



brownejacobson^{LLP}

Pay Gap Report

April 2020

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London

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Introduction

2020 has been a year like no other. Businesses continue to adapt to the impact of Covid-19, the consequences of which are far-reaching both from an economic and societal perspective.

Diversity & Inclusion continues to be one of our highest priorities at Browne Jacobson, fundamental to our culture and embedded into our core values. We empower our people to be authentic and bring their whole selves to work every day. Creating an inclusive and diverse working environment is everyone's responsibility in our business.

This year we have opted to continue to report on and publish both our gender and ethnicity pay gaps. We have also taken the decision to publish partner data when we are not required to do so in order to provide as complete a picture as is possible. Later in the report we have set out the steps and measures that we will put in place to address and close those gaps.

We have continued our focus on the critically important aim to increase gender balance, but in addition we are also strengthening our focus on other diversity strands, including ethnicity, disability, socio-economic background & sexual orientation. Lasting change will only be achieved when jobs at senior levels are accessible to all - and when the career paths to achieve them are equally accessible. We continue to look for opportunities to partner with our clients and supply chain to extend our reach in promoting an inclusive society.

Although recognising the very real challenges that we continue to face, we believe we have made some meaningful progress in our D&I journey since we last reported. In recognising that social mobility is inextricably intertwined with inclusion and fairness, we were heartened to find ourselves listed 5th in the Social Mobility Foundation Employer Index in 2020; a position we continue to build on with initiatives such as a [new national work experience programme](#) which is focused on students from socially excluded/disadvantaged backgrounds. We are seeing tangible results in recruitment, most visibly achieving high levels of diversity in our applications in the last year with 58% female, 30% identifying as a UK ethnic minority and 32% coming from a lower socio-economic background.

We want to ensure our efforts drive towards building a sustainable pipeline of diverse talent and that we are widening our talent pools in the legal sector, as well as nurturing and progressing our own employees within the firm.

It is important to recognise that we are still at the beginning of our journey, but continue to make great strides towards creating a more inclusive firm.



Richard Medd
Managing Partner



Caroline Green
Senior Partner

Understanding the Pay Gap

What is pay gap reporting?

Pay gap reporting shows the difference in the mean and median hourly pay between two cohorts (such as men and women) in the workforce regardless of role, seniority or geographical location.

Bonus gaps are also calculated in the same way, but are based on the actual bonus received rather than the hourly equivalent.

Pay gap reporting can help to illustrate the representation of different groups, as shown in the quartiles, at the various levels of seniority in the firm.

How is it different to equal pay?

Equal pay is different to pay gap reporting. Equal pay ensures that a person of one sex does not receive less pay than a person of another sex for carrying out the same or a similar role.

Other discrimination legislation makes it unlawful to pay someone less because of their race, ethnic origin, disability or other protected characteristic.

Who is included in the data?

In addition to the government's requirement to publish the pay gap of all full pay relevant employees and contractors, we voluntarily include our self-employed LLP members.

We publish comparisons by including them in an overall firm pay gap and we also report on them as an isolated cohort.





Our Gender Pay Gap

Our Gender Pay Gap

Difference in hourly pay between males and females

	2018	2019	2020
Mean Gender Pay Gap	19.9%	19.5%	19.9%
Median Gender Pay Gap	28.3%	29.7%	24.0%

Our 2020 employee gender pay and bonus gaps either decreased or were consistent with 2019. The average male continues to receive a higher mean and median hourly rate of pay than the average female.

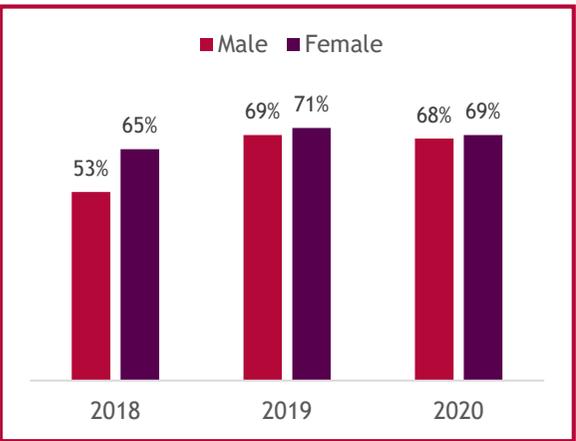
Difference in bonus pay between males and females

	2018	2019	2020
Mean Gender Bonus Pay Gap	40.1%	43.4%	44.0%
Median Gender Bonus Pay Gap	35.7%	32.0%	31.7%

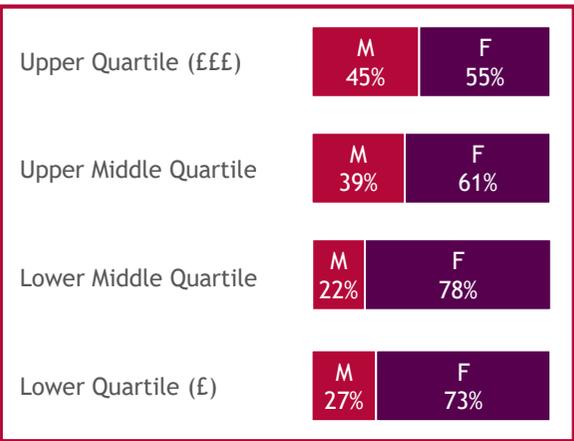
Considering our overall gender split is 65% female, 35% male, our quartiles illustrate an under-representation of females in the upper and upper middle pay quartiles and an under-representation of males in the lower middle and lower quartiles.

