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 **NORTON ROSE FULBRIGHT**

UK: Gender pay gap report

2018



Introduction

Norton Rose Fulbright LLP is pleased to provide its 2018 report on the gender pay gap, in accordance with the UK Equality Act 2010 Regulation.

The first section of the report focuses on our UK employee population in which we fulfil our statutory reporting obligations. The report also provides, for the first time, data based on the earnings of our Black and Minority Ethnic (“BAME”) employees. We have calculated BAME employee data using the same methodology as for gender and this data is expressed as a difference between them and all other employees.

The second section of the report provides data on our UK partnership. Although it is not a statutory requirement to provide this data, we want to maintain the open and transparent approach we took in 2017, so that we have a complete understanding of how we need to improve our gender pay gap.

The pay data is accurate as at 5 April 2018 and the bonus data for employees is based on the 12 months to 5 April 2018.

Whilst this report focuses on the gender and ethnicity pay gap, we also reviewed the pay gap for LGBT and disabled employees. Having undertaken the analysis, we do not provide any commentary for these employees because the demographic data is materially incomplete and we are unable to draw any meaningful conclusions. We will increase our efforts to improve our data, which relies on our employees to self-identify as LGBT and disabled, so that we can report on these areas in the future.

Gender Pay Gap vs Equal Pay

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

01 | Employee data

Table 1 – Pay and bonus gap 2018

	Mean	Median
Hourly pay	24.8%	35.2%
Bonus	38.7%	33.8%

Table 2 – Pay and bonus gap 2017

	Mean	Median
Hourly pay	17.0%	23.8%
Bonus	36.0%	31.6%

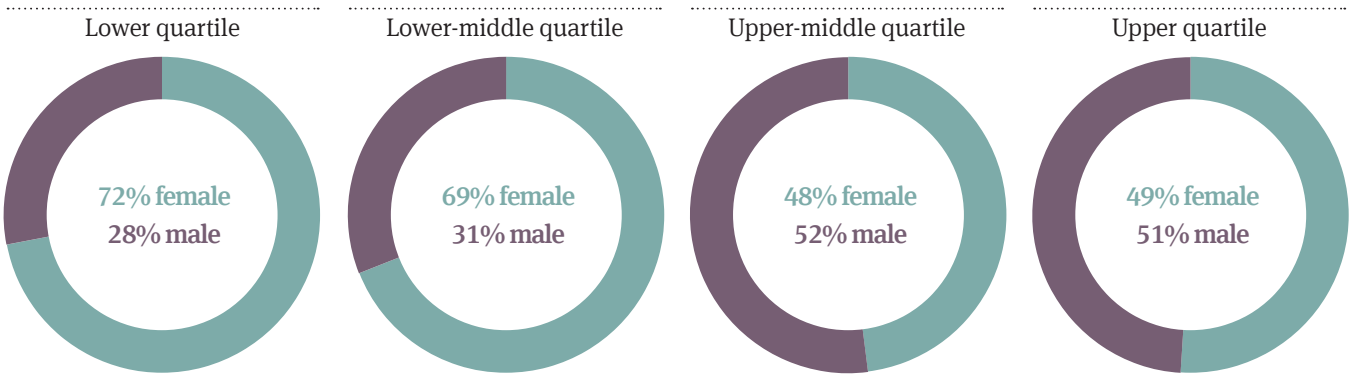
Table 3 – Proportion of women and men receiving a bonus payment in the UK 2018

