

SLAUGHTER AND MAY

2018 Gender & Ethnicity Pay Gap Report

Our pay philosophy is founded on the **principle of equality** and supports our strong **'one-firm'** culture.

Introduction

Diversity and Inclusion (D&I) is an integral part of how we do things as a firm. We work hard to create an environment where everyone can feel valued, included and be themselves.

Our people are from a range of different backgrounds and offer different viewpoints and this goes to the heart of our ethos of independent thinking and innovation. To drive this, we aim to attract, recruit, develop and retain a diverse pipeline of talent.

Under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, employers are required to publish their gender pay gap data annually. As our approach to D&I goes wider than a focus on gender, we have for the first time this year voluntarily published information on our ethnicity pay gap, which compares Black, Asian and Minority Ethnic (BAME) people with non-BAME/white people.

Our gender pay gap figures for 2018 are broadly similar to our figures for 2017. The main reason for the similar statistics is that the way in which we remunerate our employees and the size and shape of our workforce have not changed. Our pay philosophy is founded on the principle of equality and supports our strong 'one-firm' culture. Amongst our lawyers, we continue to adopt an approach to remuneration where individuals with the same number of years' experience are generally paid the same. We continue to look at ways in which we can address our gender pay gap, but equally understand that this will take time. In order to gain further insight into what lies behind the gap and to implement actions to close it, we have broken down the data beyond the statutory requirements.

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 non-BAME/white people are paid more than BAME people, whilst a negative gap means BAME people are paid more than non-BAME/white people.

We confirm the data in this report is accurate.

Approved by:

Paul Stacey, Executive Partner
Louise Meikle, Director of HR

Gender pay gap

Associates

Our approach to pay is that our associates with the same number of years' experience are generally paid the same salary and receive the same bonus percentage, regardless of gender or ethnicity.

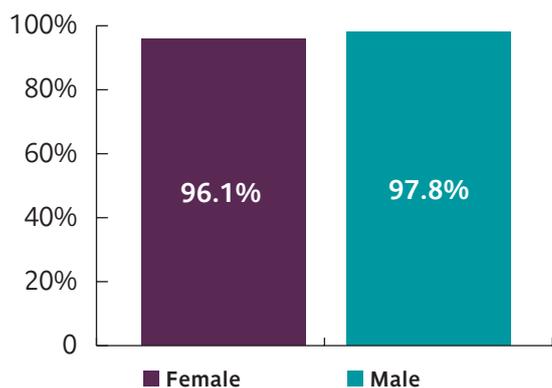
Associate Pay and Bonus Gap		
Associate	Mean	Median
Gender Pay Gap	0.6% (-2.1%)	0.0% (-0.8%)
Gender Bonus Gap	7.0% (-2.7%)	0.0% (0.0%)
Gender Bonus Gap FTE	-0.1% (not reported)	0.0% (not reported)

2017 gap figures shown in brackets

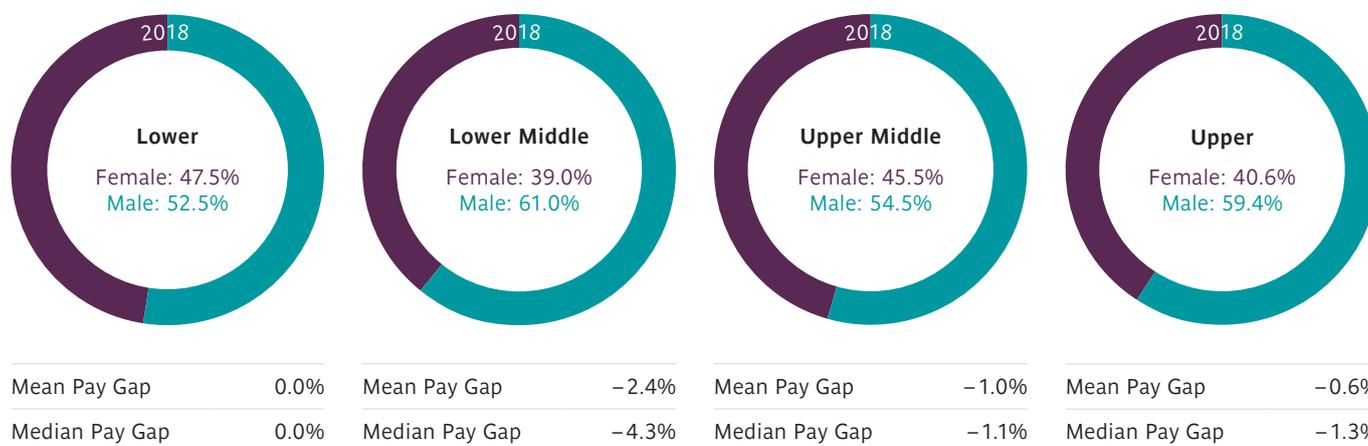
The bonus gap is calculated using actual bonuses paid, and is pro-rated for new joiners and part-time employees.

