

# CLYDE&CO

## UK Pay Report 2021

We are pleased to publish Clyde & Co's UK pay reports for the year ending April 2021 in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

At Clyde & Co, we are committed to improving Diversity and Inclusion at every level of our business. Each year we continue to focus on actions and progress that will help us to ensure that we recruit, retain, and promote the best people for the right roles, regardless of gender or background. Our aim is to create a diverse and inclusive global workplace where everyone can reach their full potential.

This report contains statutory reporting for each of Clyde & Co's three UK legal entities – Clyde & Co Services (our largest UK entity), Clyde & Co

Claims, and Clyde & Co Scotland (See pages 3 & 4). This year, we have again included information that goes beyond our statutory reporting obligations to help provide a full picture of the firm's pay gaps. This includes partner figures so that we can publish an overall 'all firm' pay gap for all our UK-based partners and staff, as well as details of our ethnicity pay gap.

### Clyde & Co combined figures

As partners are remunerated differently to employees, we have calculated our combined figures by looking at total annual FTE earnings for all UK partners, including profit share and bonuses, and total FTE pay and bonuses for all UK employees. The hourly pay rate values for employees have been annualised and added to bonuses to reach total annual FTE earnings.

*Last year's figures are in brackets and have been updated to ensure consistency in approach year-on-year.*

### Partner and employee pay gap combined

Overall pay gap for the entire UK firm including partners

	Mean	Median
Total compensation	54.9% (57.5%)	39.9% (41.0%)

### Partner pay gap

Overall pay gap for partners

	Mean	Median
Total compensation (all partner)	35.1% (27.7%)	40.2% (38.1%)
Senior Equity Partner	5.0% (3.6%)	-11.5% (-5.1%)
Equity Partner	15.5% (9.6%)	10.2% (7.1%)



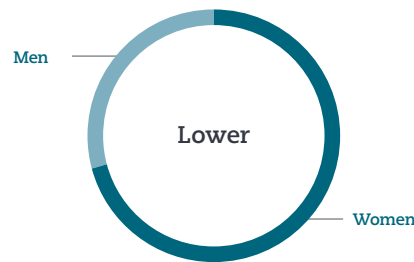
**Pay quartiles – Clyde & Co (combined UK entities) all employees and partners**

This chart shows the gender distribution at Clyde & Co across four equally-sized quartiles with the corresponding gender mean pay gap within each quartile. The pay gap is based on a full time equivalent (FTE) basis.

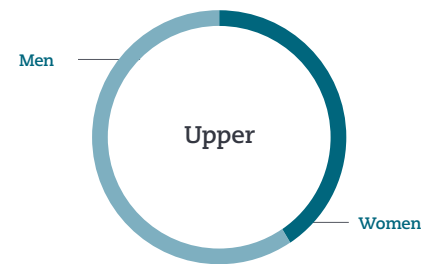
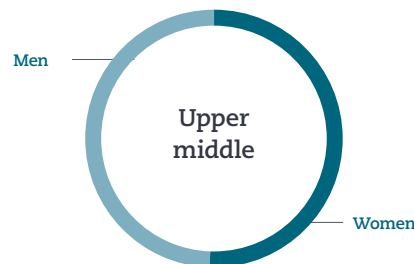
*Bracketed values represent last year's figures*

Pay quartiles for entire UK firm including partners

	Lower	Lower middle	Upper middle	Upper
Women	71% (76%)	67% (70%)	51% (51%)	37% (37%)
Men	29% (24%)	33% (30%)	49% (49%)	63% (63%)



Mean pay gap by quartile	5.1% (1.9%)	1.6% (1.4%)
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Mean pay gap by quartile	0.1% (0.2%)	42.6% (42.5%)
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# Employees only by Entity – Services, Claims, and Scotland

