

SLAUGHTER AND MAY /

UK PAY GAP REPORT

2021

Contents

This report sets out our gender pay gap data in accordance with the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, where employers with over 250 employees in the UK are required to publish their gender pay gap data annually. We are required to publish and report our gender pay gap data within 12 months of a data 'snapshot date'.

Our snapshot date is 5 April 2021 and this date has been used to calculate all employee numbers in this report. The gender pay gap in this context is the difference between the average earnings of men and women, expressed relative to men's earnings.

We also share, on a voluntary basis, an analysis of partner earnings as a group and combined with the employee populations, as well as our ethnicity pay gap analysis.

1. INTRODUCTION	3	7. BUSINESS SERVICES GENDER PAY GAP	9	13. ETHNIC MINORITY EMPLOYEES AND PARTNERS COMBINED	15
2. KEY FINDINGS	4	8. BUSINESS SERVICES BONUS GAP	10	14. RAISING THE BAR ON DIVERSITY AND INCLUSION	16
3. EMPLOYEE GENDER PAY GAP SUMMARY	5	9. PARTNERS PAY GAP SUMMARY	11	15. GENDER BALANCE ACTION PLAN	17
4. GENDER BONUS GAP SUMMARY	6	10. EMPLOYEES AND PARTNERS COMBINED	12	16. RACE FAIRNESS ACTION PLAN	18
5. ASSOCIATE GENDER PAY GAP	7	11. ETHNICITY PAY GAP SUMMARY	13	17. DIVERSITY AND INCLUSION HIGHLIGHTS	19
6. ASSOCIATE BONUS GAP	8	12. ETHNICITY BONUS GAP SUMMARY	14		

Introduction

This is Slaughter and May's UK pay gap report for 2021.

For the fourth consecutive year we are sharing our data in line with the statutory guidelines and have provided additional information for greater transparency. In addition to the mandatory reporting, we are voluntarily publishing information on our ethnicity pay gap. This compares pay and bonus remuneration for our ethnic minority partners and employees compared with that of white colleagues.

During the pandemic our people have faced significant challenges in their home and working lives and the awareness and importance of social justice issues in the workplace has never been higher.

Evidence of equality and equity of outcomes is increasingly important for more groups in society than ever before, including clients, employees, recruits, regulators, investors and the wider community.

We believe that the information in this report is one of the many ways in which we can be open and share our data with our stakeholders. We recognise that greater transparency is an important step in achieving our commitments and we will continue to share our progress over time.

This year we published gender and ethnicity targets in relation to our partnership promotions, which are set out in our action plan in this document. We believe that the targets are ambitious and together with the actions in our plan will help close the gaps identified in this report.

These steps, and many others, form part of our diversity and inclusion strategy, which remains a strategic priority for the firm. By taking these steps and measuring what we do, we can and will make progress. More detailed information on our diversity and inclusion strategy can be found in our [Responsible Business Report 2021](#).

We confirm the data in this report is accurate.



Paul Stacey
Executive Partner



Uzma Hamid-Dizier
Head of Responsible
Business

Key Findings

Gender

Our 2021 employee gender mean and median pay gaps both decreased compared to 2020.

- The gap between men and women on mean and median hourly rates of pay remains although in both cases these gaps have reduced.
- Mean and median bonus gaps between men and women increased compared to 2020.
- A higher proportion of women and men received a bonus in 2021 compared to 2020.
- A higher proportion of women received a bonus compared to their male colleagues in 2021.

Our 2021 combined UK partner and employee pay gap has fallen for the median, but has risen for the mean. We believe that our combined gender pay gap remains significantly impacted by both the higher proportion of senior men within the business,

who make up a large part of our upper quartile population, and the proportion of women in our executive assistant roles, who make up a large part of our lower quartile population. We continue to work on improving our pipeline of gender diverse talent across our business to close these gaps, which we cover in more detail in the action plan on page 17.

Ethnicity

The mean and median pay gaps remain between white and ethnic minority colleagues, with white colleagues continuing to receive a greater mean and median hourly rate of pay.

- Our 2021 employee ethnicity mean pay gap decreased compared to 2020.
- The employee ethnicity median pay gap in 2021 increased compared to 2020.

- Mean and median ethnicity bonus gaps increased compared to 2020.
- A higher proportion of both ethnic minority and white colleagues received a bonus in 2021 compared to 2020.

We have a concerted focus on increasing the representation of ethnic minorities within our business. A four point plan guides our work around recruitment, retention and progression to ensure equity in outcomes. More information on what we are doing is included in our action plan on page 18.

Understanding the numbers

HOURLY PAY

Hourly pay for all eligible individuals in receipt of full pay in April 2021.

MEAN

Individuals' hourly pay totalled then divided by number of individuals.

MEDIAN

Individuals' hourly pay ranked then middle value identified.

PROPORTION OF MEN AND WOMEN IN EACH QUARTILE BAND

Divided into quartiles.

BONUS GAP

Actual bonuses paid to individuals in the 12 months to April 2021.

PROPORTION RECEIVING A BONUS

In the 12 months to April 2021, of those employed in April 2021.

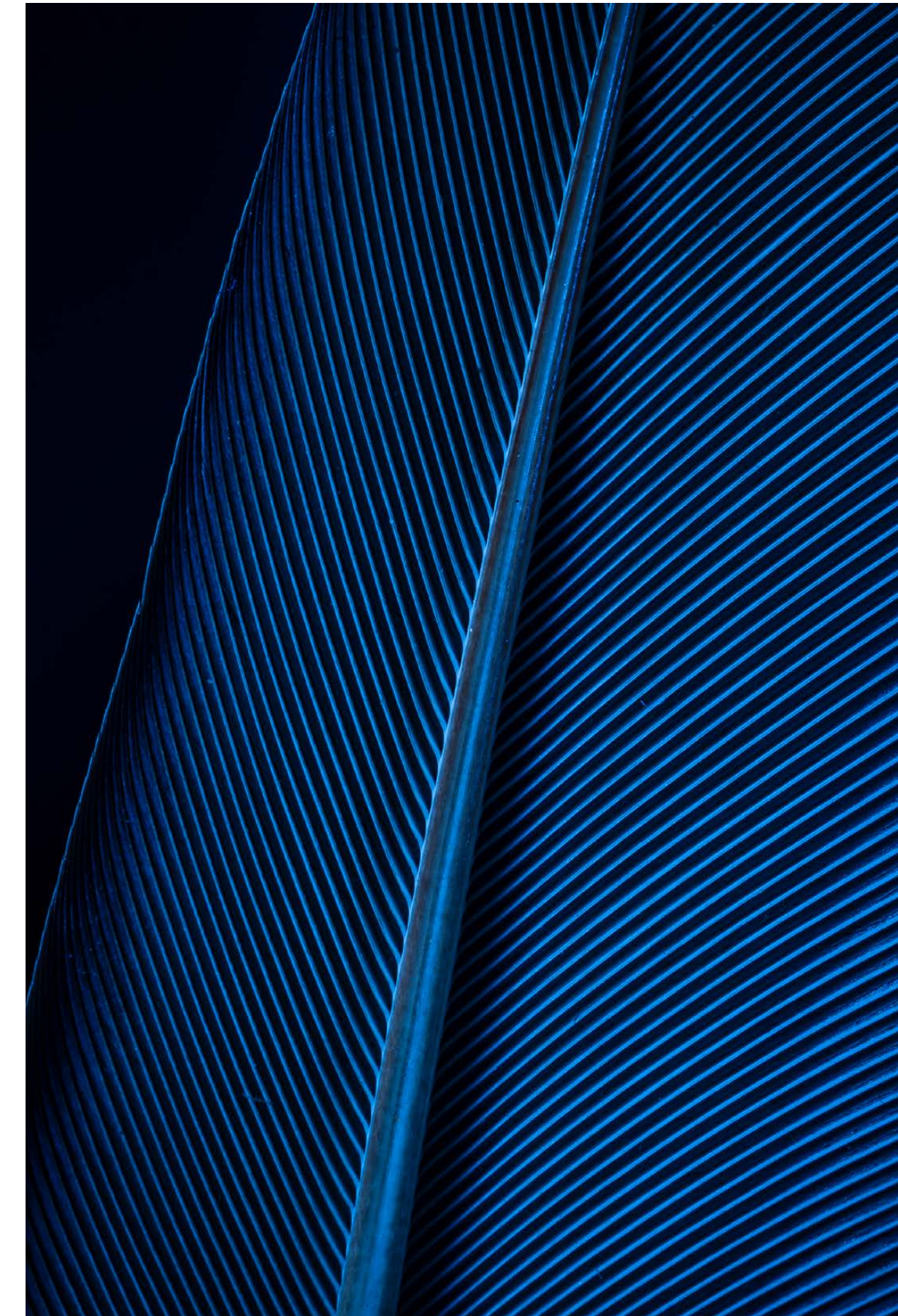
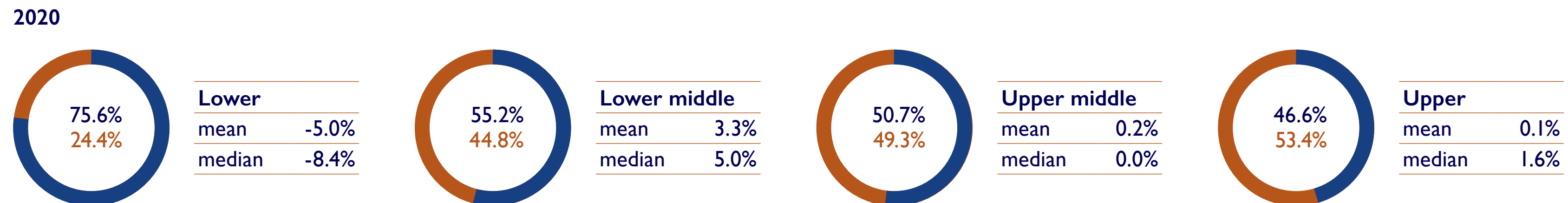
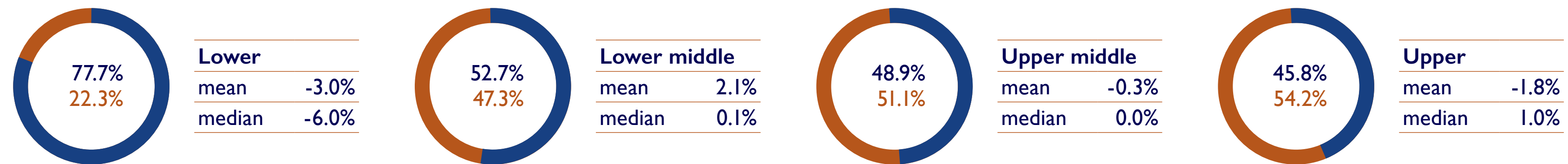
A positive gap for the gender figures means that men are paid more than women, whilst a negative gap means women are paid more than men. A positive gap for the ethnicity figures means that white colleagues are paid more than ethnic minority colleagues, whilst a negative gap means ethnic minority colleagues are paid more than white colleagues.