We are focussed on building a long-term diverse talent pipeline which is reflected in our trainee population with a 50/50 gender split. Despite the gender imbalance at senior levels in the legal profession, we continue to recognise our own responsibilities to create greater diversity across the sector.

Proportion receiving a bonus



Quartile representation



Our Gender Pay Gap - Including LLP Members

Overall Firm - Equity Partners Included

	2018	2019	2020
Mean Gender Pay Gap	44.6%	57.8%	42.0%
Median Gender Pay Gap	38.7%	35.8%	31.6%
Mean Gender Bonus Pay Gap	42.1%	69.8%	69.0%
Median Gender Bonus Pay Gap	39.9%	38.2%	49.5%

Since 2018, we have published additional analysis, above the specified requirement for pay gap reporting, which includes our self-employed partners.

Most significantly, we have observed a reduction in our mean and median gender bonus pay gaps which were being driven as a result of short-term incentives targeted at a small number of self-employed partners which have now expired.

The fluctuating nature of equity partner remuneration does make year on year comparisons difficult. Even amongst our self-employed partners, there are varying levels of exposure to this fluctuation.

We are ambitious and focused on achieving a more representative gender balance at the most senior levels of our partnership. We believe the interventions we are making will help us demonstrate progress against that over the coming years.

Equity Partners Only

	2018	2019	2020
Mean Gender Pay Gap	4.8%	2.9%	5.9%
Median Gender Pay Gap	2.2%	8.8%	12.4%
Mean Gender Bonus Pay Gap	35.7%	32.3%	15.7%
Median Gender Bonus Pay Gap	41.3%	25.0%	16.7%

Proportion receiving a bonus





Our Ethnicity Pay Gap

Our Ethnicity Pay Gap

Difference in hourly pay between White British and UK Ethnic Minorities

	2019	2020
Mean Ethnicity Pay Gap	18.7%	23.1%
Median Ethnicity Pay Gap	21.4%	26.1%

As a firm at the forefront of society’s biggest issues, we have discontinued our use of “BAME” terminology in favour of “UK Ethnic Minority” and “White British”.

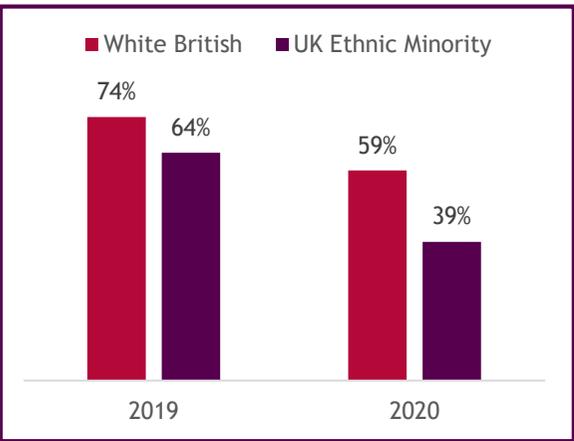
Our data is based upon voluntary declaration of special category demographic data such as sexual orientation, socio-economic background and ethnicity. As we improve participation, we will build a fuller picture around our ethnicity pay gap.

Following the recommendations set out in the report of the Commission on Race and Ethnic Disparities (2021), we will also seek to publish disaggregated ethnicity data.

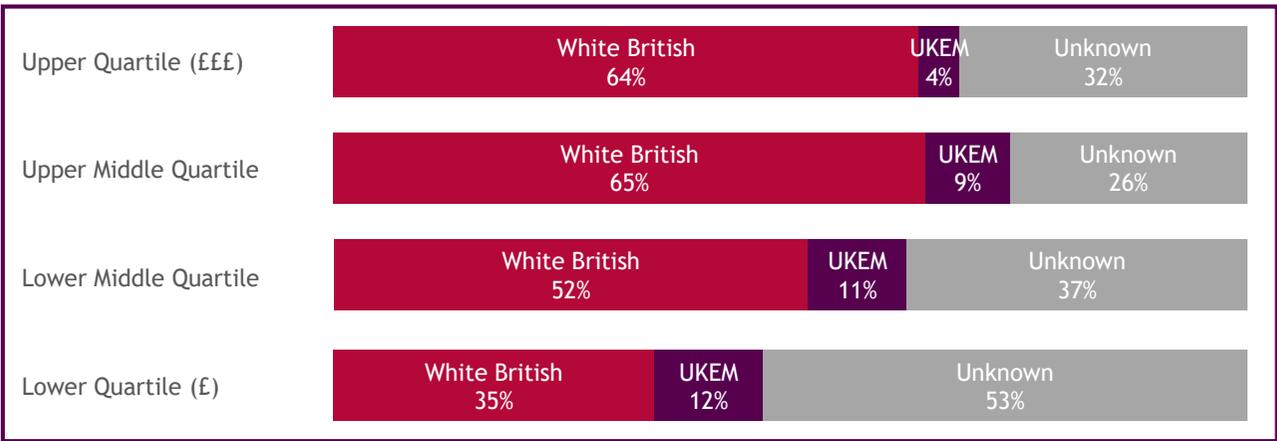
Difference in bonus pay between White British and UK Ethnic Minorities