## Clyde & Co Services

Pay and bonus gap – differences between men and women

Proportion of men and women receiving a bonus

Pay quartiles



	Mean	Median	W	M		Lower	Lower middle	Upper middle	Upper
Hourly pay	18.7% (22.4%)	32.6% (36.4%)			Women	73% (76%)	65% (71%)	49% (48%)	52% (52%)
Bonus	50.0% (40.9%)	27.7% (20.0%)	Women	32.7% (41.06%)	Men	27% (24%)	35% (29%)	51% (52%)	48% (48%)
			Men	34.2% (42.0%)	Mean pay gap within quartile	-1.3% (-1.0%)	3.4% (5.6%)	-1.1% (-1.5%)	7.9% (9.5%)

## Clyde & Co Claims

Pay and bonus gap – differences between men and women

Proportion of men and women receiving a bonus

Pay quartiles

	Mean	Median	W	M		Lower	Lower middle	Upper middle	Upper
Hourly pay	12.0% (14.5%)	15.2% (20.5%)			Women	67% (67%)	70% (74%)	51% (51%)	52% (51%)
Bonus	18.9% (9.1%)	51.0% (20.0%)	Women	38.7% (36.4%)	Men	33% (33%)	30% (26%)	49% (49%)	48% (49%)
			Men	35.5% (43.6%)	Mean pay gap within quartile	-1.4% (-0.2%)	1.8% (3.0%)	-1.0% (1.3%)	-1.4% (-0.3%)

Bracketed values represent last year's figures

## Employees only by Entity – Services, Claims, and Scotland

### Clyde & Co Scotland

Pay and bonus gap – differences between men and women

Proportion of men and women receiving a bonus

Pay quartiles

	Mean	Median	w			Lower	Lower middle	Upper middle	Upper
Hourly pay	2.8% (11.9%)	11.7% (15.2%)	M		Women	61% (71%)	84% (84%)	66% (73%)	64% (63%)
Bonus	16.0% (-33.9%)	10.8% (-9.5%)	Women		Men	39% (29%)	16% (16%)	34% (27%)	36% (37%)
			Men		Mean pay gap within quartile	-0.6% (5.9%)	-3.5% (-5.8%)	3.0% (-0.7%)	-0.6% (7.1%)

Bracketed values represent last year's figures

## Understanding our pay and bonus gaps

We are confident that we pay men and women fairly for equivalent roles and in 2021 we are pleased to see a small improvement in the pay gap (salary, profit share and bonus) percentage for all employees and partners combined.

Our ordinary pay (salary) gap level has also continued to narrow across all three of Clyde & Co's entities - Claims, Services, and Scotland. This year's gap percentages represent the lowest values since reporting began.

Overall the gap percentages do remain high, but they are reducing steadily year-on-year and are consistent with other law firms which publish their partner data.

### Partner pay gap

- Our overall gender pay gap is higher when partners are included. This is because, like many law firms, we have a higher proportion of men than women in our partnership, as well as a higher proportion of men in senior partnership positions.
- However, when we look at our two partner groups (Senior Equity and Equity) independently, the gap for annual FTE earnings is significantly smaller and starting to narrow, reflecting more consistent gender pay levels within these groups. In addition, it is positive to see the proportions of females increase from 29% in 2020 to 36% in 2021 at Equity Partner level, and from 12% in 2020 to 13% in 2021 at Senior Equity Partner level.

### Bonus pay gap

- We continue to implement measures that enhance and standardise the bonus schemes available at the firm. Measures include introducing more bonus opportunities within our business services department, in which 57% of staff are women.

- Our bonus pay gap has marginally widened in 2021 due to two main factors: in Services more senior fee earning men were eligible for additional contractual bonuses; and slightly fewer females were in the highest bonus earning bracket compared to 2020.
- In Scotland, the planned departure of the Residential Property team, which had a high proportion of senior females, has also caused both the salary and bonus pay gap to widen compared to previous years.
- Meanwhile, the majority of the bonus pay gap is a result of the structural factor referred to above, as the concentration of men in senior roles receiving higher bonuses widens the bonus gap. In addition, significantly more of our female staff work on a part-time basis than our male staff, which has had some impact on our bonus gaps because we have to report on bonus figures based on actual amounts paid and not on a full-time equivalent basis.