Employee Gender Pay Gap Summary

Hourly pay gap

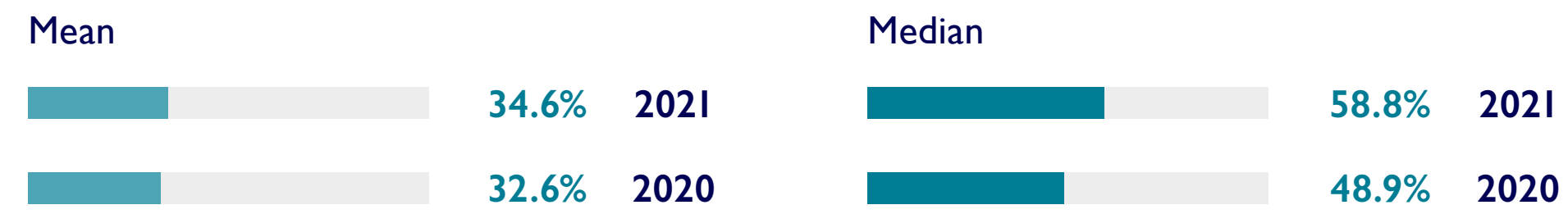


Percentage of women and men in each quartile pay band 2021

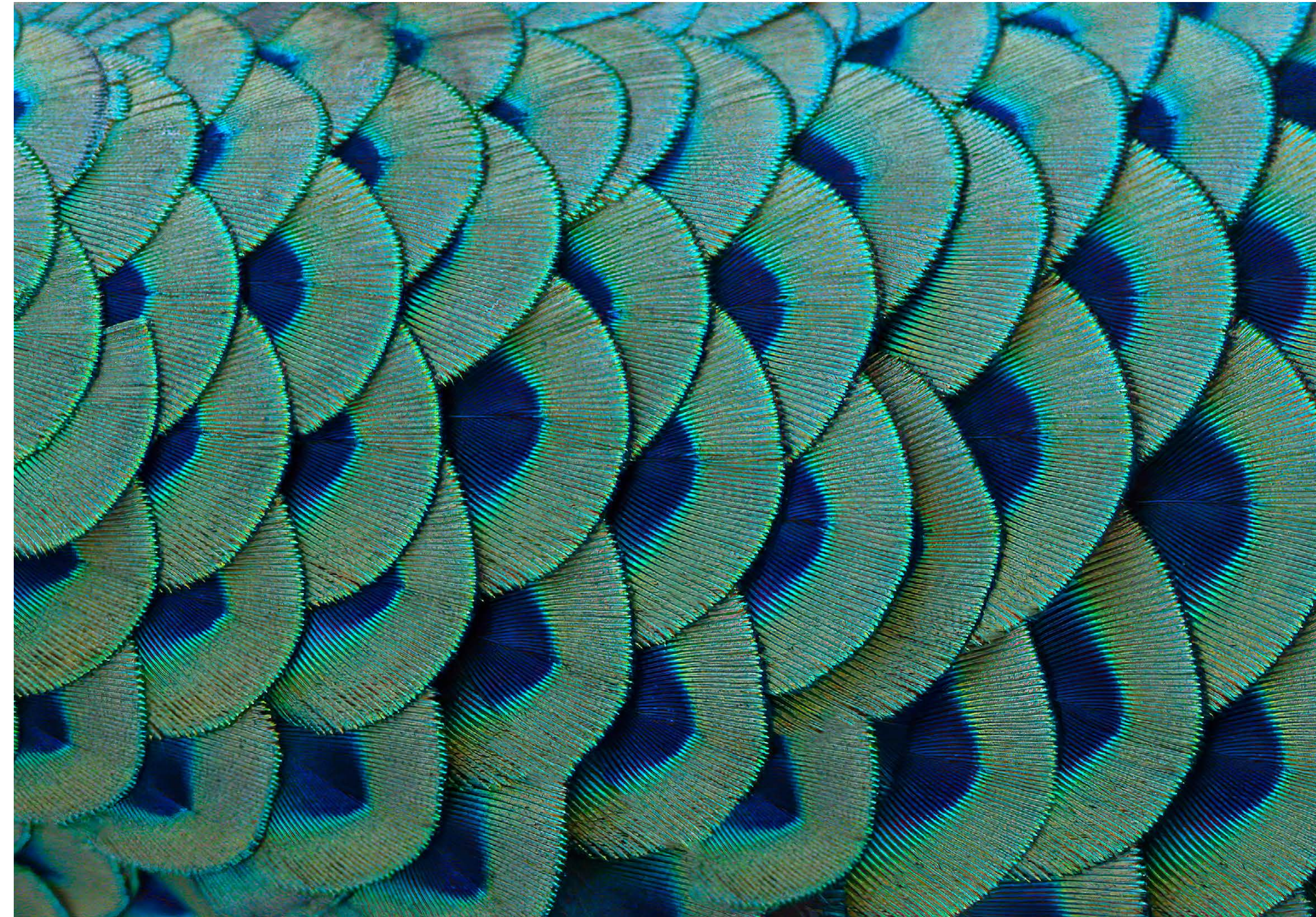
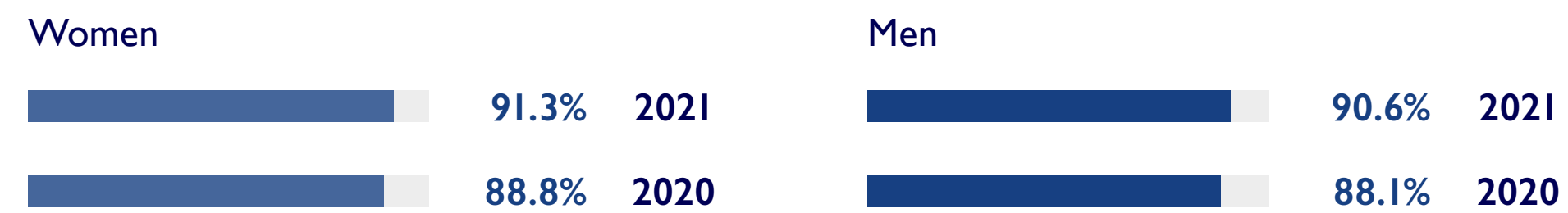


Gender Bonus Gap Summary

Annual Bonus Gap



Proportion of women and men who received bonus pay in the pay period



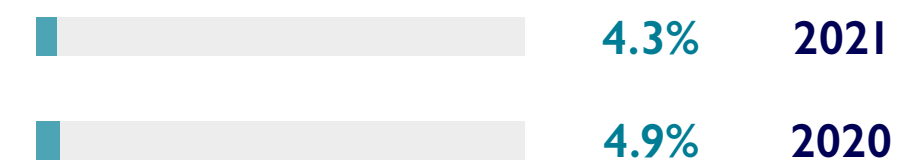
Associate Gender Pay Gap

The data featured in the next four pages cover our two largest employee populations at the firm – associates and business services. We have chosen to provide this for transparency; it is not required as part of the statutory disclosures.

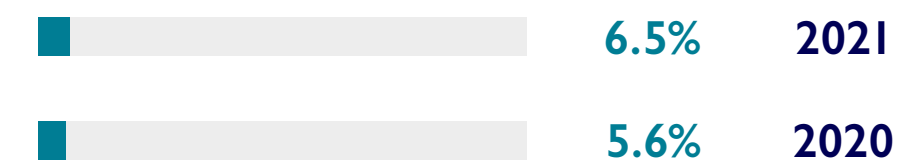
Our associates with the same number of years' experience are generally paid the same salary and receive the same bonus percentage.

Hourly pay gap

Mean



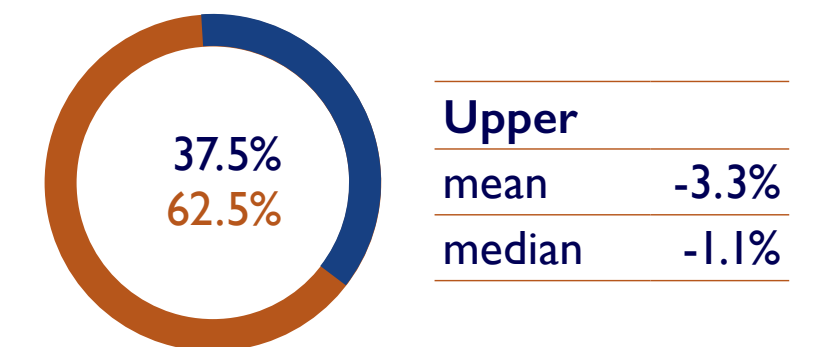
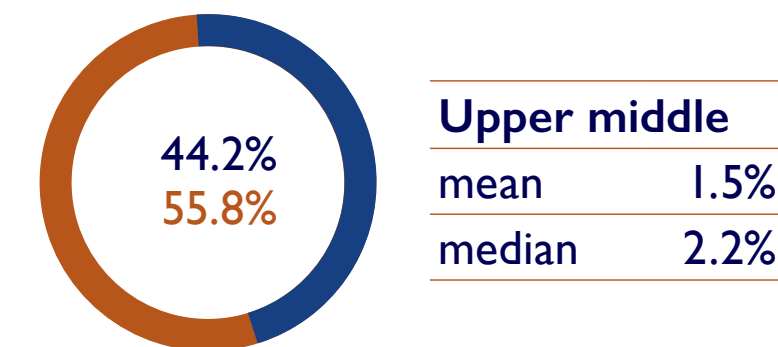
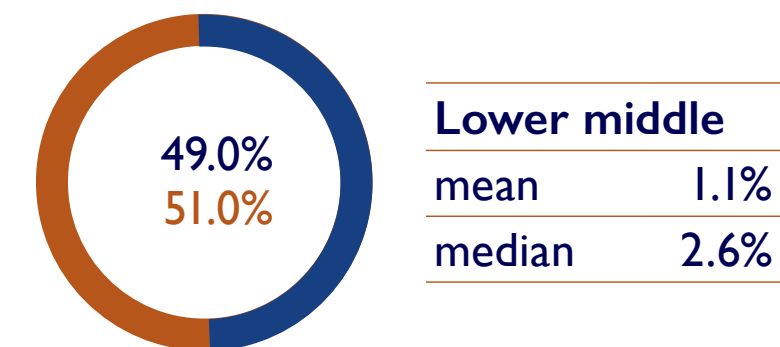
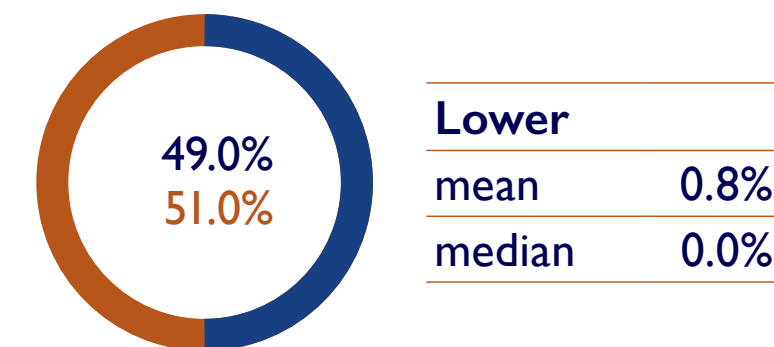
Median



