

ashurst

Gender Pay Gap Report

OCTOBER 2021



DEFINITIONS

Equal pay is the right for men and women to be paid the same for the same, or equivalent work, or work of equal value.

Basic (or fixed) pay is guaranteed cash wage or salary paid to employees for doing their work for a contracted period of time.

Ordinary pay includes basic pay, paid leave, un-reduced maternity pay, un-reduced sick pay, area allowances, shift premiums, bonus and other pay (including car allowances paid via payroll), on call /standby allowances, clothing, first aid or fire warden allowances). Ordinary pay does not include overtime, expenses, salary sacrifice deductions, benefits, redundancy pay, arrears of pay, reduced leave pay and tax credits.

Bonus pay includes payments related to profit-sharing, productivity, performance and other incentive pay, piecework and commission, long term incentive plans; and the cash equivalent value of shares on the date of payment.

Gender pay gap the difference in ordinary pay between male and female employees, expressed as a percentage of male ordinary pay as at 5 April.

Gender bonus gap the difference in bonus pay received during the 12 months preceding the relevant date, by male and female employees, expressed as a percentage of the bonus pay received by male employees.

Mean the sum of all the values in a list divided by the number of values.

Median the middle value in a list where the values are listed in numerical order, from lowest to highest.

Quartiles splits the distribution of employees into four equal groups, where each group contains a quarter of the data.

At Ashurst, our strategy is to put Inclusion, Diversity and Belonging (IDB) at the heart of everything we do. Having diverse teams will enable Ashurst to be the very best we can be and continuing to address the underlying reasons for our gender pay gap, but also voluntarily publishing information on our ethnicity pay gap, is a key aspect of our strategy.

As required by the regulations, our London and Glasgow offices are reported separately. This year, in addition to gender and partner reporting, we are also reporting on ethnicity. Ethnicity data is voluntarily provided and as such the dataset is incomplete however, we strongly believe this is a step in the right direction to promote transparency.

Where pay gaps exist, we know that changes still need to be made. We continue to interrogate our pay gaps to understand the causes and to intervene to make positive changes.

Equal pay for equal work is well established throughout our industry. At Ashurst, we are proud that women make up the majority of our employees, increasingly undertaking our most senior roles. However, there is a greater proportion of women in our junior, than in our senior, roles. This long dated and structural issue contributes to our gender pay gap. We will continue to explore and discuss our ethnicity pay gap so that we can improve the disclosure rate and gain more confidence in the reliability of our data, and consider how to achieve a more equitable spread of employees from all ethnically diverse backgrounds throughout our firm.

We are pleased that many of our initiatives are already showing positive improvements. Our leadership development programme is now open to legal and business services staff of all diverse backgrounds and all career decisions are tracked through a diversity lens which ensures we are able to spot where interventions are needed. We know there is more to be done.

Increasing representation across our business at every level remains one of our top priorities. In addition to gender targets that we adopted in 2013 and last revised in 2021, the Board has set aspirational targets for LGBTI+ representation across our global leadership, as well as ethnicity representation targets in the UK across our leadership, legal and business services staff and Early Careers.

We continue to look for new ways to ensure our culture creates a sense of belonging for all our people. Thank you for reading.