### Pay quartiles

- The gender pay gap for each of our pay quartiles is smaller than our overall average, with the exception of the upper fourth quartile.
- The pay gap in most of our quartiles is small, yet we still have work to do to close the gap in the upper quartile. Even so figures this year do show a continued improvement, and this is the second year in a row the gap has fallen below 10% in the upper quartile. This is largely due to 64% of 2021 new senior hires in Services being female. When partners are excluded, the gap in the upper quartile for the whole firm combined is 5.7%.
- Gaps between the quartiles are caused by the fact that the roles that sit within the lower quartiles are predominantly secretarial and junior business services positions, many of which are held by women.

## Ethnicity pay gap

### Clyde & Co (combined UK entities) all employees and partners

Our ethnicity pay gap shows the difference in average total annual earnings between the firm's Black and Ethnic Minority population and its White population. The gap has been calculated on the same basis as our gender pay gap. The figures are based on 90% of our people in the UK who have recorded their ethnicity, of which 13% were Black or Ethnic Minority.

This is the second year we have reported our ethnicity pay gap and it remains relatively consistent. The structural factor at Clyde & Co referred to earlier in this report also applies to our ethnicity pay gap, where we have a smaller Black and Ethnic Minority population in senior fee earning positions than in more junior positions.

*Bracketed values represent last year's figures*

Ethnicity	Headcount	Total compensation pay gap	
		Mean	Median
Black and Ethnic Minority	252	31% (28.6%)	1% (4%)
White	1472	-	-

### Pay quartiles for entire UK firm including partners

	Lower	Lower middle	Upper middle	Upper
Black and Ethnic Minority	14% (14%)	16% (15%)	18% (16%)	10% (9%)
White	86% (86%)	84% (85%)	82% (84%)	90% (91%)
Mean pay gap by quartile	-3.8% (-3.4%)	-0.8% (-1.3%)	0.9% (1.2%)	37.3% (28.5%)



## Closing the pay gaps at Clyde & Co

We continually track our progress and identify any areas that we need to improve on in order to help us close our pay gaps.

This is an area of long-term strategic importance to us and we recognise that closing our pay gaps requires sustained activity and focus. There is much more to be done but we are, however, making improvements through various initiatives across the firm, many of which have started to make a noticeable difference.

These are some of the measures we are taking and commitments we have made to address our gender and ethnicity pay gaps and diversity more broadly.

### Clyde & Co Initiatives

- We continue to apply a rigorous approach to the gender mix of candidates at all levels during our **recruitment** processes and promotion to partnership. This includes 50:50 shortlist targets for senior roles. While there is still work to be done in this area, we are pleased to have made progress with regard to diversity at the global and regional board levels and among our senior management team.

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# 65%

of new senior hires in our Services entity were women in the financial year 2020/21

- We are committed to providing fair and competitive **rewards** to all our people irrespective of gender and ethnicity, and actively review our talent identification, annual performance, pay, and bonus activities to ensure fairness in the process and in outcomes.
- Our continued efforts to ensure that all high potential fee earners have equal access to our **Senior Leadership Programme** designed to help participants reach the partnership. The same applies to our **Global Associate Programme**, which gives associates international experience. However in 2021 this programme was limited due to the COVID-19 pandemic.
- We run a wide variety of **leadership training** programmes which have a large proportion of female course attendants, with an average of 60% across all the courses. We have some work to do to encourage participation from Black and Ethnic Minority staff, but attendance does reflect the ratio of Black and Ethnic Minority staff across the whole firm.