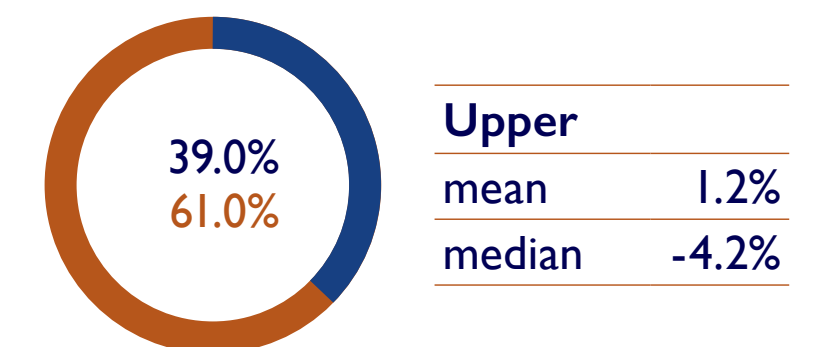
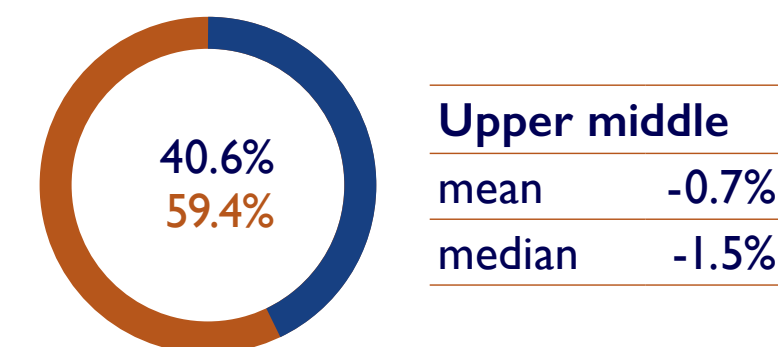
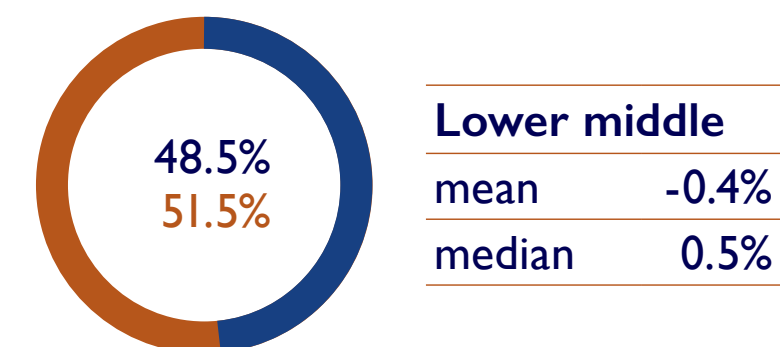
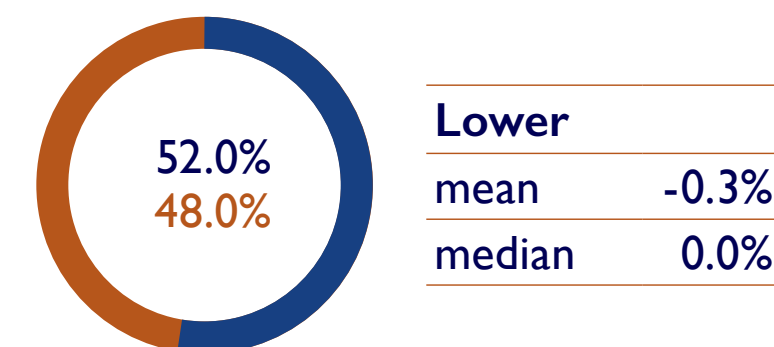
Percentage of women and men in each quartile pay band

2021

■ Women ■ Men

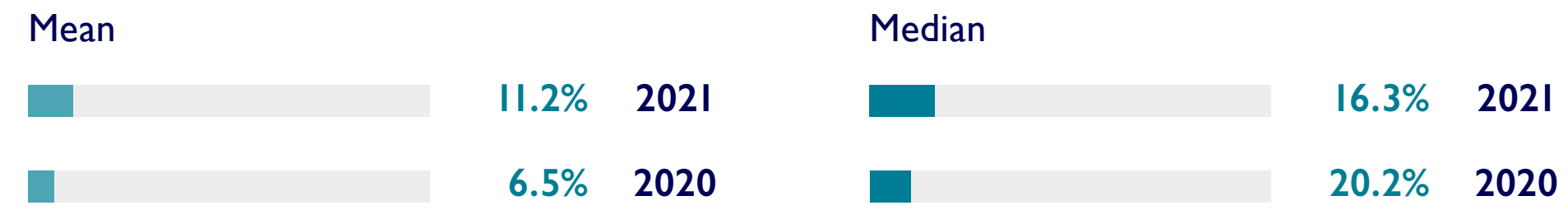


2020

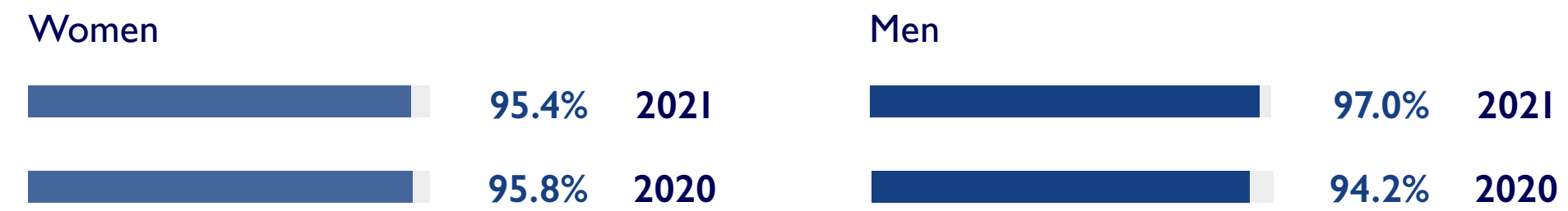


Associate Bonus Gap

Annual bonus gap



Proportion of women and men who received bonus pay in the pay period

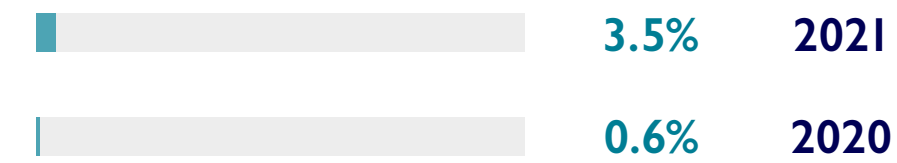


Business Services Gender Pay Gap

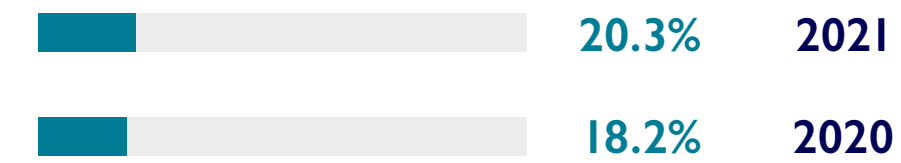
For the purpose of these calculations, the pay gap for business services as a whole has been calculated using data from all our employees, except associates, trainee solicitors and executive assistants.