The Full Time Equivalent (FTE) gap on the next line adjusts the pro-rated figures.

Percentage of female and male associates who received a bonus



Proportion of female and male associates in each quartile band



Business services

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 trainees, associates and secretaries.

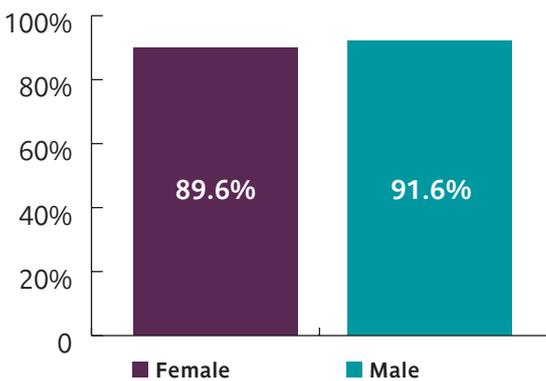
Business Services Pay and Bonus Gap		
Business Services	Mean	Median
Gender Pay Gap	-1.7% (-7.6%)	12.3% (5.5%)
Gender Bonus Gap	10.9% (-5.0%)	20.6% (4.9%)
Gender Bonus Gap FTE	-5.1% (not reported)	11.6% (not reported)

2017 gap figures shown in brackets

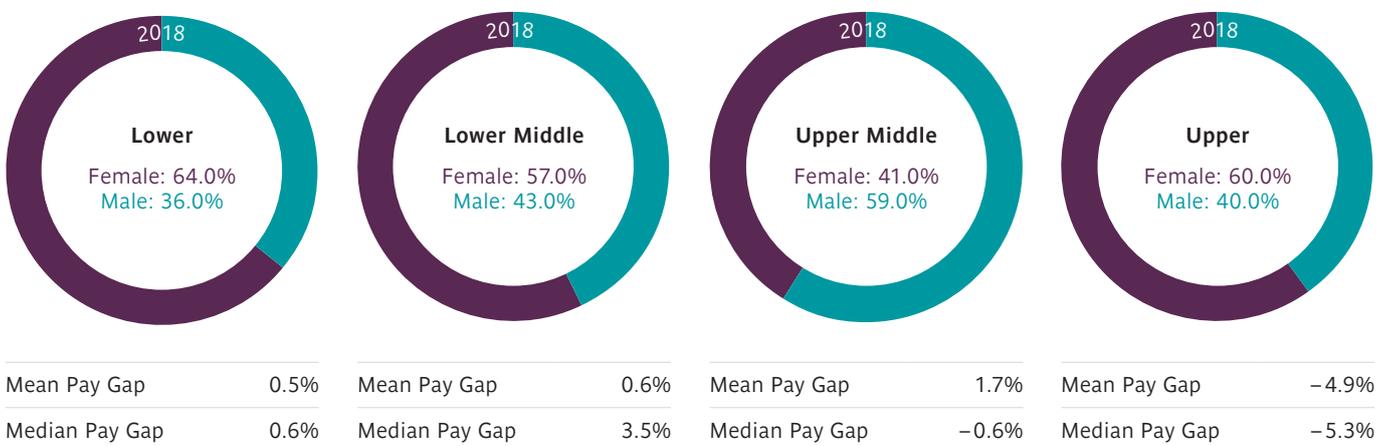
The bonus gap is calculated using actual bonuses paid, and is pro-rated for new joiners and part-time employees.

The Full Time Equivalent (FTE) gap on the next line adjusts the pro-rated figures.