Women	28.1%
Men	35.5%

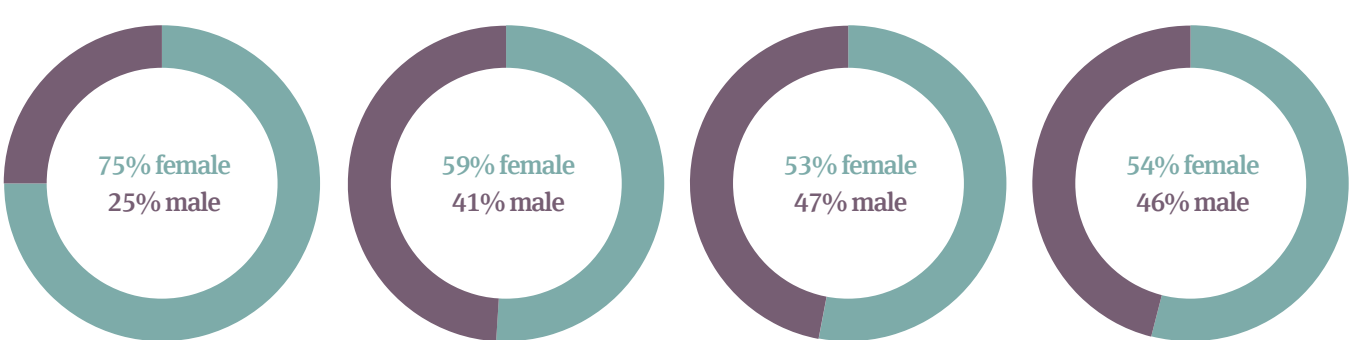
Table 4 – Proportion of women and men receiving a bonus payment in the UK 2017

Women	27.2%
Men	36.7%

Pay Quartiles 2018



Pay Quartiles 2017



These charts show the percentage of men and women in each of the pay quartiles across the UK employee population. The mean pay gap within each of the quartiles is as follows:

Table 5 - Pay gap within quartiles 2018

Quartile	Mean Pay
Lower	-17.6%
Lower-middle	5.1%
Upper-middle	16.4%
Upper	16.8%

Table 6 - Pay gap within quartiles 2017

Quartile	Mean Pay
Lower	-15.3%
Lower-middle	3.3%
Upper-middle	-1.7%
Upper	12.8%

Where a negative figure is shown in the data it means that, on average, women are paid more than men.

Breakdown of data for associates and other staff

As well as reporting on the statutory gender pay gap, we have also undertaken an analysis of the mean and median difference in pay and bonuses for our associates and other staff (business services, secretarial staff and trainee solicitors) and our data is as follows:

2018	Mean pay	Median pay	Mean bonus	Median bonus
Associates ¹	6.6%	4.0%	-0.4%	9.8%
All other employees ²	27.8%	17.4%	58.4%	57.9%

2017	Mean pay	Median pay	Mean bonus	Median bonus
Associates ¹	-0.5%	1.6%	5.0%	0.9%
All other employees ²	25.5%	14.7%	56.0%	56.6%

¹ Includes all qualified lawyers below Partner level.

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

Whilst we are confident we do not have an equal pay issue, we are concerned by the shift in results for our associate population and in 2019 we will introduce interim pay gap reports to ensure that our Partners have regular oversight of their teams' statistics to increase accountability and ensure that we maintain the position of our associates being paid broadly the same. We will introduce similar interim reports for our Heads of Business Services relating to other employees.

Summary points

The greatest gender imbalance remains in our lower quartile. The majority of those roles are administrative and secretarial, with 72% of the employees being women.

There has been a shift in the gender balance across the other quartiles, particularly in the upper-middle and upper quartiles, where we have seen a 5% decrease in the female population in both quartiles, and a corresponding increase in the pay gaps.

Our detailed analysis of our associate population tells us that we cannot be complacent as we have moved from having a marginal difference between male and female associates to the position we now see.

There remains greater mean gender pay and bonus gaps in the non-associate UK workforce, which is partly explained by different jobs and levels of seniority.

Our bonus gap calculated on actual values, irrespective of the part-time status of some recipients (as per the requirements), tells us that we still have more work to do in this area. Overall, more women (54%) than men (46%) were paid a bonus, but as illustrated in Table 3, a higher proportion of the male population received a bonus. One explanation for this remains the high percentage of female staff in the lower pay quartile, who are generally not eligible for bonuses.

As in 2017, the bonuses awarded to women were of lower value. Those lower values were derived in part by the fact that a high proportion of part-time employees who received a bonus were women, and therefore their bonuses were pro-rated to the number of hours they work. In addition, we have more men than women in the most senior roles in the organisation, and generally these roles attract higher bonus levels.

Ethnicity

Given that Norton Rose Fulbright's focus on diversity is broader than gender, we have also reported ethnicity pay gap data – between our BAME and other employees. Currently, 17 percent of our London employees identify as BAME, which includes a trainee associate population of whom 35 percent identify as BAME.