Hourly pay gap

Mean



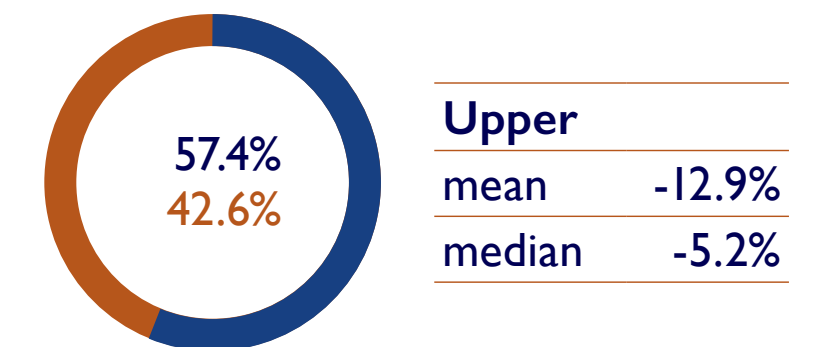
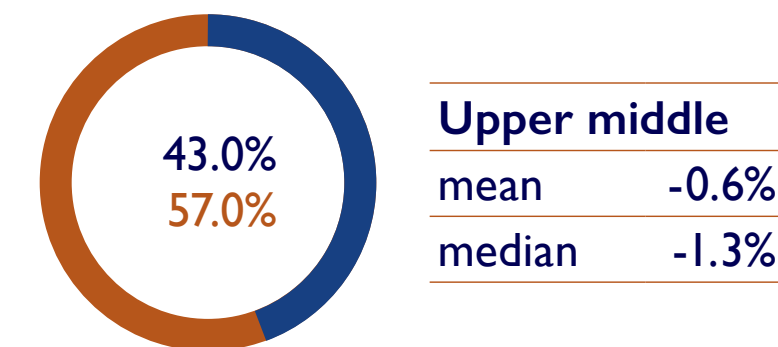
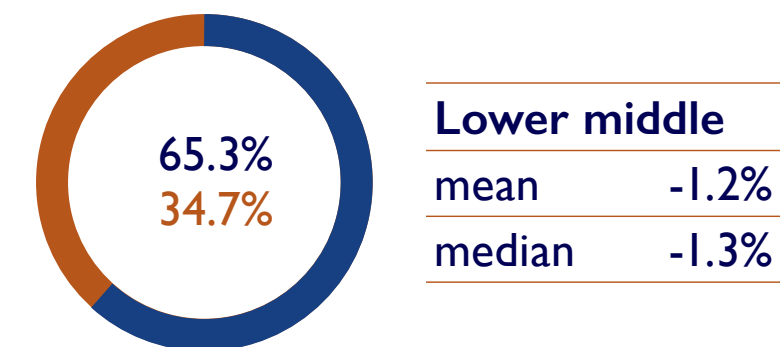
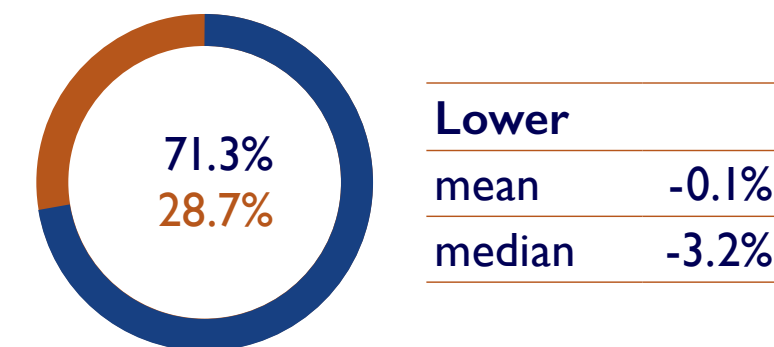
Median



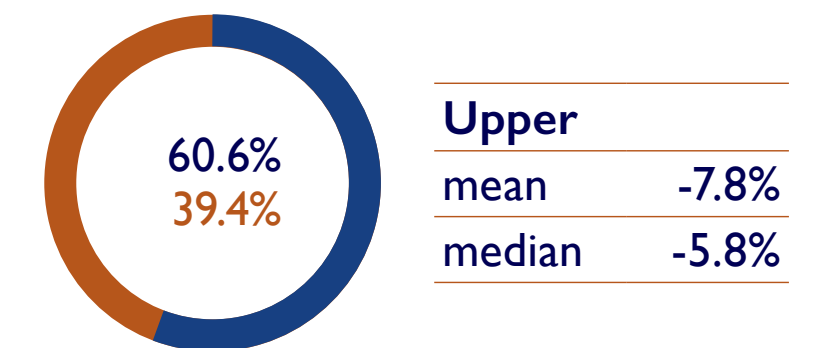
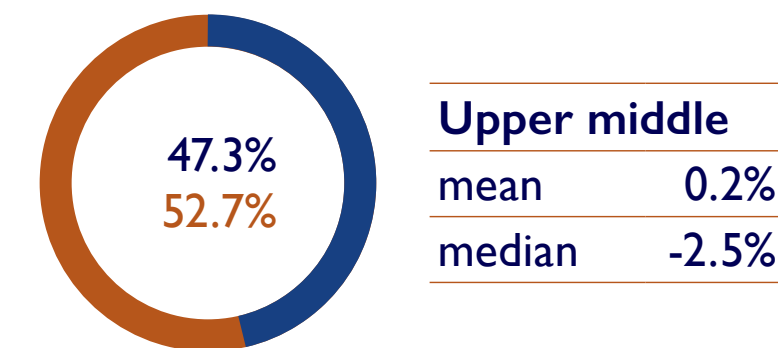
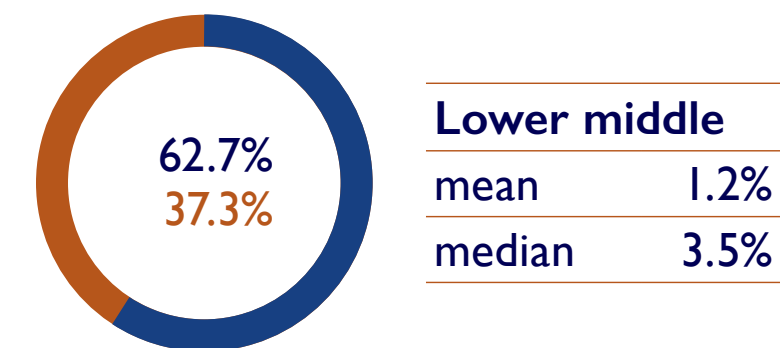
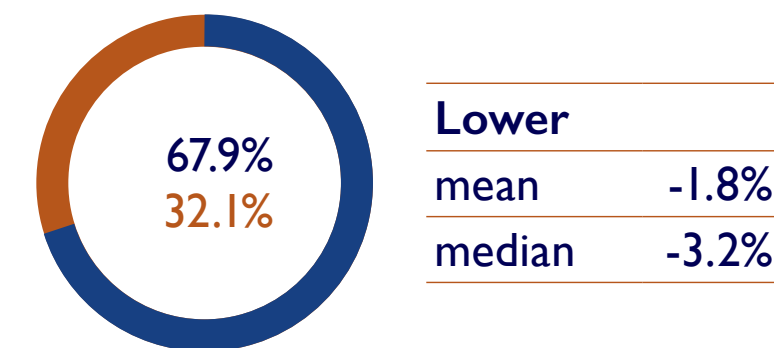
Percentage of women and men in each quartile pay band

2021

■ Women ■ Men

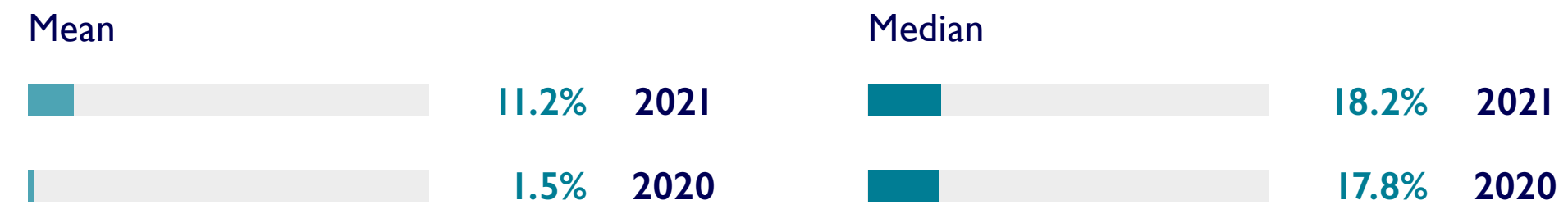


2020

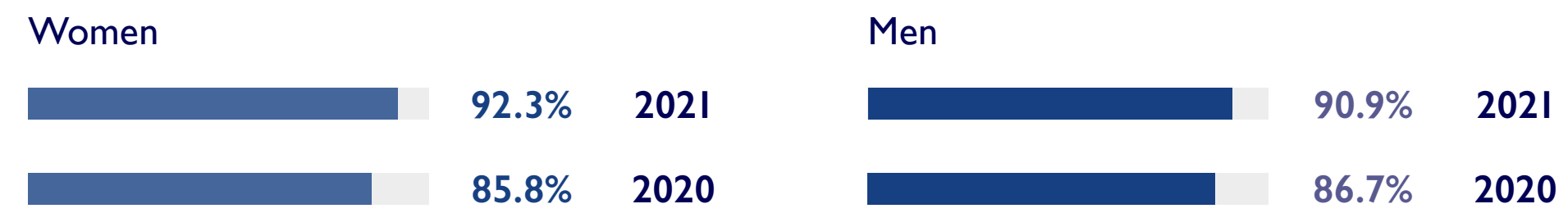


Business Services Bonus Gap

Annual bonus gap



Proportion of women and men who received bonus pay in the pay period



Partners Pay Gap Summary

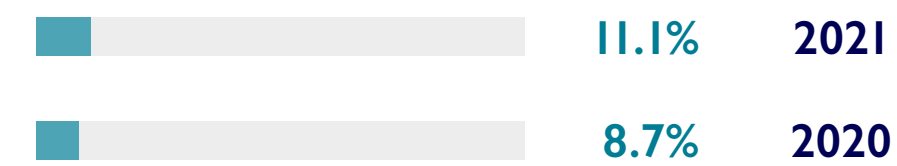
Slaughter and May is a general partnership. All of our partners have equal voting rights and partners promoted to the partnership at the same time are remunerated equally.

For clarity, our partners are not “paid a salary”; instead they take a share of the profits. They also do not receive any additional payments, such as bonuses. As a result, our partner pay gap figures have been calculated using an hourly rate based on the annual profits for the 12 months to 30 April 2021.

The mean and median pay gaps in our partner population in London are explained by the fact that there is a higher representation of men at the more senior levels of our partnership, occupying the upper quartiles of pay. This has the effect of widening the gender pay gap. The gender balance across the partnership is, however, changing over time as we promote more women into the partnership, helping to close the gap.

