

CLYDE&CO

UK Pay Report 2022

This report contains Clyde & Co's UK pay reports for the year ending April 2022 in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017

It includes 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.

We have also added information that goes beyond statutory reporting requirements to provide a broader view of the firm's pay gaps. This includes partner data so that we can report a pay gap for all our UK-based partners and staff combined, as well as details of our ethnicity pay gap.

Diversity and inclusion (D&I) is a core part of Clyde & Co's Responsible

Business programme. We recognise not only the moral imperative, but also the positive impact a diverse and inclusive global workforce and workplace can have on our people at every level of our business. We continue to make progress in embedding these values guided by our Global D&I steering group. Our aim is to ensure Clyde & Co is a workplace where everyone can reach their full potential, regardless of gender or background.

Clyde & Co combined pay gap figures

Clyde & Co's combined pay gap figures are calculated using a total annual Full Time Equivalent (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.

Overall pay gap

Overall pay gap for the entire UK firm including partners

	Mean	Median
Total compensation	50.7% (54.9%)	40.2% (39.9%)

Partner pay gap

Overall pay gap for partners

	Mean	Median
Total compensation (all partners)	30.0% (35.1%)	29.4% (40.2%)
Senior Equity Partners	4.9% (5.0%)	6.5% (-11.5%)
Equity Partners	4.6% (15.5%)	4.1% (10.2%)

Bracketed values represent last year's figures

UK Pay Report 2022

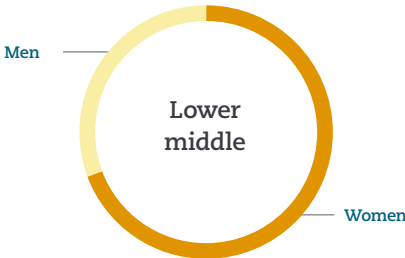
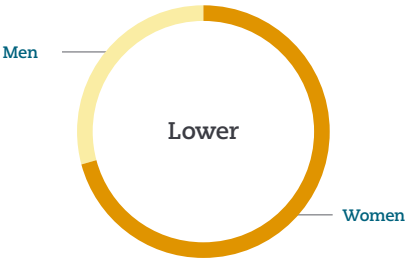
Pay quartiles – Clyde & Co (combined UK entities) all employees and partners

This table and charts show Clyde & Co's gender distribution across four equally sized quartiles and the corresponding gender mean pay gap within each quartile.

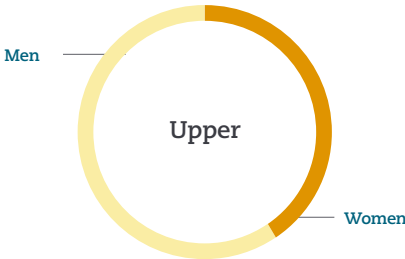
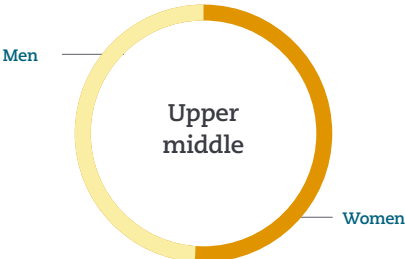
The pay gap is based on a FTE basis.

Pay quartile for entire UK firm including partners

	Lower	Lower middle	Upper middle	Upper
Women	71% (71%)	67% (67%)	55% (51%)	38% (37%)
Men	29% (29%)	33% (33%)	45% (49%)	62% (63%)



Mean pay gap quartile	3.7% (5.1%)	0.5% (1.6%)
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Mean pay gap quartile	-0.2% (0.1%)	35.9% (42.6%)
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Bracketed values represent last year's figures

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	25.0% (18.7%)	33.8% (32.6%)			Women	74% (73%)	66% (65%)	56% (49%)	48% (52%)
Bonus	47.7% (50.0%)	36.3% (27.7%)	Women	74.2% (32.7%)	Men	26% (27%)	34% (35%)	44% (51%)	52% (48%)
			Men	75.8% (34.2%)	Mean pay gap within quartile	-1.4% (-1.3%)	2.4% (3.4%)	-0.4% (-1.1%)	10.2% (7.9%)

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	14.5% (12.0%)	17.9% (15.2%)			Women	67% (67%)	68% (70%)	55% (51%)	45% (52%)
Bonus	17.3% (18.9%)	25.7% (51.0%)	Women	81.8% (38.7%)	Men	33% (33%)	32% (30%)	45% (49%)	55% (48%)
			Men	89.7% (35.5%)	Mean pay gap within quartile	0.1% (-1.4%)	3.0% (1.8%)	-0.9% (-1.0%)	2.3% (-1.4%)