Karen Davies
Chair

Gender pay gap reporting summary

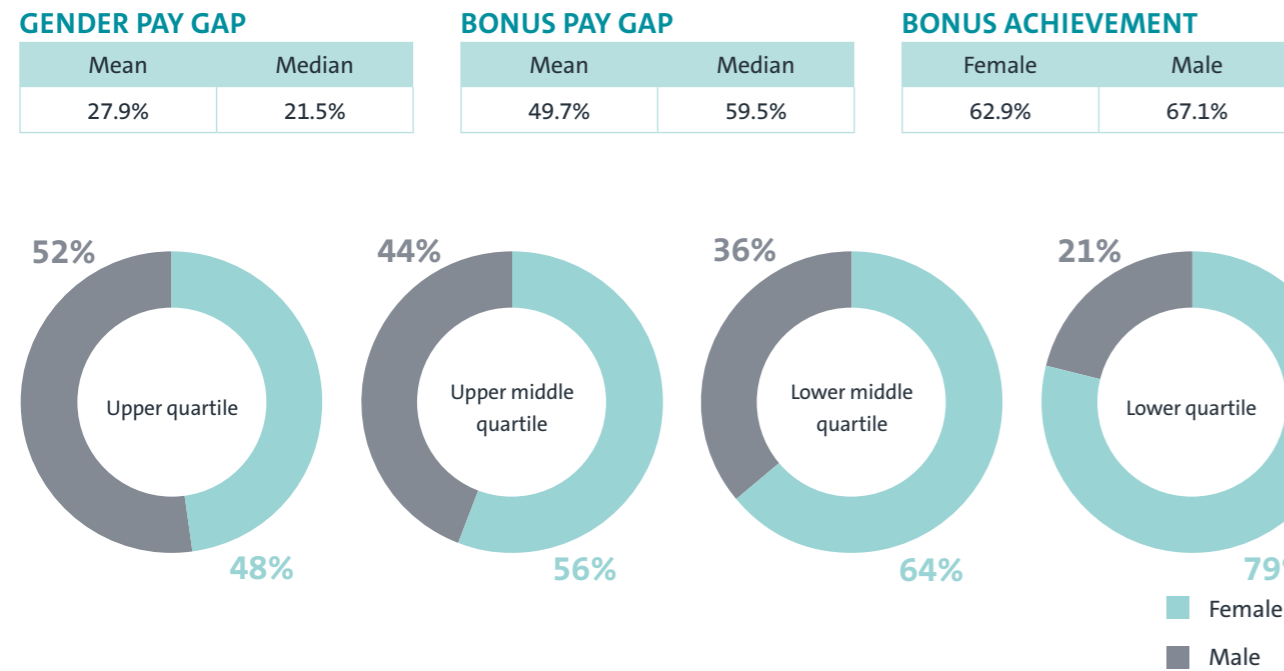
	Regulatory Reporting						Voluntary Reporting			
	London			Glasgow			UK			
	2019	2020	2021	2019	2020	2021	2019	2020	2021	
Regulatory Reporting	Mean pay gap	28.5%	27.9%	23.9%	11.8%	6.4%	9.3%	23.8%	21.7%	20.7%
	Median pay gap	18.8%	21.5%	12.0%	12.3%	12.0%	9.1%	22.0%	21.6%	24.3%
	Mean bonus pay gap	40.8%	49.7%	37.3%	6.1%	13.7%	9.0%	41.8%	45.3%	35.0%
	Median bonus pay gap	34.4%	59.5%	33.3%	24.5%	-148.3%	11.9%	42.7%	39.4%	21.0%
	Bonus Achievement - Female	27.0%	62.9%	51.7%	19.5%	58.0%	43.4%	24.8%	61.2%	48.8%
	Bonus Achievement - Male	36.2%	67.1%	56.2%	17.8%	54.7%	42.4%	29.9%	62.4%	51.0%
Voluntary Reporting	Mean total cash gap (employees + partners)	-	-	-	-	-	-	58.7%	55.8%	56.5%
	Median total cash gap (employees + partners)	-	-	-	-	-	-	41.5%	41.2%	40.5%
	Mean total cash gap (partners only)	-	-	-	-	-	-	11.0%	14.8%	16.5%
	Median total cash gap (partners only)	-	-	-	-	-	-	13.5%	11.0%	15.3%

The Glasgow 2020 median bonus gap was impacted by a one off bonus awarded to all employees. The median male received this one-off bonus, whilst the median female received a higher performance bonus, which resulted in a significant gap in favour of women. When this one-off bonus is removed from our data, the median bonus gap for 2020 is 19.4%. Changes to our bonus policy have resulted in a greater proportion of employees from both genders receiving a bonus in 2021 compared to 2019.