Hourly pay gap

Mean



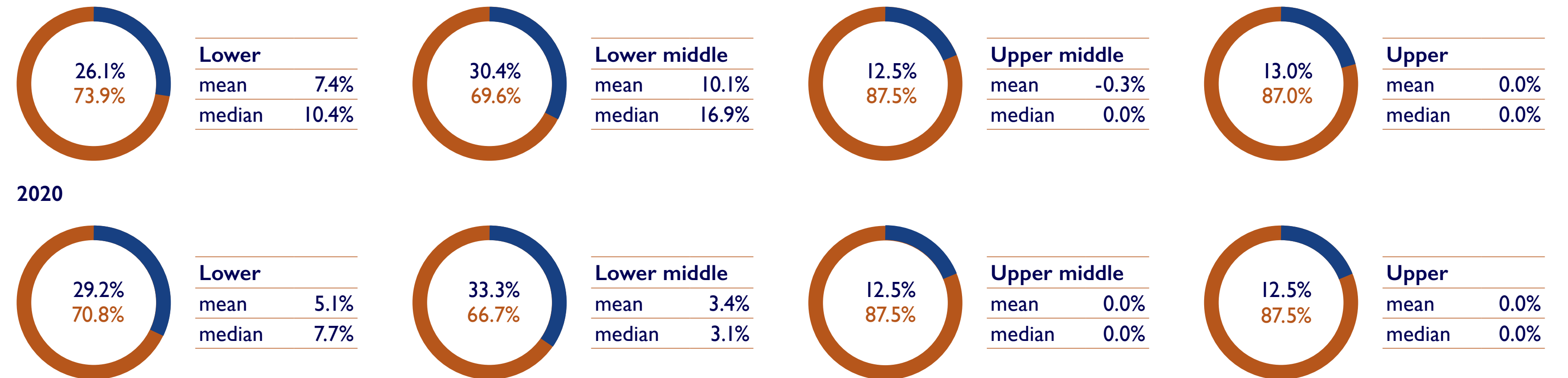
Median



Percentage of women and men in each quartile pay band

2021

■ Women ■ Men



Employees and Partners Combined

In order to combine our employees and partners, we have used the hourly rate for both partners and all employees based on total earnings. Total earnings for partners are the annual profits for the 12 months to 30 April 2021. For employees, total earnings are their annual salary as at April 2021 plus any bonus paid during the relevant period, adjusted for statutory inclusions/exclusions (such as allowances and salary sacrifices).

Hourly pay gap

Mean

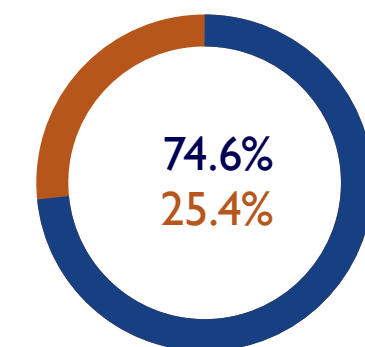


Median

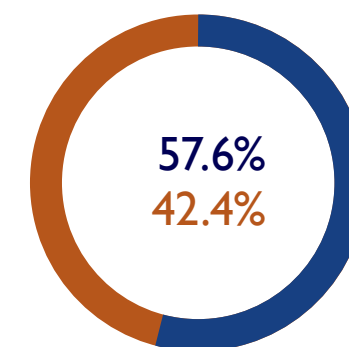


Percentage of women and men in each quartile pay band 2021

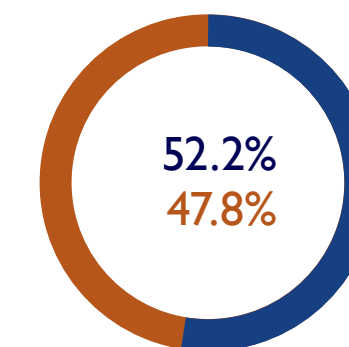
■ Women ■ Men



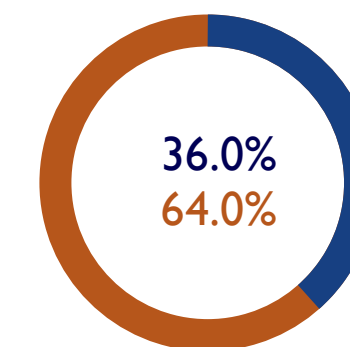
Lower	
mean	-0.3%
median	-2.4%



Lower middle	
mean	3.7%
median	1.3%

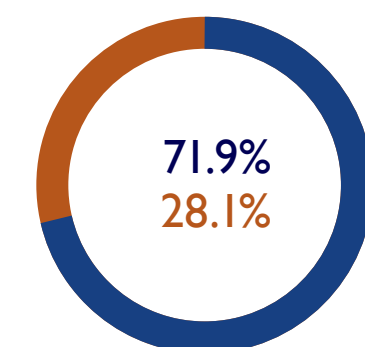


Upper middle	
mean	-1.0%
median	-1.0%

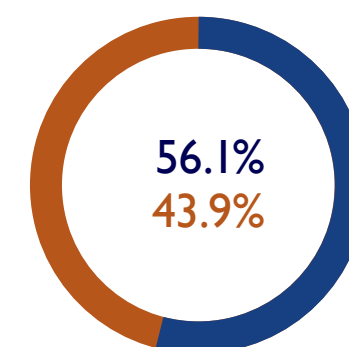


Upper	
mean	45.0%
median	-8.2%

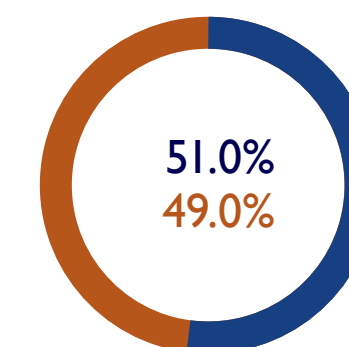
2020



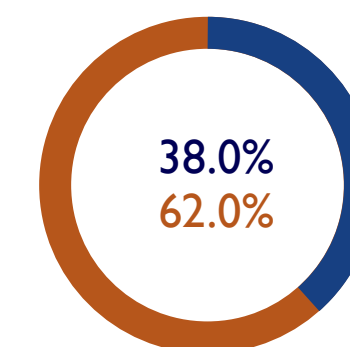
Lower	
mean	-0.8%
median	-2.8%



Lower middle	
mean	5.1%
median	2.0%



Upper middle	
mean	0.6%
median	0.9%



Upper	
mean	48.0%
median	11.4%

Ethnicity Pay Gap Summary

Our ethnicity pay gap reporting has been produced on the same basis as our regulatory gender pay gap reporting. It shows the difference in pay between ethnic minority employees and white employees. We have also calculated the pay gap for employees and partners combined.

Reporting on the ethnicity pay gap relies on individuals disclosing their ethnicity. This voluntary disclosure means that there are individuals who have not provided this information.

As a result, the population used to calculate the ethnicity pay gap will not be the same as the population used to calculate the gender pay gap.

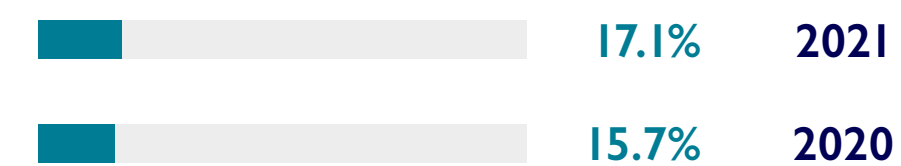
92% of our employees and partners included in the gender pay gap reporting have provided their ethnicity details. This is an increase from the 90% disclosure rate in 2020. We continue to encourage our employees and partners to complete this information in a drive to increase the overall disclosure rate, which will increase the reliability of the data being reported.