Bracketed values represent last year's figures

Employees only by entity

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	-4.0% (2.8%)	-1.5% (11.7%)	M		Women	57% (61%)	71% (84%)	67% (66%)	62% (64%)
Bonus	13.7% (16.0%)	7.4% (10.8%)	Women	73.8% (36.9%)	Men	43% (39%)	29% (16%)	33% (34%)	38% (36%)
			Men	92.0% (39.2%)	Mean pay gap within quartile	-2.5% (-0.6%)	-3.3% (-3.5%)	2.8% (3.0%)	-6.3% (-0.6%)

Understanding our pay and bonus gaps

In 2022, we are pleased to see a continued incremental improvement year on year in the mean pay gap (salary, profit share and bonus) percentage for all employees and partners combined.

Our overall pay gap percentages do remain high, but the gap continues to gradually reduce every year and Clyde & Co's data is consistent with other law firms that publish their partner data.

Partner pay gap

- When partners are included in the data, our overall gender pay gap is higher than for employees only. This is due to a higher proportion of men than women in our partnership, particularly in senior partnership roles.
- However, the overall pay gap for partners has decreased this year. This is particularly notable among Equity Partners where we have seen the pay gap close significantly. There has been an increase in the Senior Equity Partner median pay gap due to a higher proportion of men being promoted and hired into senior partnership positions.
- It is positive to see the proportions of females increase from 36% in 2021 to 37% in 2022 at Equity Partner level, and from 13% in 2021 to 14.4% in 2022 at Senior Equity Partner level.

Bonus pay gap

- During FY 2021/22, we awarded a discretionary bonus to more of our people to reward them for their contribution to the firm. This has approximately doubled the number of employees receiving a bonus across all three of our UK entities (Services, Claims and Scotland) when compared to the previous year.
- The bonus pay gap in Services is a result of a higher concentration of men in senior roles receiving higher bonuses. In addition, more female staff work on a part-time basis than male staff. This impacts our bonus pay gap because we report on bonus figures based on actual amounts paid and not on a full-time equivalent basis.
- In Claims we have seen an improved median bonus pay gap because more of our people received a discretionary bonus. In Scotland the bonus pay gap has improved substantially due to the fact that the majority of the workforce are women and the overall size of the population slightly decreased in 2022.
- We continue to review our bonus schemes to ensure they are improved and standardised, including introducing more bonus opportunities particularly in Services where most of our employees are women.

Pay quartiles

- The mean pay gap across our pay quartiles (combined UK entities and all employees and partners) remains small, has largely improved, and is less than our overall average. However, while we are pleased to see an improvement, we still have work to do to close the gap in the upper quartile.
- Within our Services and Claims entities the upper quartile mean pay gap has widened marginally. However, in Scotland we are pleased to see it continuing to decrease this year due to the same factors mentioned in relation to the improvement in the bonus pay gap.
- 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

2022 is the third year we have reported our ethnicity pay gap. It is calculated on the same basis as our gender pay gap and shows the difference in average total annual earnings (ordinary pay and discretionary pay) between the firm's Black and Ethnic Minority population and its White population. The figures are based on 84% of our people in the UK who have recorded their ethnicity, of which 15% were Black or Ethnic Minority.

The data is relatively consistent and reflects the structural factor behind Clyde & Co's gender pay gap, where we have a smaller Black and Ethnic Minority population in senior fee earning positions. The median total pay gap has increased slightly, since we awarded a discretionary bonus to more of our people to reward them for their contribution to the firm.

Bracketed values represent last year's figures

Total compensation pay gap

Ethnicity	Headcount	Mean	Median
Black and Ethnic Minority	264	33.3% (31%)	10.8% (1%)
White	1426	–	–

Pay quartiles for entire UK firm including partners

	Lower	Lower middle	Upper middle	Upper
Black and Ethnic Minority	15% (14%)	18% (16%)	19% (18%)	9% (10%)
White	85% (86%)	82% (84%)	81% (82%)	91% (90%)
Mean pay gap by quartile	-3.5% (-3.8%)	-1.0% (-0.8%)	-2.6% (0.9%)	33.7% (37.3%)

Closing the pay gaps at Clyde & Co

At Clyde & Co we are committed to tracking our progress and reviewing how we can improve our pay gaps over the long term. The following initiatives and partnerships summarise how we are making improvements to address our gender and ethnicity pay gaps and diversity overall.