Percentage of business services females and males who received a bonus



Proportion of business services females and males in each quartile band

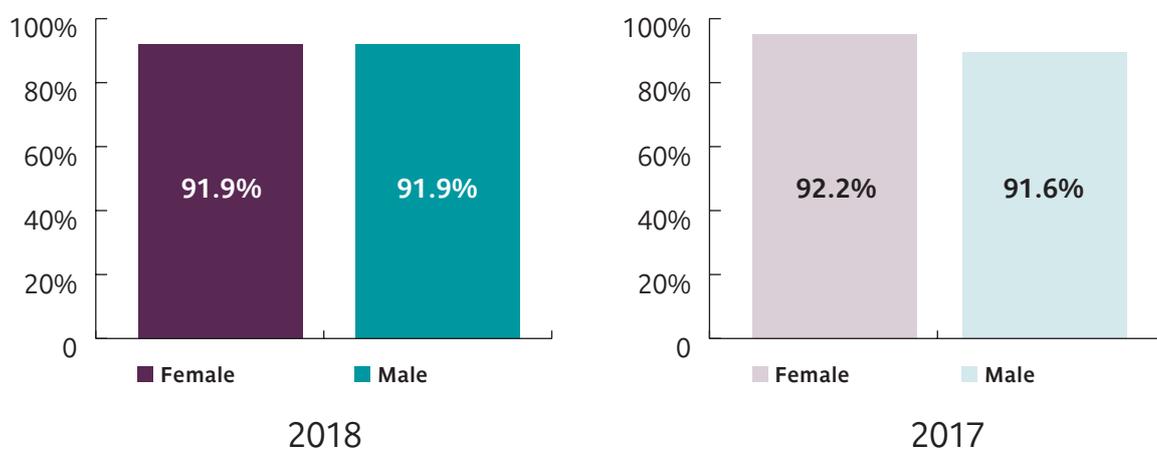


Statutory disclosures

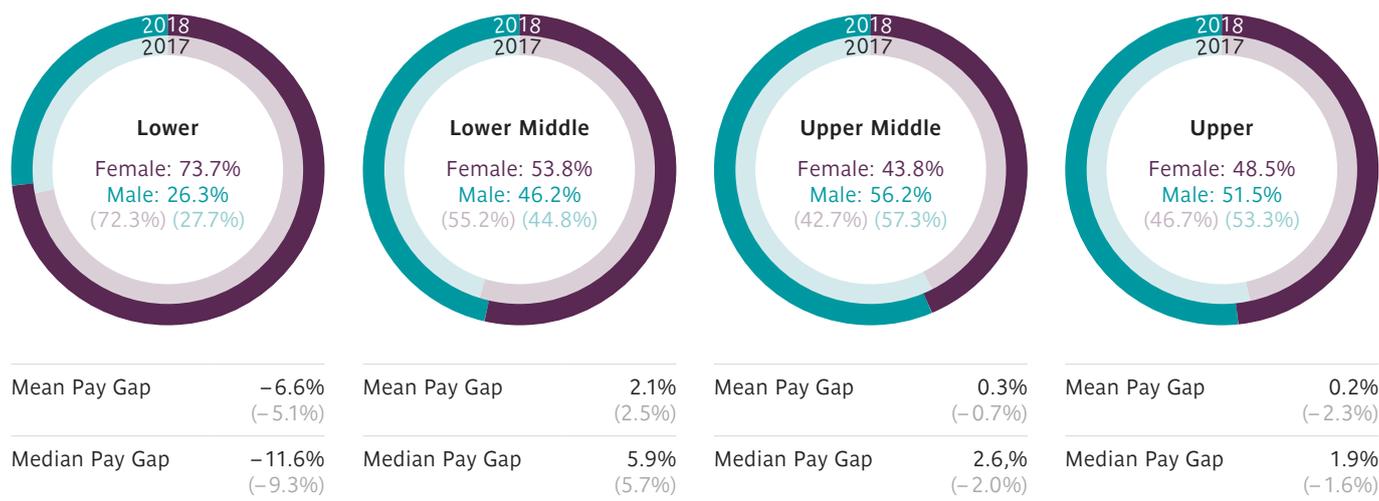
Employee Pay and Bonus Gap		
All Employees	Mean	Median
Gender Pay Gap	14.4% (14.3%)	38.7% (38.5%)
Gender Bonus Gap	36.8% (33.3%)	50.9% (54.8%)