Hourly pay gap

Mean

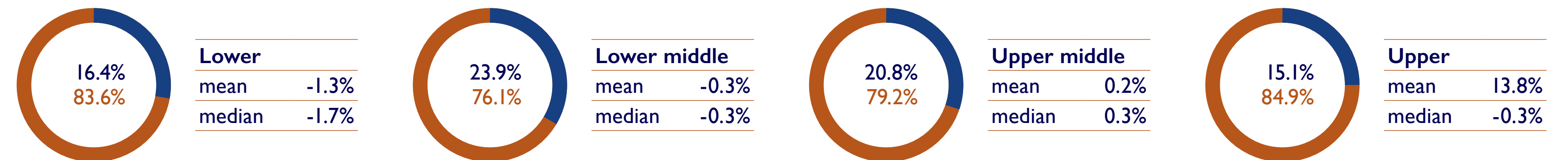


Median

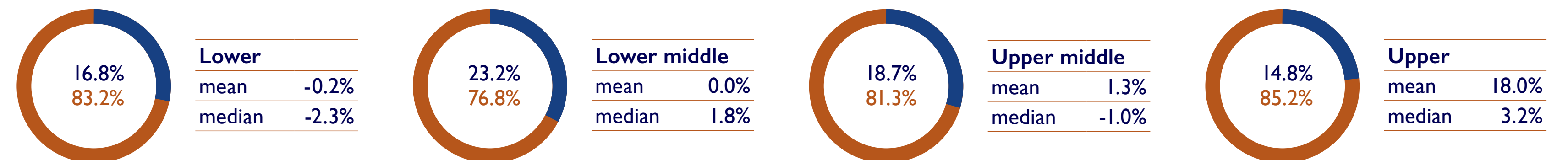


Percentage of ethnic minority and white employees in each quartile pay band

2021

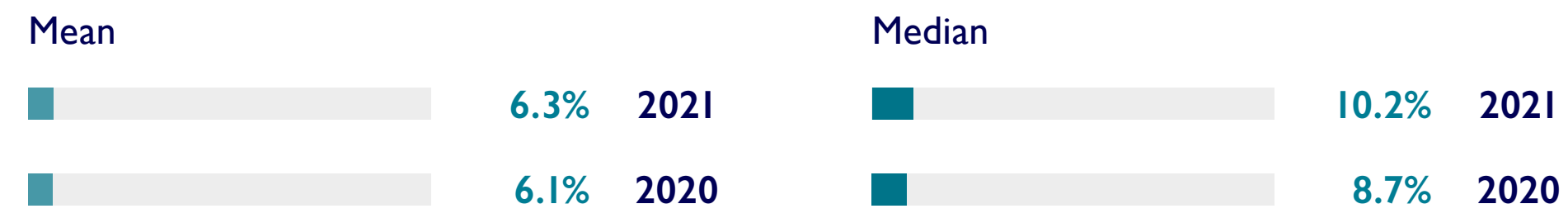


2020

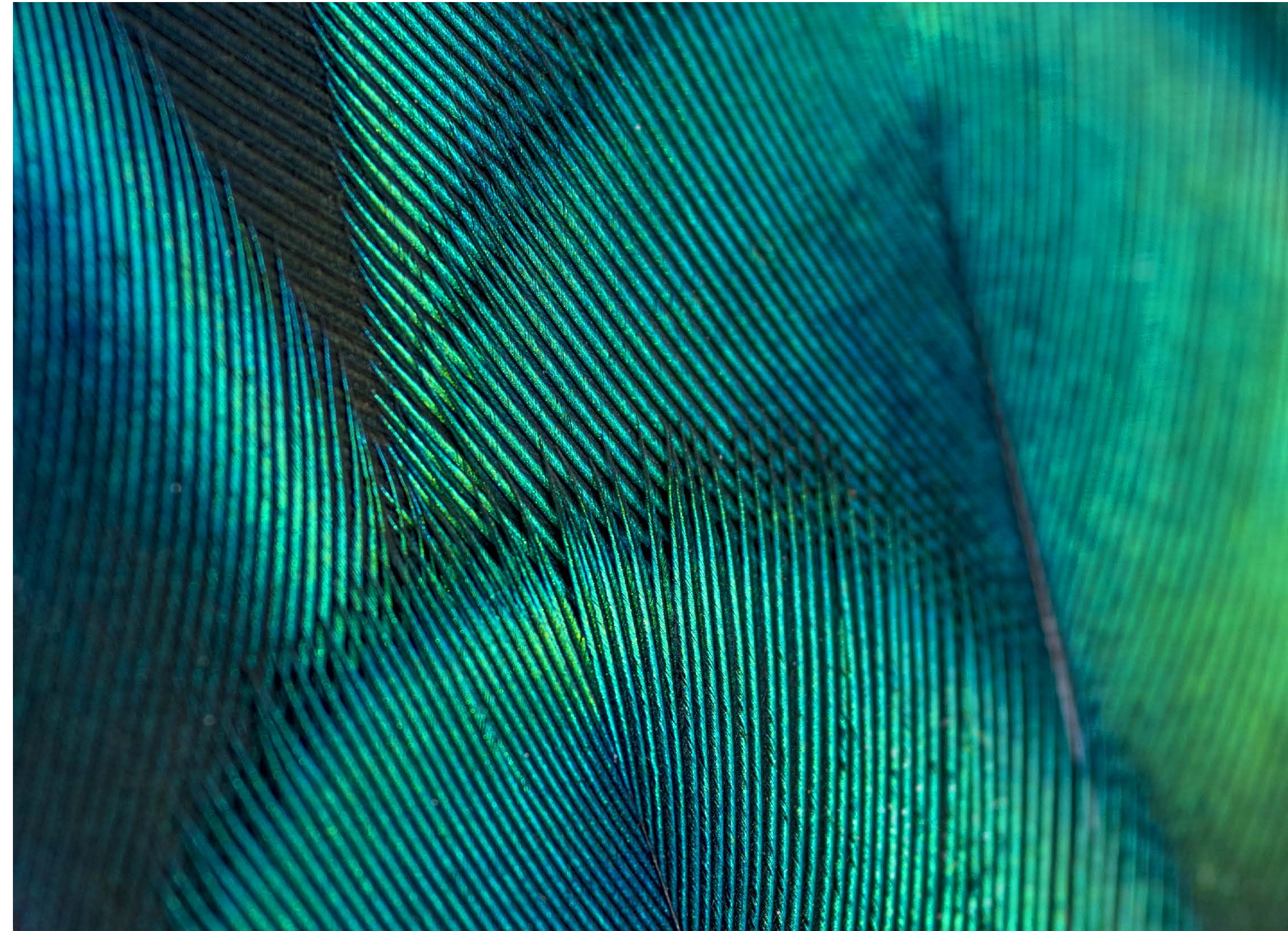
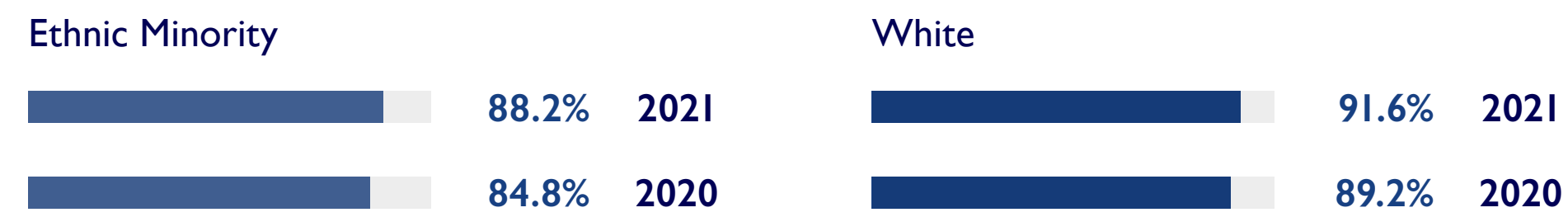


Ethnicity Bonus Gap Summary

Annual bonus gap



Proportion of ethnic minority and white employees who received bonus pay in the pay period

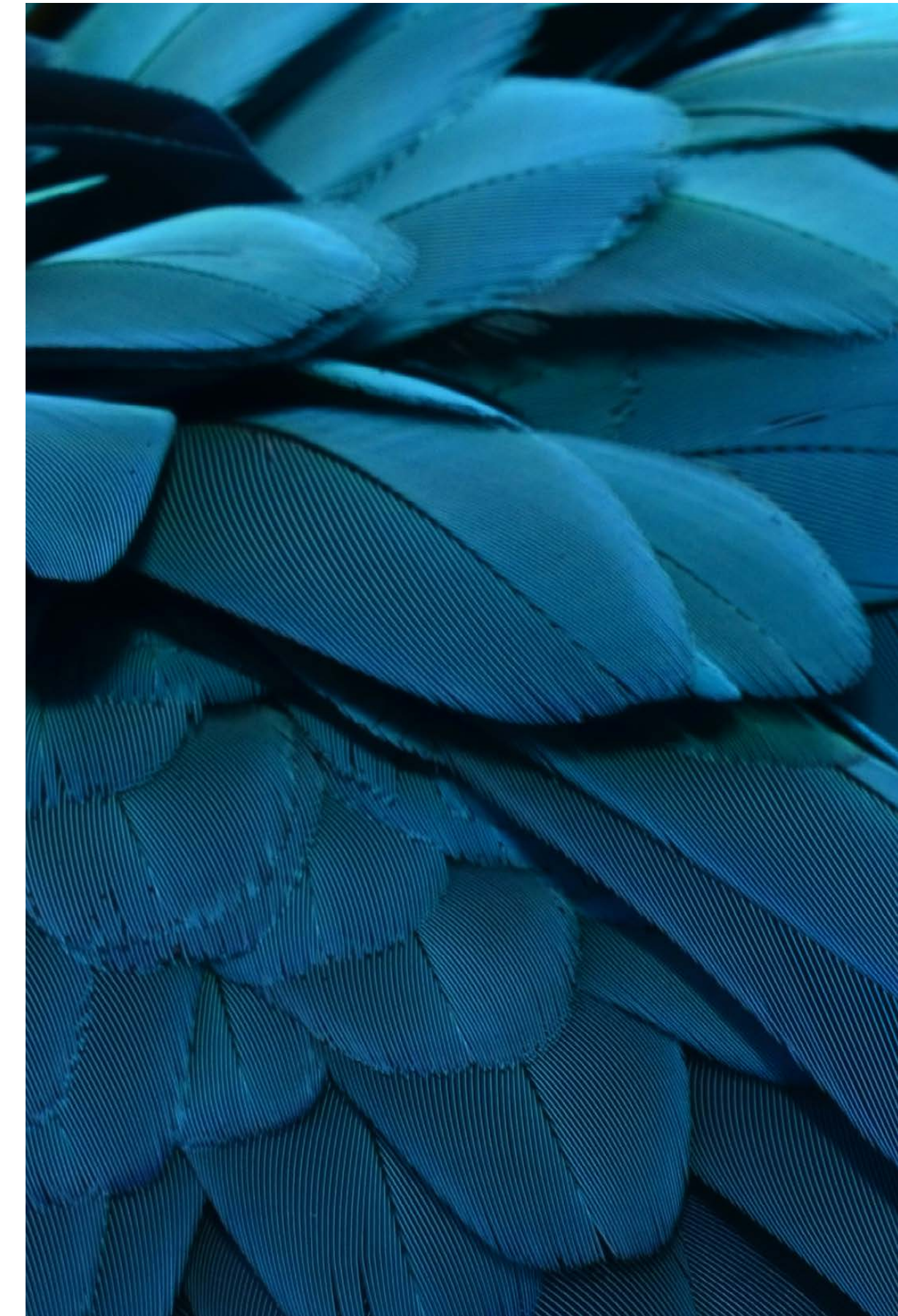
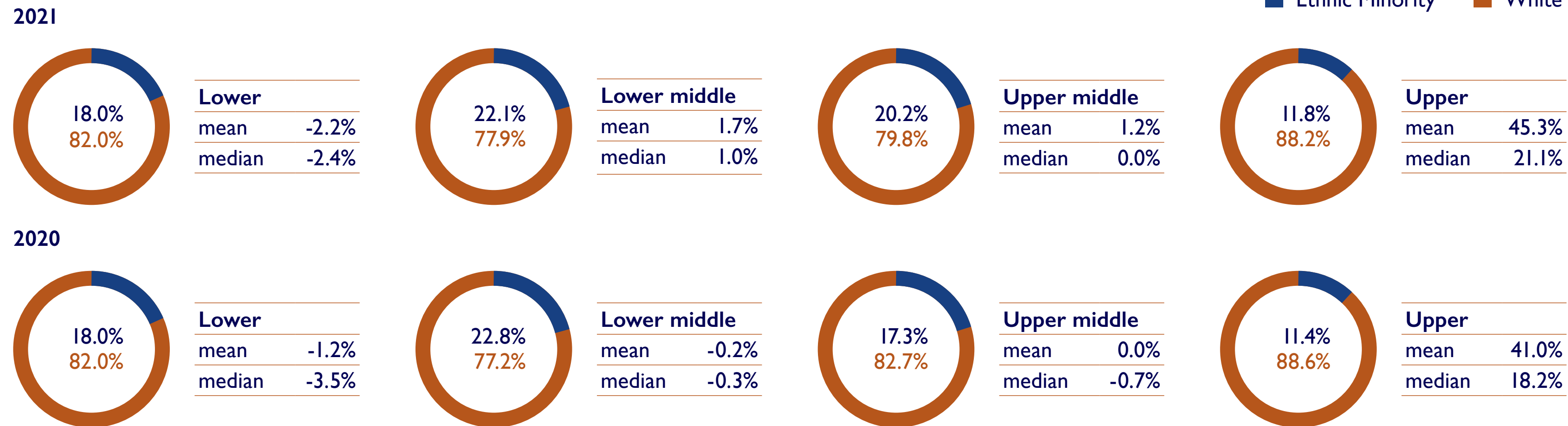


Ethnic Minority Employees and Partners Combined

Hourly pay gap



Percentage of ethnic minority and white employees and partners in each quartile pay band



Raising the Bar on Diversity and Inclusion

Gender and ethnicity continues to be a key priority for our diversity and inclusion strategy, including our work to reduce the gender and ethnicity pay gap. That strategy does, however, have a broader focus than gender and ethnicity and a more detailed plan can be found in our Responsible Business Report 2021. This highlights some of our strategic and operational activities that we are undertaking to enable all employees to thrive and realise their potential.

