

GENDER PAY GAP REPORT - 2018

At Shakespeare Martineau, we recognise that our people will always be the reason for our success. We are, and always have been, committed to creating a culture where everyone has access to equal opportunities for fulfilment and progress, and fair reward.

Following publication of our gender pay gap last year, we have continued to focus on the importance of gender balance within the workforce and to find ways to address imbalances in hiring, promotion, or policies that do not support gender balance. Diversity is a fundamental pillar of our business and we strive to continue to seek new and innovative ways to encourage an environment that supports and enables a diverse workforce to participate and thrive. We strive to continue the trend of bringing diverse candidates into leadership roles, providing much needed perspective on how to bring professional services in line with the needs of today's workforce.

Comparing our statutory gap with last year shows a mixed picture. As shown in this report, some areas of the business have seen an increase in pay parity while other areas (such as our upper pay quartile) saw a marginal increase in disparity due to a change in those undertaking some management roles and female promotions from employee into partnership. Shakespeare Martineau recognises that, while it is making progress in some areas, it has further meaningful progress to make and is confident that, with commitment from our leadership downward, we will continue on the path toward a strong, diverse work environment and overall gender pay parity.

Key

Mean and Median	The gender pay gap shows the difference between the mean (average) and median (mid-point) pay and bonus earnings of male and female employees expressed as a percentage of male employee's earnings. A positive number indicates that men earn more than women; a negative number indicates the reverse.
Proportion of women and men in each quartile band	The proportion of female and male employees in four quartile hourly rate pay bands ranked from lowest hourly rate to the highest hourly rate. It is calculated by dividing the workforce into four equal parts.
Proportion of women and men receiving a bonus	The proportion of female and male employees who were paid any amount of bonus pay

Gender Pay Comparison 2018

Gender Pay Comparison - Employees

	Mean	Median
Hourly pay	21.1%	31.3%

Proportion of employees in each quartile - Employees

Female to Male ratio and Average hourly difference within quartile.

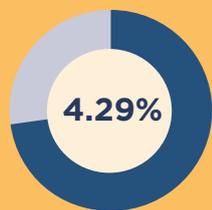
Lower pay quartile



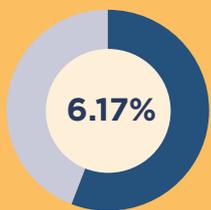
Lower middle pay quartile



Upper middle pay quartile



Upper pay quartile



Similar to last year's report, our gender pay gap is due to the distribution of women and men undertaking different types of roles in different disciplines across our firm. A large portion of our legal support or business operations roles are undertaken by women within the lower or lower middle pay quartiles of our firm, which contributes to the gender pay gap. However, the average hourly difference in lower pay and lower middle quartiles (table above) have decreased this year (by 1.59% and 1.87% respectively) meaning a marginal existing disparity in favour of women, while there was a decrease of 0.6% in the positive gap in the upper middle quartile as compared to 2017

Source: Shakespeare Martineau employee data as of 5 April 2018

figures, showing a move toward pay parity in these quartiles. However, there was an increase of 2.9% over 2017 in the upper pay quartile, which reflects the addition of senior roles in 2018, and promotions of senior women into our partnership.

The table below shows our mean and median comparison in bonuses paid to men and women. The mean bonus calculation includes our previous male Chief Executive, who although an employee was paid an effective profit share aligned with that of our partners. Without such distortion, this results in a mean bonus gap of 11.9%, which represents a 9.5% increase over 2017. This increase was attributed to an increase in bonus payments made to several high-performing teams based on their performance for the year. When our previous Chief Executive bonus payment is removed and we also remove the bonus all employees received (a flat rate bonus of the same amount for all employees) from the mean bonus paid, the mean reflects a 12% gap in favour of women; this is reflective of the number of women in senior roles receiving a bonus.

Gender bonus comparison - Employees

The median shows no bonus gap between men and women.

	Mean	Median
Bonus paid	38.6%	0.0%
Bonus Paid Excl CEO	11.9%	0.0%
Bonus Paid Excl. CEO & All Employee Bonus	-12.0%	0.0%

Proportion of women and men receiving a bonus

Over 94% of both male and female employees were paid a bonus.



The table below shows our mean and median partner pay comparison based on hourly rates of pay resulting from profit shares, which represent the whole of the remuneration of partners. Our gender pay gap for partners is due to the gender split seen within our partnership and the roles undertaken.

Gender Pay Comparison – Partner’s Profit Shares		
	Mean	Median
Hourly pay	6.6%	11%

As shown below, there is a marginal partner gap in favour of men of no greater than 1.33%, a decrease of 0.47% over 2017 figures across the quartiles and within our upper middle pay quartile, our data reflects in favour of women with a pay gap of 15.08%, which is a reflection of women in certain senior roles within our partnership.

Our Continued Commitment to Equality

The most important statistic to us within our gender pay gap report are the comparisons of mean and median pay where the levels of ability, roles and responsibilities are most closely matched. In two quartiles for employees and two for partners, the measure is in favour of women. In other quartiles, there is a gap in favour of men. We aim to continuously improve this balance so that we have pay parity.