2017 gap figures shown in brackets

Percentage of females and males who received a bonus



Proportion of females and males in each quartile band



2017 gap figures shown in brackets

Partners

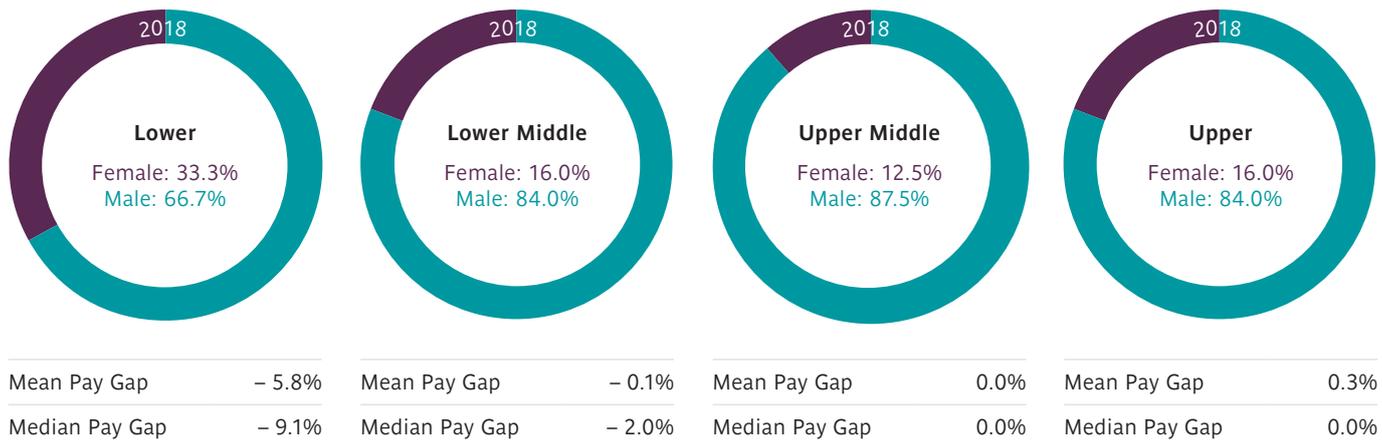
Slaughter and May is a general partnership. All our partners have equal voting rights and partners promoted to the partnership at the same time are remunerated equally. The gender split of the partnership is 76% male and 24% female. In the last two years, 55% of those promoted to the partnership have been female.

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 2018.

Partner Pay and Bonus Gap		
Partners	Mean	Median
Gender Pay Gap	8.9% (not reported)	8.9% (not reported)
Gender Bonus Gap	Not applicable	Not applicable

2017 gap figures shown in brackets

Proportion of female and male partners in each quartile band



Employees and partners combined

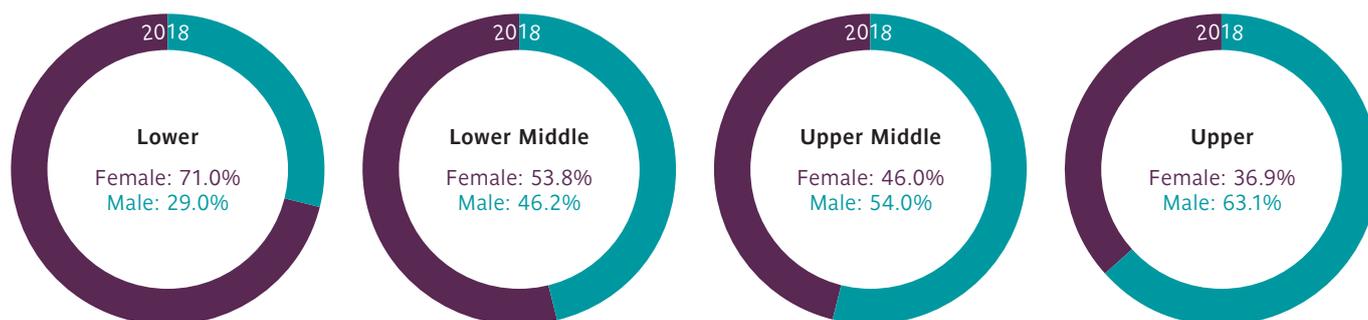
In order to combine our employees and partners, we have used the hourly rate for both partners and employees based on total earnings. Total earnings for partners are the annual profits for the 12 months to 30 April 2018. For employees, total earnings are their annual salary as at April 2018 plus any bonus paid during the relevant period, adjusted for statutory inclusions/exclusions (such as allowances and salary sacrifices). No similar adjustments are required for our partners.