Recruiting and retaining senior women

- Our **recruitment and promotion** to partnership processes have a rigorous approach to ensure the gender mix of candidates at all levels, including 50:50 shortlist targets for senior roles.
- We have embedded D&I into all our internal people processes including **promotions** to Legal Director and Partner and our **Career Development Framework** for all levels and roles.
- We have successfully achieved **Mansfield Rule** certification for the first time in the UK and were one of 15 firms involved in the pilot. To achieve certification, we must affirmatively consider at least 30% lawyers from under-represented groups for governance and leadership roles, in lateral hiring and Business Development activity.

30%

female lawyers and lawyers from under-represented groups for governance and leadership roles

- We continue to make sure there is equal access to our **Senior Leadership Programme** and **Global Associate Programme**.
- We run a **Global Mentoring Programme** for all partners and employees who can benefit from career development, learning a new skill, or gaining wisdom from others. In 2022, the majority of participants were female.
- We regularly review our annual performance, pay, bonuses, and talent programmes to scrutinise and ensure **reward equality**.

Closing the pay gaps at Clyde & Co

Encouraging diversity

- In addition to our Global D&I Steering Group, we are implementing **Regional D&I Steering Groups** to further embed D&I into our culture and focus on areas specific to each region.
- Our **Gender Equality at Clyde & Co network** (GECCO) provides a forum for our people who are interested and passionate about gender equality. It focusses on raising awareness and providing support, networking, and highlighting Learning & Development opportunities.
- 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. As part of Race Equality Week, ACED ran a **#MyNameIs** campaign to emphasise the importance of correct name pronunciation in fostering an inclusive environment. It encourages colleagues to normalise phonetic spelling of their name in their email signature, meetings, name badges and more widely.
- We have **increased our focus on women's health**, including a menopause policy and support resources and free period products in a commitment to supporting menstrual health.
- We rolled out mandatory **race fluency training** in all our UK offices to increase awareness of the importance of inclusion in the workplace, with a particular focus on culture and anti-racism.
- We continually review our policies including maternity and paternity leave, parental leave, return to work, and flexible working policies. Our updated policies include menopause, IVF and gender affirmation - all of which seek to support and **empower our employees** and to achieve greater gender equity within the firm.
- To better understand our population and to identify areas that need more attention including D&I, we run regular **employee engagement surveys**, alongside inclusion focus groups to help us understand lived experiences.
- We support working parents through our partnership with **My Family Care**.
- We are a member of the **Law Firm Anti-Racism Alliance** to identify and dismantle racial inequality in the industry.
- As part of the **Rare Race Fairness Commitment** we report on data and implement measures to combat career obstacles for Black and Ethnic Minority lawyers. We have also joined the **Black Solicitors Network** which focuses on improving quality of access, retention and promotion of Black solicitors.



#MyNameIs campaign emphasises the importance of correct name pronunciation in fostering an inclusive environment.

Closing the pay gaps at Clyde & Co

Diverse graduate and talent recruitment

- After signing up to the **Social Mobility Pledge** to offer opportunities to young people from disadvantaged backgrounds, we have been ranked in the top 75 employers in the **Social Mobility Employers Index** for two years in a row – number 58 in 2022.
- In Summer 2022 we welcomed five summer interns in our London office for six weeks as part of the **10,000 Black Interns Programme**, which aims to tackle the underrepresentation of Black heritage talent in the UK. The programme provides first-hand work experience, upskilling webinars, mentoring and inter-law networking events to ensure a meaningful start to their careers. After a successful interview process, we were thrilled two of the interns were offered and accepted training contracts at the firm.

Top 75

employers in the Social Mobility Employers Index for two years in a row

58th in 2022

- We recently launched a new digital mentoring programme in partnership with **MyKindaFuture** and the **Job Centre Plus** in the Newton Heath area of Manchester. It is aimed at young people aged 18-24 who are not in education, employment or training. Our volunteers support participants with advice and information to help them secure employment.
- We partner with **Rare Recruitment** to identify exceptional candidates we might otherwise miss, as well as with **Aspiring Solicitors**, **The Bright Network** and **myGwork** to help us to reach candidates from diverse backgrounds.
- We support **Women in Law UK**, which is a women's networking organisation designed to encourage, inspire, and support the next generation of Lawyers and Women in Business.

We confirm that the data reported are accurate



Chris Holme
Chair of the UK Board



Lisa Collins
HR Director (UK)