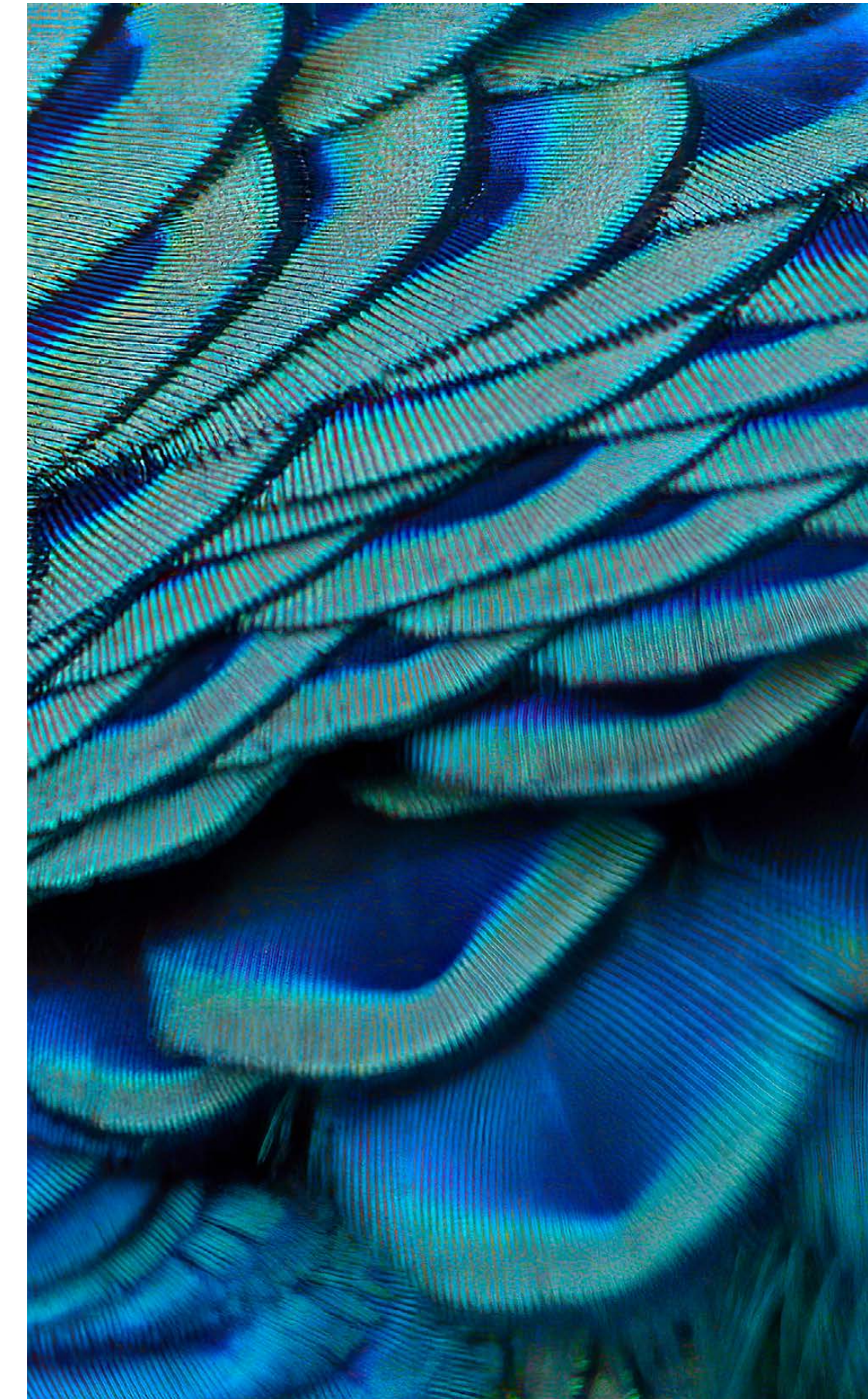
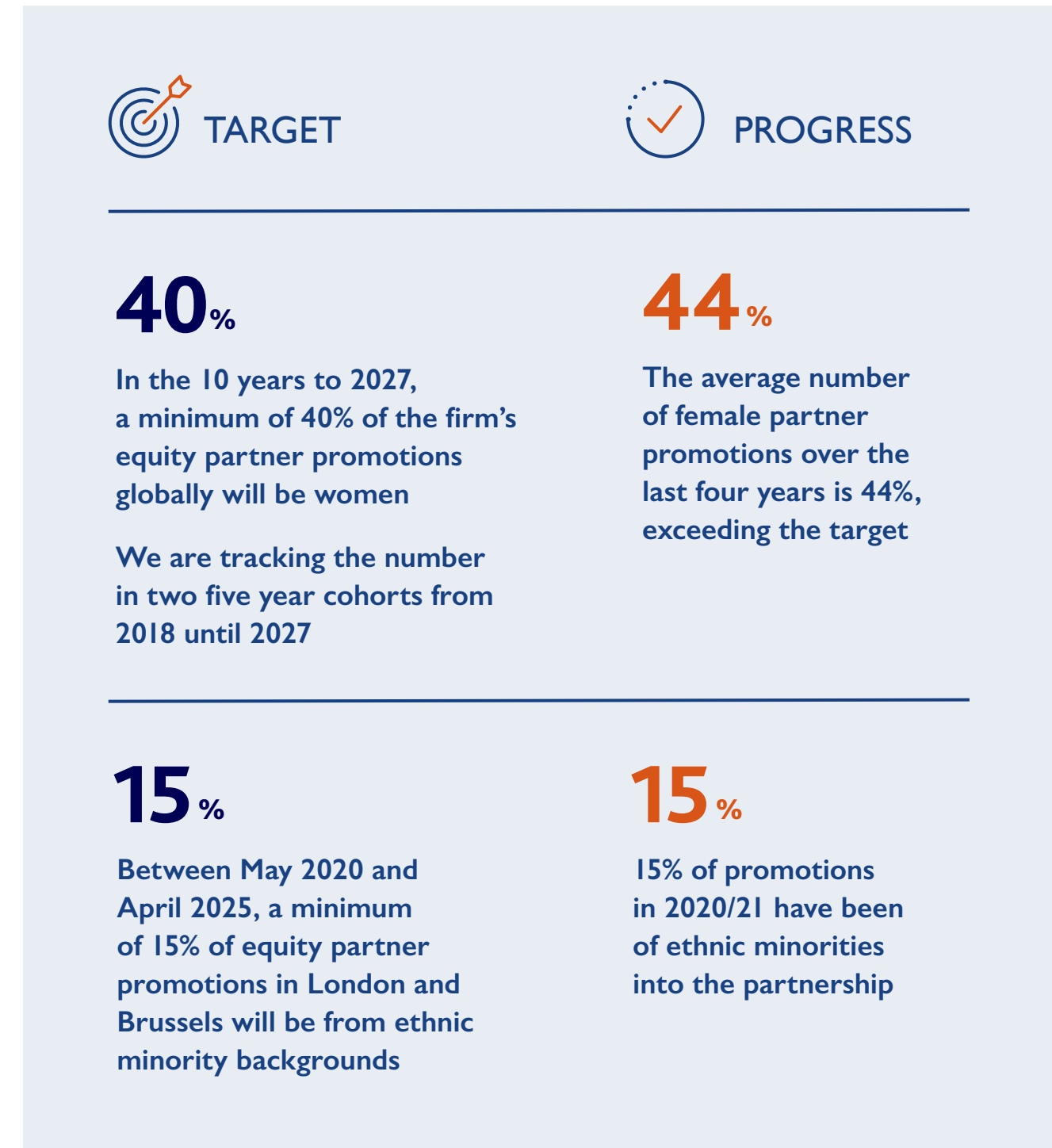
We are committed to increase the representation of women and ethnic minorities in the partnership. We know there is a lot more we can be doing as a business to increase diversity internally, which is why we have committed to do better and in May 2021 we publicly announced an ambitious, but necessary, target at partner level.

We have detailed gender and ethnicity action plans to support our efforts to bring about the necessary change.

“ Closing pay gaps requires us to have diverse representation at every level of the firm. We are making progress, but we will continue to strive to achieve more. We are committed to sharing a work environment where everyone feels their contribution is valued.

