

While we have achieved gender parity at trainee and associate levels, one of our key challenges is to recruit and retain women in senior associate and partner roles. One of the ways we approach this is to continuously improve and evolve our resourcing practices. From gender neutral job descriptions to highlighting our inclusive agile and flexible working practices, we aim to be a destination of choice for diverse talent. Our focus on enabling and supporting our people for the future will mean opportunities for greater flexibility for all our employees. This will include more opportunity for everyone who may want to balance their careers and lives more flexibly.

We market our benefits policies and programmes for women such as our established maternity (and shared parental leave) policy that provides full pay for the first 28 weeks of leave. We also have a coaching programme for expectant parents (including men) in order to support them in planning and managing their departure and return to work, including balancing the demands of their professional and personal lives.

We know that working parents and carers make up an increasing number of our working population and understand that it can sometimes be difficult to combine parenting and caring responsibilities with work. In February 2021, we launched a new policy allowing employees to take up to five days paid carer's leave per holiday year, irrespective of their length of service. We also plan to implement a hybrid working policy across the EMEA region which will mean our partners and staff can choose to work up to 50% from home.

While we continue to deliver active inclusion training to all employees and partners, the firm introduced a new Respectful Behaviour policy in April 2019 which replaced our former Dignity at Work policy. The Respectful Behaviour policy sets out in detail what behaviours constitute bullying, harassment, discrimination, victimisation, abuse and other inappropriate conduct (including banter and hostile environment behaviours), the consequences of such behaviours, and the range of options available to individuals to have their concerns addressed and to be supported. All employees and partners completed a mandatory e-learning training on Respectful Behaviour and the training is mandated annually.

At Norton Rose Fulbright, we want to make sure everyone feels that they can challenge racism and other forms of inappropriate behaviour. In July 2020, all employees and partners across EMEA were invited to attend an "Active Bystander" webinar delivered by an external consultant. The webinar examined what stops individuals from confronting and challenging racism, both in others and in themselves, and provided participants with practical tools and guides on how to challenge racism and other forms of unacceptable behaviour. The training was highly successful with 71% of all EMEA employees and partners attending.

Our work on diversity and inclusion remains a work in progress. We will continue to engage our people, who are at the heart of our business, on the cultural changes we are driving which we believe will positively impact equality and pay gaps.

Our recent Global Strategic Plan 2021 – 2024 has placed diversity and inclusion as a key strategic priority for our business. Attracting, advancing and retaining women, people of Black, Asian and minority ethnic backgrounds and other under-represented groups will be central to the strategy.

Our vision

We have a diverse and inclusive partnership and workforce, unified as a high-performing, collaborative business

Key strategies:

Attracting, advancing and retaining women, people of Black, Asian and minority ethnic backgrounds and other under-represented groups will be central to the strategy

Equip our people to lead in a more volatile, uncertain, complex and ambiguous world

Instil high-performance culture to improve results

Develop and implement global performance management and reward program

Attract, retain, develop and engage talent

Implement new Human Resource Information System, technology to support remote and online L&D

Consolidate, share and leverage knowledge globally



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EMEA20586 – 04/21