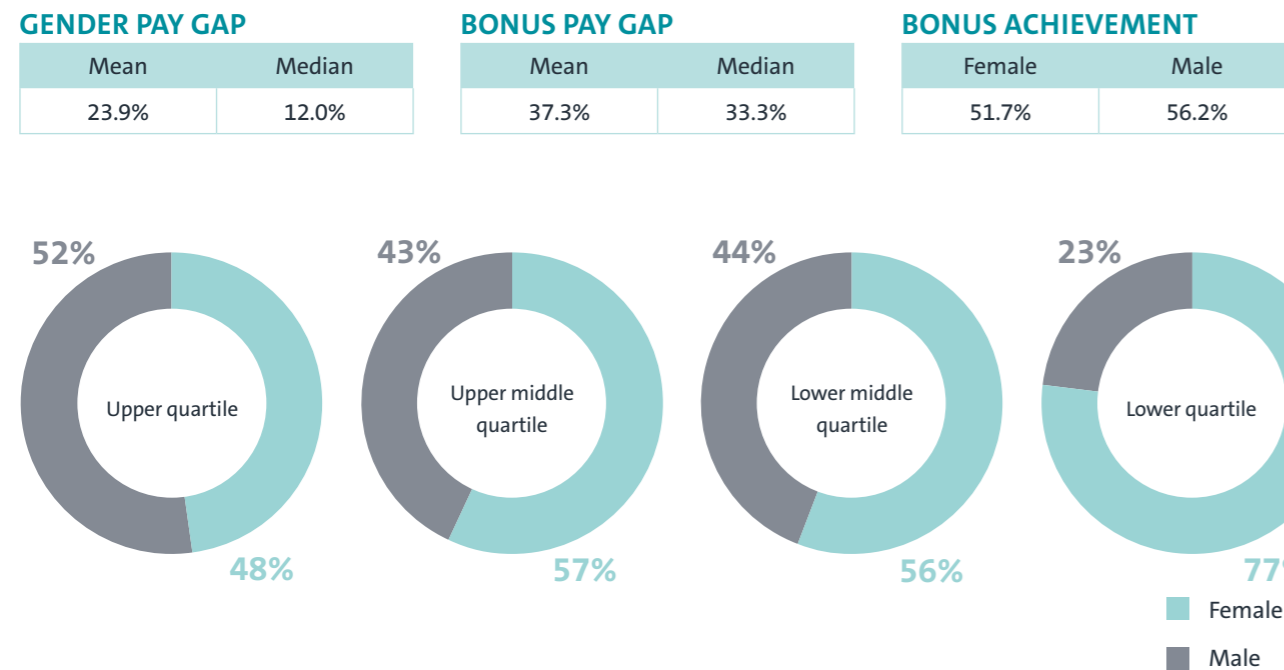


Regulatory reporting – gender pay gap – London

2020



2021



INSIGHTS

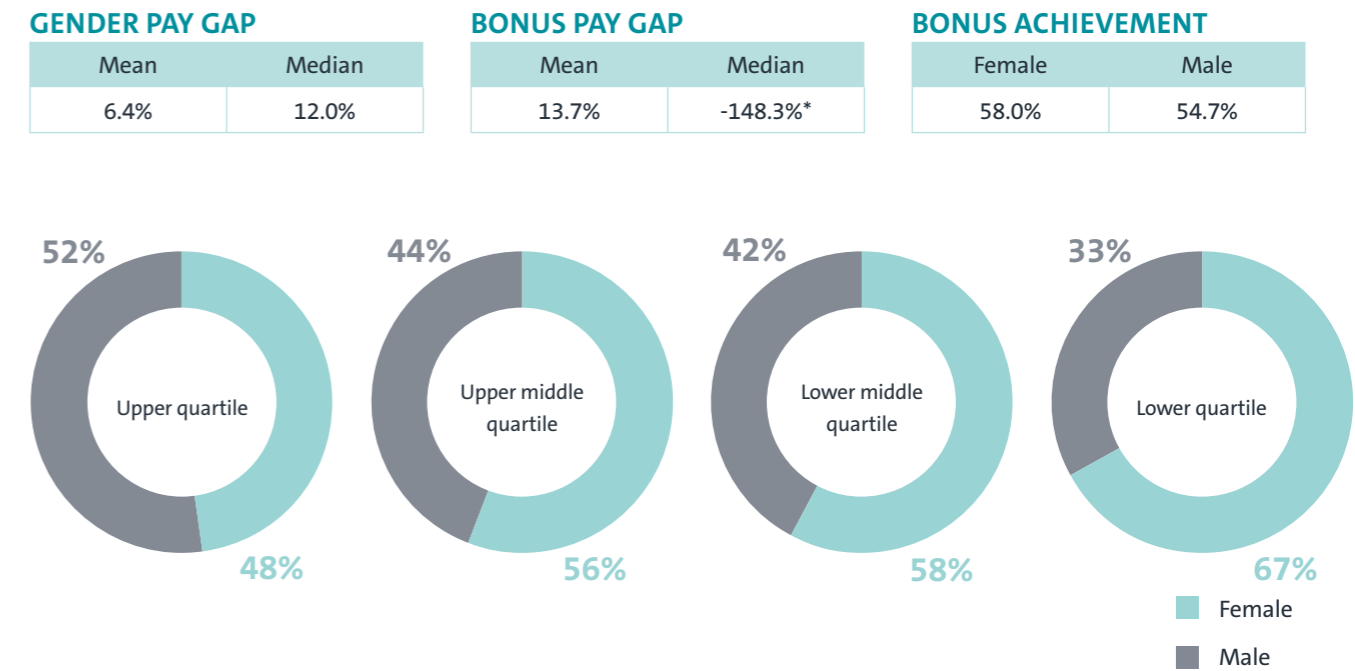
The mean and median pay gaps have reduced year on year as have the bonus pay gaps.