Employees and Partners Pay and Bonus Gap		
Employees and Partners	Mean	Median
Gender Pay Gap	63.6% (61.8%)	45.0% (41.6%)
Gender Bonus Gap*	36.8% (33.3%)	50.9% (54.8%)

2017 gap figures shown in brackets

*The gender bonus gap reflects the bonus gap for employees only. Partners do not receive bonuses. Bonuses are only paid to our employees.

Proportion of female and male employees and partners in each quartile band



Mean Pay Gap	-3.2%	Mean Pay Gap	2.3%	Mean Pay Gap	-0.7%	Mean Pay Gap	51.9%
Median Pay Gap	-7.3%	Median Pay Gap	1.0%	Median Pay Gap	-0.3%	Median Pay Gap	37.7%

Ethnicity pay gap

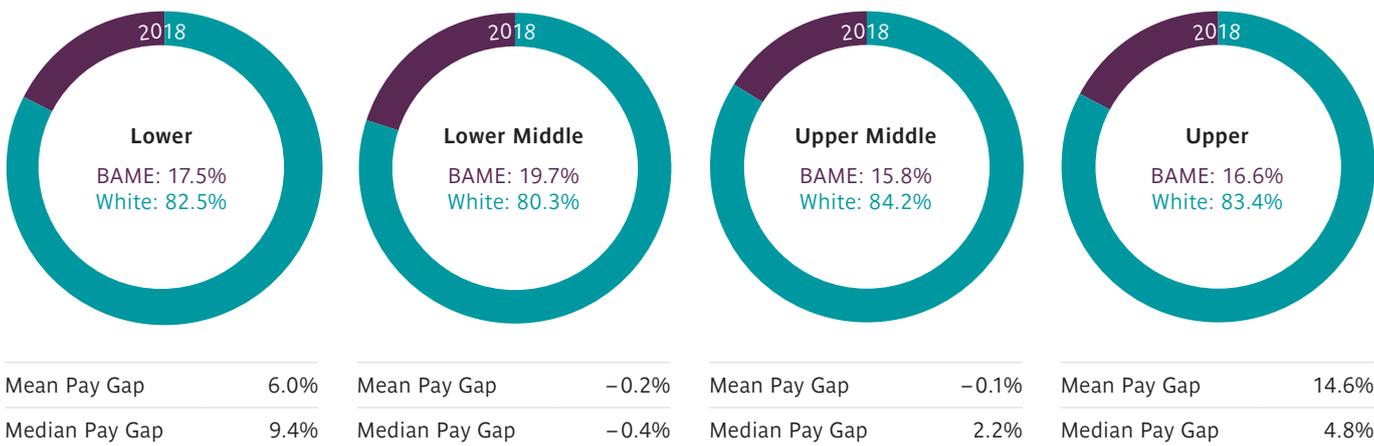
Our ethnicity pay gap reporting has been produced on the same basis as our regulatory gender pay gap reporting. It shows the difference in pay between BAME employees and non-BAME/white employees. We have also calculated the pay gap for employees and partners.

Reporting on the ethnicity pay gap relies on individuals disclosing their ethnicity. This voluntary disclosure means that there are individuals who have either not completed this information or prefer not to say. 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.

85% of our employees and partners included in the gender pay gap reporting have provided their ethnicity details. 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.