We remain focused on ensuring men and women have equal opportunities to progress to senior levels in both our partnership and business operations teams. We will continue to develop a pattern of more women seeking and achieving with our help, more senior roles. This is currently demonstrated in our 100% female executive team and the split of our Main Board, five women and four men. We continue to strive to achieve improved gender parity within our legal support roles and for those that work part time, to remove any historical stigmas that surround them for both women and men. We recognise that in order to ensure gender diversity in a variety of roles, we must continue to review our hiring and promotion processes as well as continuing to focus on agile and flexible working practices to enable our people to undertake their roles in a way that best suits them. Shakespeare Martineau is committed to continuing to educate its leadership and all our people on the importance of equality, diversity and inclusion (E,D&I) through our More In Common work group, which is represented by members from a cross-section of our firm.

Shakespeare Martineau will continue to strive to improve every statistic we publish; we will always offer roles free of bias from any influencing factor except ability, and reward the best people with the prospect of the best careers.

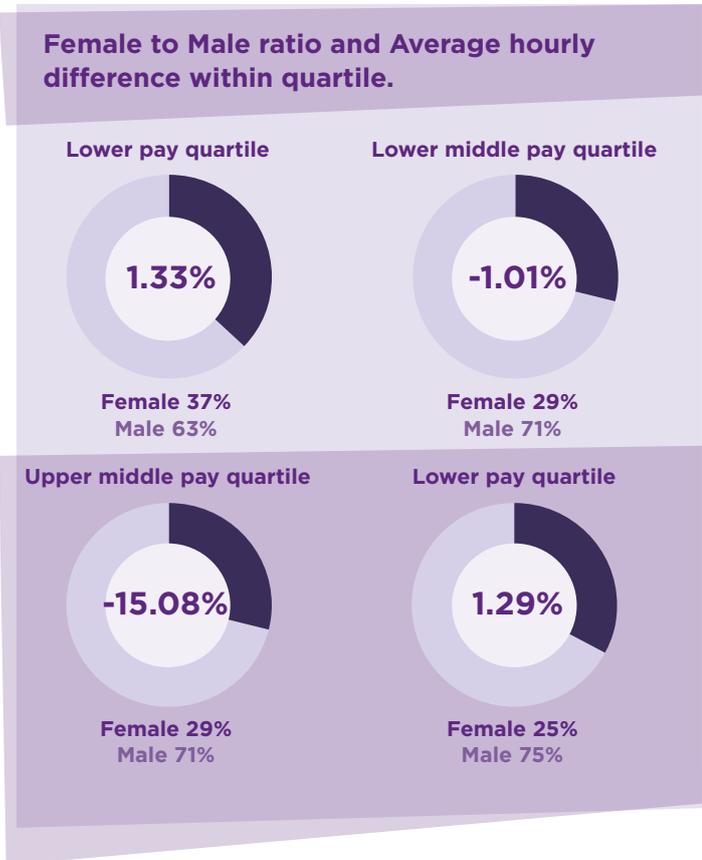
We confirm that Shakespeare Martineau’s gender pay gap calculations have been calculated in line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Sarah Walker-Smith
Chief Executive



Helen Hay
Head of HR



Appendices – Historical Data

2017

EMPLOYEES

Overall:

Mean: 17.4
Median: 22.9

Per Quartile/Avg Hourly Diff

Q1: F 73% M 27% AH -1.7%
Q2: F 79% M 21% AH -2.5%
Q3: F 76% M 24% AH 4.9%
Q4: F 59% M 41% AH 3.2%

Bonus:

Mean: 40.1%
Median: 0%
Excl CEO: 2.4%
Excl CEO and All Employee -14.9%

M v. F Bonus Participants:

F: 95%
M: 93%

2018

Overall:

Mean: 21.1
Median: 31.3

Per Quartile/Avg Hourly Diff

Q1: F 72.5% M 27.5% AH -0.11%
Q2: F 82% M 18% AH -0.63%
Q3: F 72.5% M 27.5% AH 4.29%
Q4: F 56% M 44% AH 6.17%

Bonus:

Mean: 38.6%
Median: 0%
Excl CEO: 11.9%
Excl CEO and All Employee Bonus: -12%

M v. F Bonus Participants:

F: 95%
M: 94%

PARTNER/MEMBERS

Overall:

Mean: 5.4%
Median: 10%

Per Quartile/Avg Hourly Diff

Q1: F 36% M 64% AH 1.8%
Q2: F 27% M 73% AH 0.7%
Q3: F 24% M 76% AH -15.9%
Q4: F 24% M 76% AH 0.9%

Overall:

Mean: 6.6%
Median: 11%

Per Quartile/Avg Hourly Diff

Q1: F 37% M 63% AH 1.33%
Q2: F 29% M 71% AH -1.01%
Q3: F 29% M 71% AH -15.08%
Q4: F 25% M 75% AH 1.29%

Key

Positive = Female pay lower than rate of male pay
Negative = Female pay higher than rate of male pay
Zero = Pay parity

 @SHMALaw

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