The proportion of males receiving a bonus remains higher than the proportion of females receiving a bonus and the delta is consistent across 2020 and 2021.

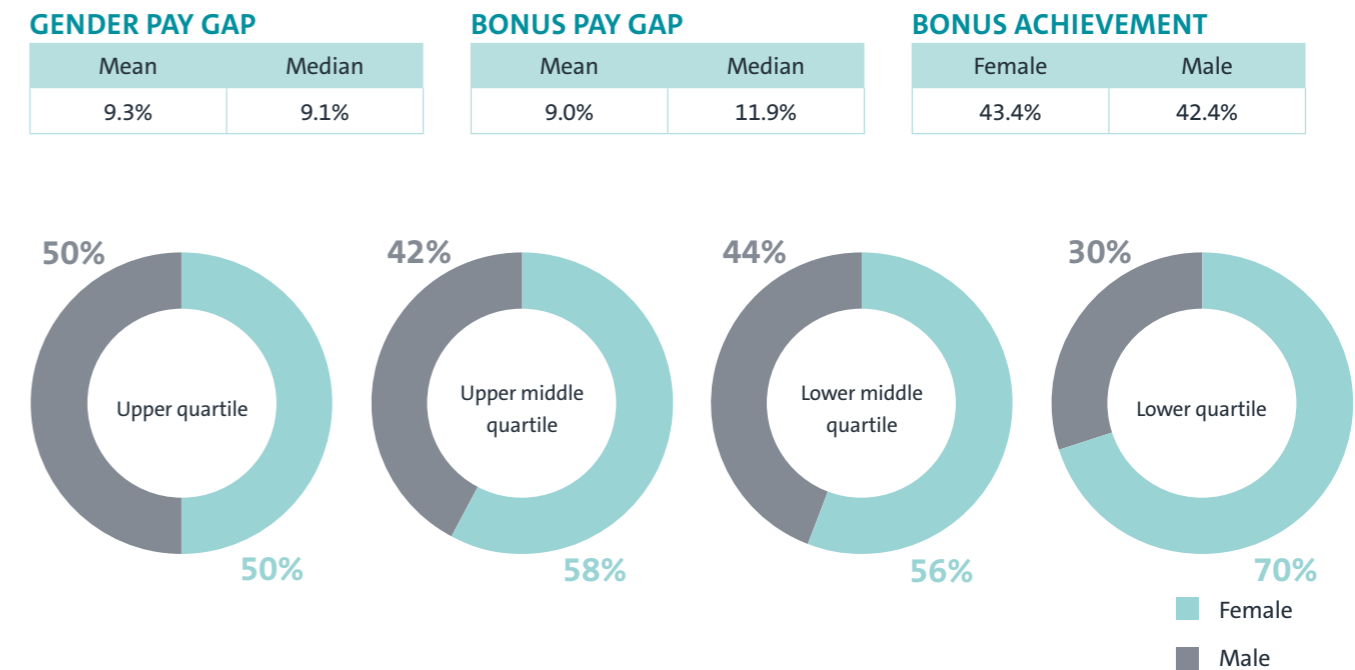
The proportion of males and females in the upper pay quartile is the same across both years. The proportion of males in the lower pay quartile and lower middle pay quartile has increased between 2020 and 2021.

Regulatory reporting – gender pay gap – Glasgow

2020



2021



INSIGHTS

The mean gender pay gap has increased whilst the median pay gap has reduced between 2020 and 2021.

The proportion of females receiving a bonus remains higher than the proportion of males receiving a bonus. The delta reduced slightly in 2021. The proportion of women in the upper pay quartile has increased between 2020 and 2021.

* The 2020 median bonus gap was impacted by a one off bonus awarded to all employees. The median male received this one-off bonus, whilst the median female received a higher performance bonus, which resulted in a significant gap in favour of women. When this one-off bonus is removed from our data, the median bonus gap for 2020 is 19.4%.