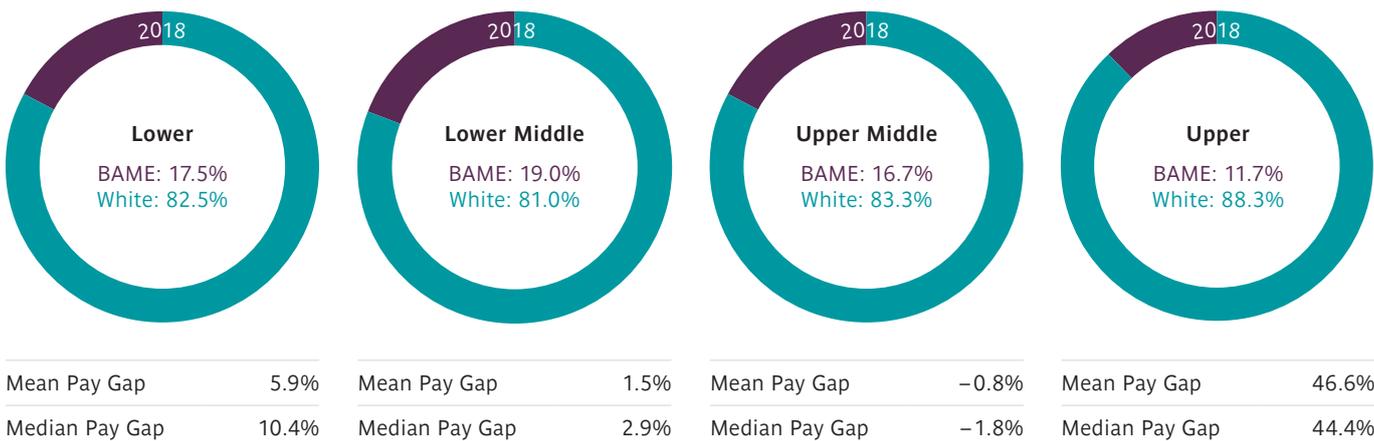
Ethnicity Pay and Bonus Gap		
Employees	Mean	Median
Ethnicity Pay Gap	9.7%	20.4%
Ethnicity Bonus Gap	0.6%	10.1%

Proportion of BAME and white employees in each quartile band



Ethnicity Pay Gap		
Employees and Partners	Mean	Median
Ethnicity Pay Gap	51.1%	19.4%

Proportion of BAME and white employees and partners in each quartile band



Our areas of focus

D&I is an integral part of how we do things as a firm. We work hard to create an environment where everyone can feel valued, included and be themselves. We believe that to achieve a truly inclusive culture we need leadership from the firm and the conscious commitment of all the individuals who make up the firm to take responsibility. As a strategic priority, we are concentrating on three areas to help shift culture and to ensure that every member of the firm can realise their potential.



Building a diverse pipeline to senior leadership

To ensure that our talent pipeline remains diverse at all levels of the firm, we provide the following targeted professional development opportunities to support the career development of women and BAME employees to partnership and other senior levels in the firm:

- Cross-company mentoring programmes – to provide one-to-one tailored career guidance from a senior business leader
- ‘Connect’ – our in-house mentoring programme
- Leadership development programmes for female and BAME employees
- Access to coaching for high potential individuals.



Creating individual responsibility for an inclusive environment

Our aim is to create a shared language and understanding of why D&I is important to the firm and highlight the expectation that all individuals have a responsibility to create an inclusive work environment. This requires an ongoing dialogue across the whole firm and we are undertaking the following actions in support of this:

Series of ongoing learning and development opportunities. This work continues with the launch of a new Inclusive Leadership programme for senior leaders, which aims to evolve understanding and engender personal and collective responsibility across the firm.

Building gender intelligence across the workforce. Male and female colleagues can benefit from a better understanding of gender dynamics in the workplace and the impact on performance and development. Through development programmes and open forums we highlight different leadership styles and working preferences and how to maximise these for optimum performance.

Creating engagement through the arts. We have partnered with the Old Vic theatre around the production of ‘Sylvia’ – which tells the story of Sylvia Pankhurst and the suffragette fight for equality. The production also supports the Mayor’s #BehindEveryGreatCity campaign, which is tackling gender inequality in London. This has allowed us to further the dialogue on D&I by making reference to the past, present and future.



Supporting working families

We take a gender neutral approach to our support for working families. We continue to provide:

- Enhanced family leave packages
- Coaching for parents before and after they have children
- A range of agile working opportunities.

The data in this report is published by Slaughter and May Services Company (SMSC), a service company of Slaughter and May. SMSC is the main employing entity for Slaughter and May's UK based employees.

March 2019