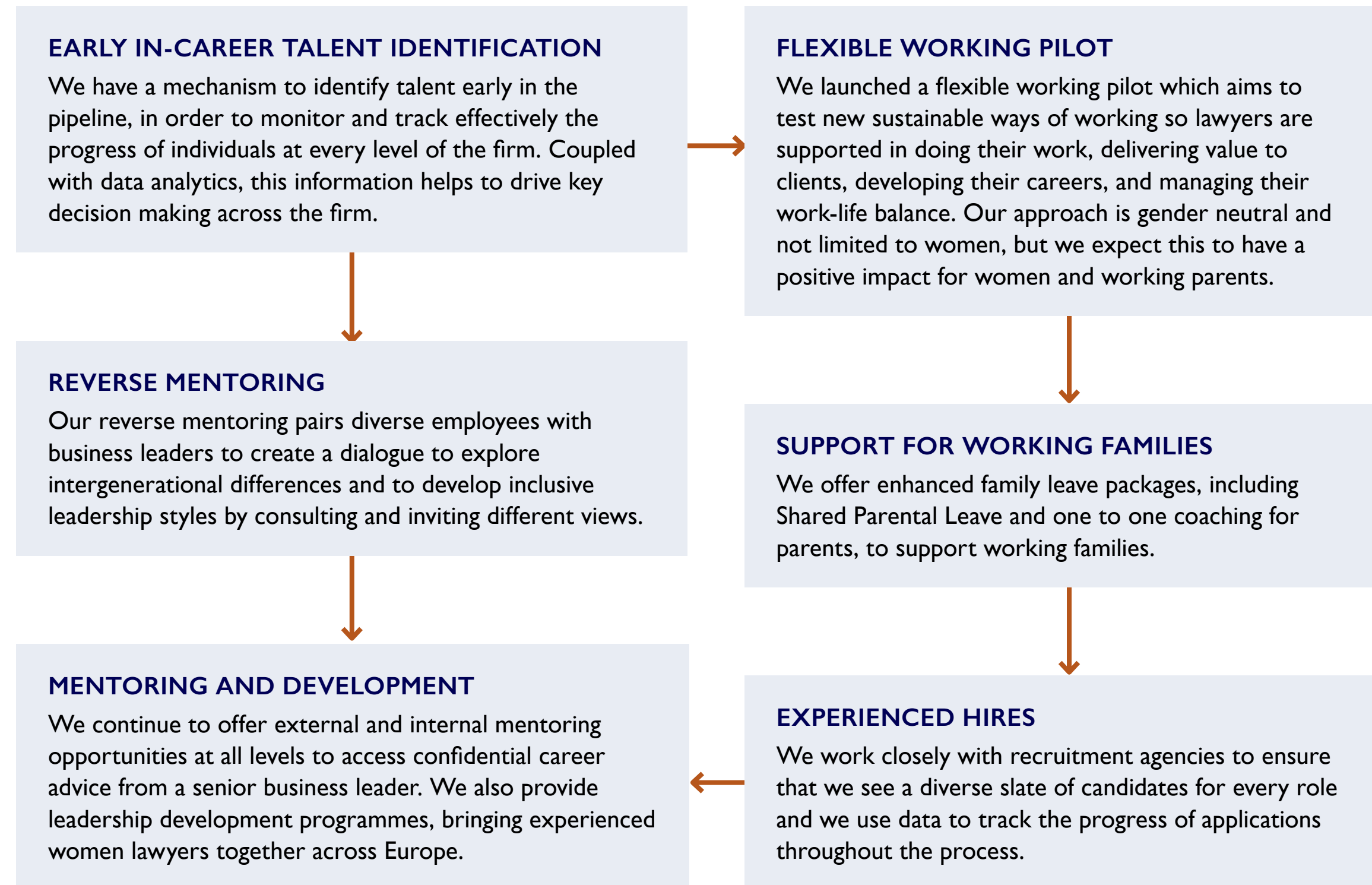


Jane Edwarde, Partner



Gender Balance Action Plan

We know having more women in senior positions helps drive business performance and our commitment to gender equality is stronger than ever. We have in place a comprehensive six point plan to achieve better gender balance at all levels of the firm. This includes:



LEADERSHIP FIGURES AS OF 1 MAY 2021

22% of our global partnership is made up of women

20% of our London and Brussels partnership is made up of women

44% of promotions to partnership over the last four years on average have been women

75% of our Business Services senior leaders are women

45% of our partnership board is made up of women

80% of our operating committee is made up of women


Race Fairness Action Plan

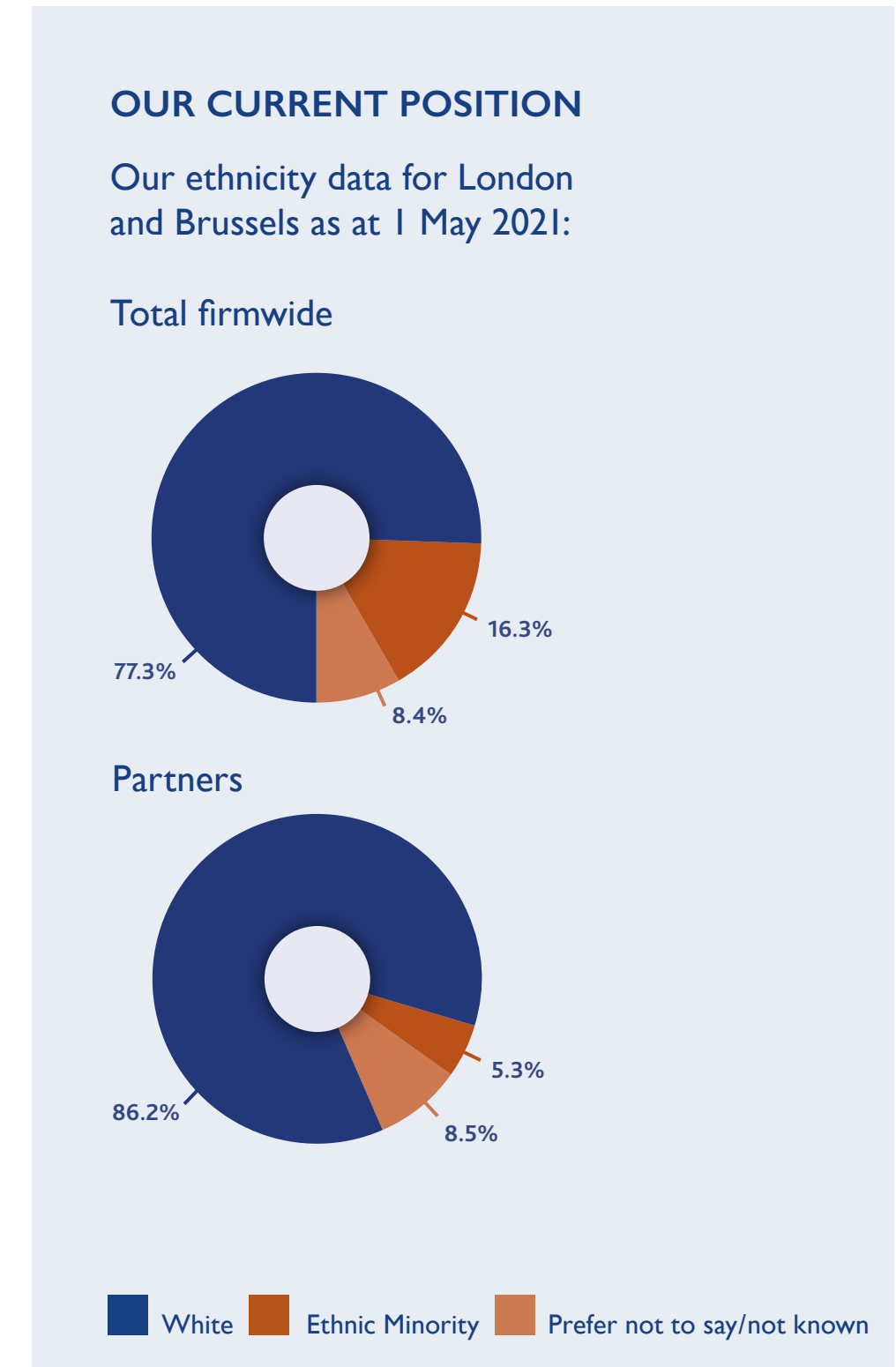
Following the anti-racism protests in summer 2020, we accelerated our existing Race Fairness Action Plan to bring about change. We have a four point approach to recruiting, retaining and promoting ethnic minority talent and have a number of actions we have already taken to ensure that we fulfil our commitments to the Race Fairness Commitment and The Sunday Times Open Letter.

“ We are a people business and creating a culture of belonging is essential to our success. Our Race Action Plan sets out our commitment to improving the experiences of people from ethnic minority backgrounds, from recruitment all the way through their careers with us.



Samay Shah, Partner

 <p>LEADERSHIP, GOVERNANCE AND DATA</p> <p>We have established a partner-led working group on race fairness in order to drive progress against our commitments. A key metric to measuring our progress is adopting a data driven approach, where we conduct regular data scrutiny, to ensure our policies and practices are set up to enable all of our people to thrive.</p>	 <p>FAIR AND OBJECTIVE PROCESSES</p> <p>We have conducted a review of our key people policies and practices across recruitment, retention and promotion, and put in place action to mitigate adverse impact relating to race and ethnicity.</p>
 <p>CULTURE AND BEHAVIOUR</p> <p>We are focused on creating a shared understanding and language around race and ethnicity. For example, we have developed a number of structured learning and development programmes, including an Inclusion Allies training programme focused on race and ethnicity, with practical actions for allies to take forward.</p>	 <p>WORK WITH INDIVIDUALS</p> <p>We have a number of support mechanisms in place to ensure individuals from underrepresented groups are given development opportunities to fulfil their potential.</p>



Diversity and Inclusion Highlights

- Ranked 27th in the 2021 Social Mobility Employers Index**

Created by the Social Mobility Foundation in the UK, employers are ranked on the actions they are taking to ensure they are open to accessing and progressing talent from all class backgrounds.
- CMHA Thriving at Work Accreditation 2021 – Excelling**

The City Mental Health Alliance (CMHA) assessment aims to help organisations measure their progress as they work to build mentally healthy workplaces. In February 2021, we were awarded the Excelling Accreditation for the second year running.
- Ranked 8th in the 2022 Stonewall Top 100 Employers’ Index**

This annual submission covers a detailed analysis of organisations’ LGBT+ inclusion activity by Stonewall.
- Founding partner of the Race Fairness Commitment**

Designed by Rare Recruitment to help firms create a fair, inclusive work environment for Black and ethnic minority employees, and opportunities for everyone, from all backgrounds, to succeed.
- Founding partner of the Recruitment Agency Race Fairness Commitment**

Created in partnership with Race Recruitment to hold our recruitment agency partners accountable and ensure they are providing equal and fair opportunities to candidates from Black and ethnic minority backgrounds.
- Signatories to the Open Letter authored by Audeliss and INvolve**

Published in The Sunday Times and signed by more than 30 CEOs, the letter addresses the need to hold employers to account and ensure commitment to long-term, tangible measures on Black inclusion.