Voluntary reporting – gender pay gap – Legal

	Voluntary Reporting		
	London 2019	London 2020	UK 2021
Mean pay gap	23.7%	19.8%	14.0%
Median pay gap	7.0%	10.6%	5.9%
Mean bonus pay gap	40.3%	31.4%	20.8%
Median bonus pay gap	32.2%	46.3%	18.2%
Bonus achievement – Female	27.3%	66.2%	60.2%
Bonus achievement – Male	35.4%	67.6%	60.0%

Due to the increase in legal employees in the Glasgow office, the 2021 data includes all legal employees across the UK (2019 and 2020 includes London only).

INSIGHTS

55% of our UK workforce is female and 47% of our legal workforce is female.

We have a higher proportion of females in our Trainee and Junior Associate roles compared to the proportion of females in Consultant roles and this contributes to our pay gap.

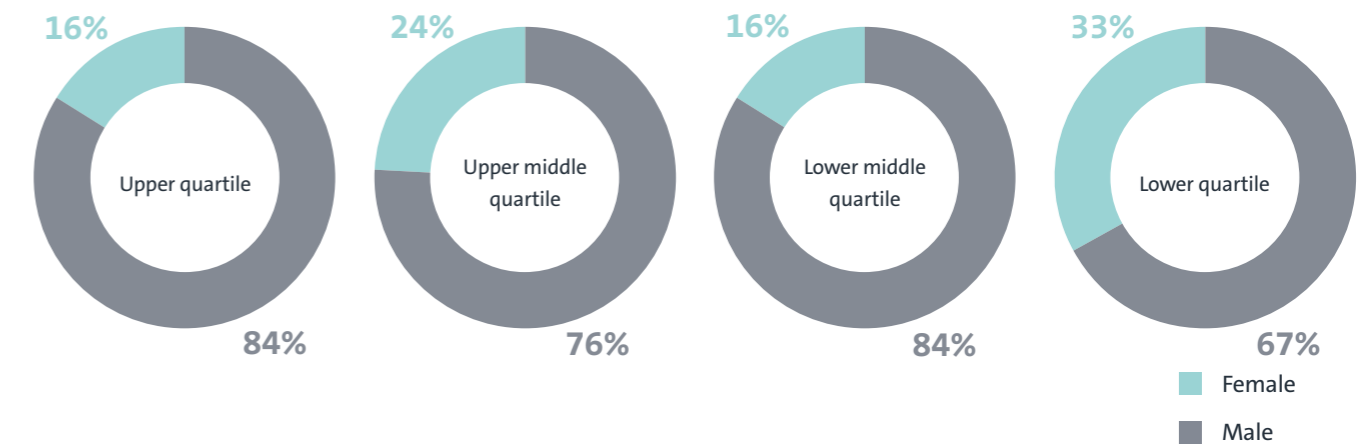
Voluntary reporting – gender pay gap – Business Services

	2019			2020			2021		
	London	Glasgow	UK	London	Glasgow	UK	London	Glasgow	UK
Mean pay gap	23.4%	14.2%	11.9%	30.3%	10.8%	14.5%	30.3%	12.1%	18.7%
Median pay gap	30.2%	13.5%	4.9%	33.3%	13.2%	6.9%	34.5%	11.5%	15.3%
Mean bonus pay gap	27.2%	23.1%	25.2%	69.7%	26.3%	56.8%	63.7%	12.0%	50.9%
Median bonus pay gap	33.3%	18.4%	14.8%	87.5%	-145.0%	45.0%	22.4%	16.0%	20.5%
Bonus achievement – Female	26.8%	18.9%	23.1%	59.4%	59.1%	59.3%	43.0%	42.4%	42.7%
Bonus achievement - Male	38.3%	16.9%	25.4%	66.3%	53.9%	58.5%	49.5%	41.9%	44.8%