	Mean	Median
Hourly pay	12.5%	13.4%
Bonus	-6.4%	-6.4%

Whilst the data suggests that BAME employees receive lower salaries compared to other employees, their bonuses are higher. This provides a useful benchmark for ongoing comparison, but the data must be read in the context that nearly a quarter of employees have not disclosed their ethnicity. The actual results could therefore differ and our focus for the coming year will be to improve our diversity data in order to have a more accurate picture for future reporting.

In the last year, we introduced a career development programme to develop our BAME associates (irrespective of gender) and improve our retention and progression of, and representation of, BAME talent in the firm. We are pleased that for two consecutive years (2017 and 2018), we have been named as one of the UK's Best Employers for Race by Business in the Community, and we were one of the first signatories to a new Race at Work Charter launched by the Prime Minister in October 2018 as part of the government's push to drive forward a step-change in the recruitment and progression of ethnic minority employees. We will continue to build upon these achievements.

02 | Partners

As in 2017, we have used the same methodology to produce the mean and median 'pay' data for Partners as we have for employees, noting that Partners do not receive 'pay' as such but a share in the profits. This analysis is based on UK Partners only and includes all Partners in management positions.

2018	Mean 'pay'	Median 'pay'	Mean bonus	Median bonus
Partners	18%	26%	30%	0%

2017	Mean 'pay'	Median 'pay'	Mean bonus	Median bonus
Partners	19%	17%	-38%	-21%

Summary points

We have a high number of male Partners at the senior end of the partnership compared to female Partners.

In 2018 bonus payments for male Partners were significantly higher than female Partners (in contrast to 2017).

We continue to see good progression of female talent being promoted into the partnership – 50% of Partners promoted in EMEA on 1 January 2019 were female – and we expect their progression to continue into the senior end of the 'pay' scale over time.

03 | Combined employee and Partner data

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

2018	Mean pay	Median pay	Mean bonus	Median bonus
Combined employees and Partners	50.9%	39.6%	58.8%	35.0%

2017	Mean pay	Median pay	Mean bonus	Median bonus
Combined employees and Partners	49.0%	26.9%	61.4%	39.5%

Summary points

Due to the relatively low number of female Partners at the senior end of the partnership the inclusion of our Partner data leads to a marked increase in the pay gap.

The mean bonus gap continues to reflect the fact that Partners tend to get higher bonus payments than employees, and that more male Partners received a bonus than female Partners.

04 | Gender diversity at Norton Rose Fulbright

As well as looking back at the data and providing the analysis set out above we want to emphasise the importance we continue to attach to improving gender diversity within the firm.

In the UK we employ more women than men (59%) and we have maintained a number of initiatives aimed at female colleagues:

- Our Career Strategies Programme: a global development programme providing opportunities and support to senior female lawyers at Norton Rose Fulbright on their way to partnership. This includes 1-1 coaching;
- Inclusive leadership training and unconscious bias education;
- Our WiN network (Women in Norton Rose Fulbright) focused on providing learning, development and networking opportunities for women within the practice;
- Early WiN is a women’s network specifically for people at the practice in the early to mid-stages of their careers; and
- An established maternity (and shared parental leave) policy that provides full pay for the first 28 weeks of leave.

In addition, we have continued to provide coaching 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 work hard to create gender diversity at all levels of our business. Our senior leadership team sets achievable targets to drive a more gender-representative partnership and to encourage accountability within practice groups to achieve them.

In 2014, the firm's Global Executive Committee and Global Board set a target for female Partners to constitute 30% of both the firm's partnership and its management boards by 2020. Currently, 27% of our Partners are women.

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 and Regional Chairs and our Global Diversity and Inclusion Advisory Council. We have prioritised our diversity and inclusion strategy; making it central to, and an inherent part of, the firm's strategy. Although we are making progress towards achieving our long-term goals, we recognise that the gaps in pay and bonuses for our UK workforce requires further work. We will continue to focus on this, and we will also continue to engage our people on the cultural changes we are driving which we believe will positively impact equality and pay gaps.

We confirm the data in this report to be accurate.

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Norton Rose Fulbright

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Recognized for our industry focus, we are strong across all the key industry sectors: financial institutions; energy; infrastructure, mining and commodities; transport; technology and innovation; and life sciences and healthcare. Through our global risk advisory group, we leverage our industry experience with our knowledge of legal, regulatory, compliance and governance issues to provide our clients with practical solutions to the legal and regulatory risks facing their businesses.

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