- We have created a new **Global Diversity & Inclusion Steering Group** to help embed Diversity & Inclusion (D&I) in our culture and in every aspect and every region of the firm.
- Our **Gender Equality Network (GECCO)** organised a series of ‘Demystifying the Partnership’ webinars with partners talking about their experiences of the partner promotion process and what life is like as a partner.
- Our **Achieving Cultural and Ethnic Diversity (ACED)** network seeks to address and tackle issues relevant to ethnically diverse employees while providing all members of staff a place to share and celebrate their culture and ethnicity. The network has organised a number of events to raise awareness and educate staff, including webinars for Black History Month and a session on tackling Anti-Asian Prejudice. ACED has supported the implementation of The Halo Code, the UK’s first Black hair code aimed at tackling and preventing instances of hair discrimination in the workplace.

- We run a **Global Mentoring Programme** that partners mentors and mentees from across the firm. We encourage participation of all partners and employees who can benefit from career development, learning a new skill, or gaining wisdom from others. In 2021, the overwhelming majority of participants were female with 73.8% female mentees and 60% female mentors. We are pleased to see the ratio of the firm’s Black and Ethnic Minority population is also reflected in their participation in the mentoring programme.

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73%

Number of female mentees in our Global Mentoring Programme in 2021

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60%

Number of female mentors in 2021

- Our **Reverse Mentoring** scheme launched in the UK and North America in late 2020, which flips the traditional mentoring hierarchy to focus on developing mutually beneficial mentoring relationships between senior staff and underrepresented individuals, has helped to deepen the understanding of diversity and inclusion issues in addition to career development opportunities.
- In 2021, we launched the **Clyde & Co Academy**, a new programme designed to give students of under-represented ethnic, cultural and racial backgrounds the chance to gain new skills, connections and knowledge to succeed in a career in law.
- Our **Bright Futures** programme is a nine-month programme which offers first-year law students and penultimate-year non-law students the opportunity to gain an insight into life at an international law firm. It is aimed at candidates who are from lower socioeconomic status groups looking for their first taste of life in a large commercial law firm.
- Our **Bridge to the City** work experience programme in London aims to help young people from less advantaged backgrounds improve their understanding of professional careers and enhance their employability skills.





### Partnerships

- We have signed up to the **Mansfield Rule UK** pilot (one of 15 UK firms involved). The goal of the Mansfield Rule is to achieve greater diversity in leadership and governance roles within law firms. In order to achieve certification, we must affirmatively consider at least 30% female lawyers and lawyers from under-represented groups for governance and leadership roles, in lateral hiring and Business Development activity.

# 1 of 15

One of 15 UK firms involved with the Mansfield Rule UK pilot

- We continue to support working parents through our partnership with **My Family Care**, which provides all UK employees with access to an online portal, funded emergency backup care sessions, and parental leave toolkits. We also continue to run Keeping in Touch days enabling female and male employees on parental leave to network and share experiences. During the pandemic we enhanced our Domestic and Family Emergency Leave, enabling our people additional time off to manage caring commitments.
- We are a member of the **Law Firm Anti-Racism Alliance**, through which we are working with other law firms to identify and dismantle racial inequality in the industry.
- We are signed up to the **Social Mobility Pledge** to offer opportunities to young people from disadvantaged backgrounds. For the first time, Clyde & Co has been placed in the top 75 employers, at number 53.

- We continue to be part of the **Rare Race Fairness Commitment**, which involves reporting on a range of data and implementing measures to combat career obstacles faced by Black and Ethnic Minority lawyers. To help us to understand our people's lived experiences we have recently run a series of inclusion focus groups.
- We have partnered with **Rare Recruitment** to use its pioneering Contextual Recruitment System (CRS). The system provides real time contextual information allowing us to identify exceptional candidates we might otherwise miss. The CRS measures each candidate's achievements against Rare's comprehensive datasets and classification systems. Rare says that firms using its CRS hire 61% more people from disadvantaged backgrounds.
- Our partnerships with **Aspiring Solicitors, The Bright Network** and **myGwork** help us to reach candidates from diverse backgrounds.

We confirm that the data reported are accurate



**Robert Hill**  
Chair of the UK Board



**Lisa Collins**  
HR Director (UK)