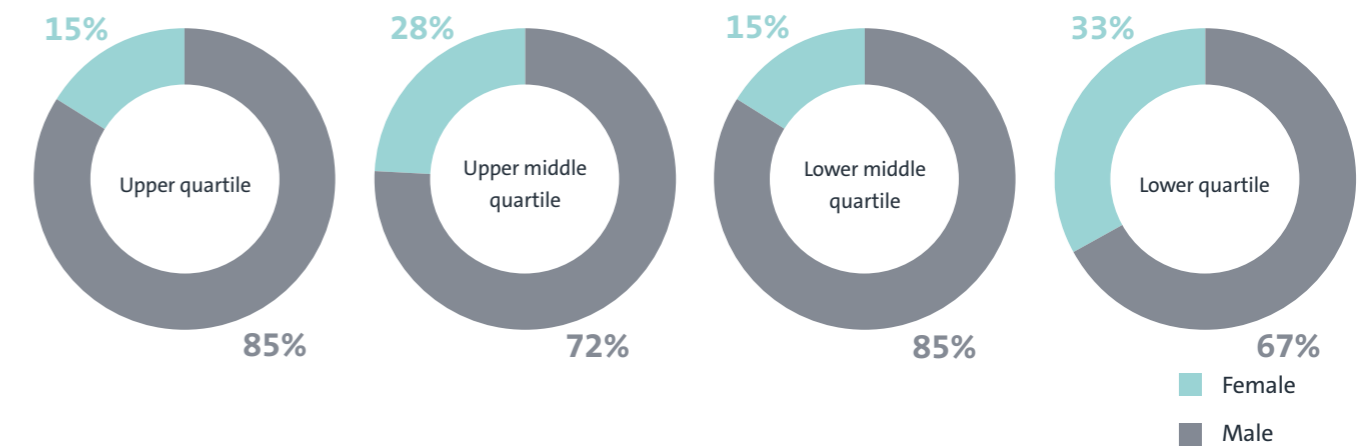
Voluntary reporting – partners gender total cash gap

	Voluntary Reporting		
	2019	2020	2021
Total Cash , partners only – Mean pay gap	11.0%	14.8%	16.5%
Total Cash , partners only – Median pay gap	13.5%	11.0%	15.3%

2020 – Pay Quartiles



2021 – Pay Quartiles



INSIGHTS

The Partner total cash gap has increased year on year with the exception of the median total cash gap in 2020.

The proportion of female Partners has increased year on year. 80% were male in 2019, 78% in 2020 and 77% in 2021.

As more females join the partnership, our total cash gap will increase. However, our gender balance will improve and the total cash gap will reduce over time as the newly appointed female partners' tenure increases.

Voluntary reporting – employee ethnicity pay gap summary

	Voluntary Reporting					
	London		Glasgow		UK	
	2020	2021	2020	2021	2020	2021
Mean pay gap	9.1%	11.9%	-1.6%	-1.0%	-10.3%	-8.0%
Median pay gap	0.0%	4.2%	3.4%	-3.7%	-42.6%	-39.3%
Mean bonus pay gap	27.9%	29.0%	33.7%	33.7%	12.5%	12.5%
Median bonus pay gap	25.5%	10.4%	60.0%	37.5%	7.2%	-27.9%
Bonus achievement – BAME	62.2%	48.8%	56.3%	40.6%	61.0%	47.4%
Bonus achievement – White	67.4%	58.0%	60.4%	45.6%	64.3%	52.9%
Mean total cash gap (employees + partners)	-	-	-	-	-	35.8%
Median total cash gap (employees + partners)	-	-	-	-	-	-20.5%
Mean total cash gap (partners only)	-	-	-	-	-	19.9%
Median total cash gap (partners only)	-	-	-	-	-	19.2%

In the absence of formal ethnicity reporting guidelines, this report provides ethnicity pay gap statistics in line with the gender pay gap regulatory requirements for the snapshot dates of 5th April 2020 and 5th April 2021.

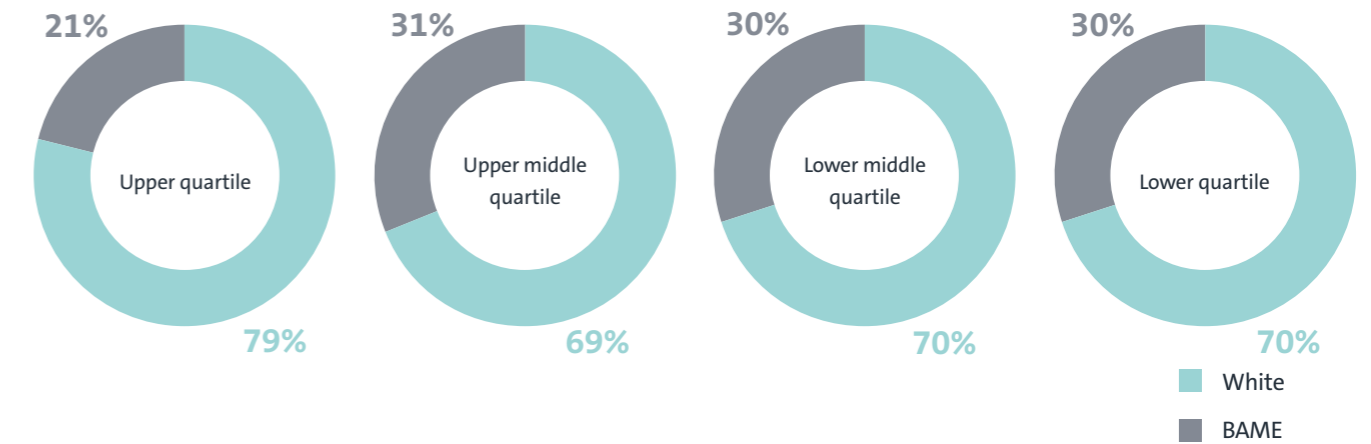
Care should be taken when interpreting these statistics. There is ongoing debate with the UK government on the minimum number of employees required overall and within each reporting category to be considered statistically reliable for reporting purposes.