	2019	2020
Mean Ethnicity Bonus Pay Gap	34.7%	25.7%
Median Ethnicity Bonus Pay Gap	23.7%	36.0%

Proportion receiving a bonus



Quartile representation



UKEM = UK Ethnic Minority

Our Ethnicity Pay Gap - Including LLP Members

Overall Firm - Equity Partners Included

	2019	2020
Mean Ethnicity Pay Gap	52.7%	36.2%
Median Ethnicity Pay Gap	27.4%	27.1%
Mean Ethnicity Bonus Pay Gap	48.7%	36.2%
Median Ethnicity Bonus Pay Gap	33.5%	27.3%

In 2020, we observed a reduction in the mean and median ethnicity pay gaps across the firm when we included our equity partners in our analysis.

In the same year, we also observed a sharp decrease in our mean ethnicity pay gap among the equity partners and a sharp increase in our median ethnicity bonus pay gap in the same cohort.

There have not been any significant shifts in terms of remuneration or population size in the 12 months prior to 2020's snapshot date, so we can conclude that these changes are attributable to the relatively small populations being analysed and also, as described as part of our gender pay gap analysis, the varying exposure to fluctuations in remuneration from one self-employed equity partner to another.

Representation of UK ethnic minorities in both the upper pay quartiles and our self-employed partnership remains a critical challenge for us. We actively review these levels of representation in terms of the effectiveness of our interventions.

Equity Partners Only

	2019	2020
Mean Ethnicity Pay Gap	22.2%	4.0%
Median Ethnicity Pay Gap	-2.1%	-1.0%
Mean Ethnicity Bonus Pay Gap	12.8%	14.3%
Median Ethnicity Bonus Pay Gap	12.5%	33.3%

Proportion receiving a bonus





How we will close the pay gap

What we have done so far

- Appointed a new **Head of Diversity & Inclusion** to lead the measures we have set out in our strive for gender parity.
- Engaged *Mahogany Partners*, a D&I Consultancy firm, to **undertake an audit** of our firm and host a number of employee forums and listening exercises to ascertain the opportunities we have to drive inclusion.
- Ensured all **promotion panels** are gender-balanced.
- Embedded standard **D&I objectives** for leadership to role model inclusive behaviours in the workplace in their relevant performance expectations frameworks.
- Launched our new **“One firm, wherever we are”** approach, empowering our people to work flexibly to help balance busy family lives and successful careers.
- Leveraged events such as **International Women’s Day** to educate, inspire and inform the firm on some of the challenges our people have and how we all have a role to play to support gender parity.
- Overhauled our approach to recruitment with the introduction of our **FAIRE (Fairer Access Into Real Experience)** programme to diversify the way we recruit and build a sustainable pipeline of future diverse talent. Our launch event “FAIRE: Insights” enabled us to provide virtual work experience to 7,000 students, aimed at 16-19 year olds.
- Established a **“Gender & Working Families”** employee-led network to help educate the business, whilst providing support to our employees. We have also become members of **City Parents** to leverage their expertise in support and resources for working parents and carers.
- Mobilised our **Diversity & Inclusion Committee** to support the positive changes we are making across the firm.

What we are going to do

- Set and publish **targets** by Summer 2021 that will help increase our diversity and ensure that we are representative of the communities we operate in and serve.
- Launch a **“Sustainable Gender Balance”** programme which sets out a number of measures and enablers to support our ambition to achieve gender parity within our leadership community.
- Further invest in succession planning, talent mapping and the development of our **Leadership “Grow”** programme which nurtures, develops and builds a sustainable and diverse pipeline of talent to progress through the firm.
- **Further review policies** on shared parental leave, maternity, paternity and adoption leave and support for working carers.
- Roll-out **“Conscious Inclusion”** and **“Anti-Racism” training series** across the firm starting with our leadership.
- Introduce a new **‘return to work’** programme encompassing pre-leave, in-leave contact and return to work/transition to support our working parents/carers and those who need to take time away from the firm.
- Undertake a **recruitment audit** to highlight barriers and unconscious bias in our processes. This will involve reviewing the recruitment process, the language we use and the candidate journey.
- Formalise a **mentoring programme**.
- Sign the **Women in Law pledge** and **BITC Race at Work Charter** to further our commitments to diversity and inclusion.
- Continue to carry out **equal pay audits** to ensure that like-for-like roles are paid equally. Using our broader data set, which includes disability, sexual orientation and ethnicity, we can achieve greater insight into pay equity.