In 2020, 64.3% of employees disclosed their ethnicity compared with 78% in 2021.

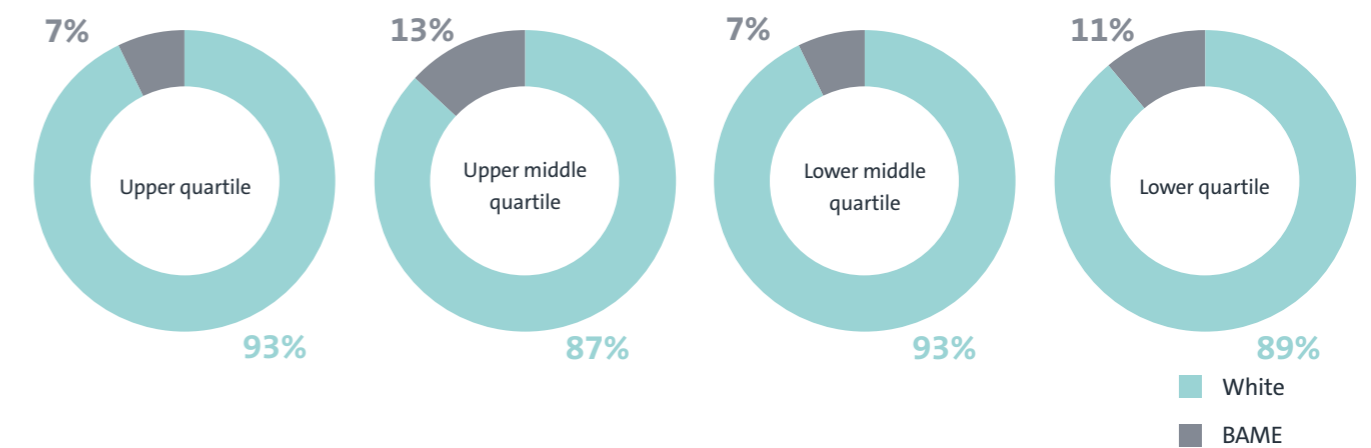
We are continuing to encourage employees and partners to disclose their ethnicity as this will provide more reliable and meaningful data for future reporting.

Voluntary reporting – employee ethnicity gap

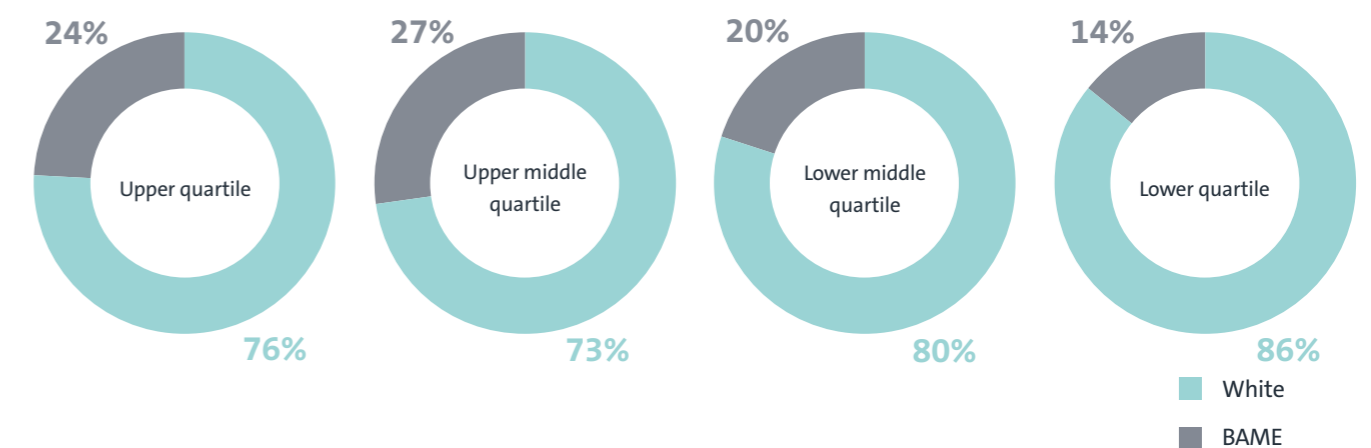
2021 Pay Quartiles – London



2021 Pay Quartiles – Glasgow



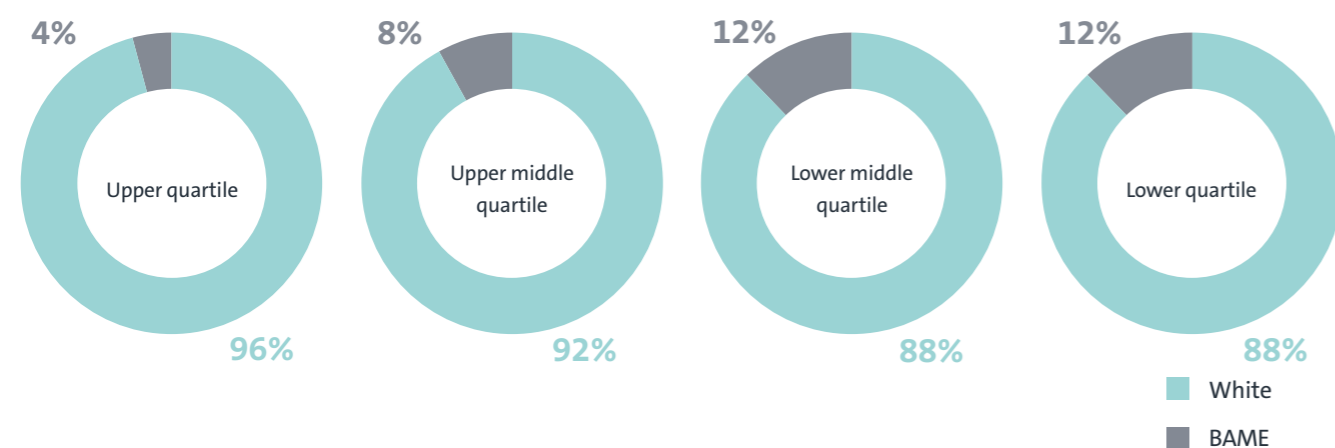
2021 Pay Quartiles – UK



Voluntary reporting – partners ethnicity pay gap

GENDER PAY GAP

Mean	Median
19.9%	19.2%



Actions

Inclusion, Diversity and Belonging (IDB) are firmly anchored in our business strategy. Gender and multiculturalism (encompassing race and ethnicity, faith and cultural diversity) are two of our six IDB strands and we have already put in place a number of initiatives to address our pay gap. These are starting to make a difference.

We have:

Updated our bonus scheme – all employees regardless of role or seniority are now eligible to be considered for a bonus award, based on performance

Implemented a work allocation system – work is allocated by independent managers rather than partners which improves perceptions of fairness

Developed Hybrid Working Guidelines – we’ve provided more flexibility and have rolled out technology to support agile working for all employees globally

Improved parental policies – we have reviewed our policy to provide a more inclusive, and generous package for all. Our policy is now gender neutral and all our people have access to 26 weeks of parental leave, irrespective of their gender or carer status. Our policy also includes provision for adoption, surrogacy and foster care, as well as miscarriage and infertility treatment.

Made our leadership development more inclusive – business services staff can now take part alongside legal employees in our Leadership Development programmes which are open to all employees.

Diversity demographic data collection – we encourage employees to disclose their ethnicity, faith, sexual orientation, gender identity, carer status and disability. By collecting this information we will be better able to understand, report on, and take action on, our pay gap from additional perspectives

Race Fairness Commitment – we undertake RFC reporting on an annual basis which tracks, and measures against our peers, our ethnicity pay gap as well as any adverse impact in graduate recruitment and promotions

Cultural and religious leave – we take an equitable approach to cultural and religious leave which allows our employees to swap up to three bank holidays for days of cultural or religious significance

Coaching and mentoring – we provide our ethnically diverse trainees and apprentices an opportunity to undertake coaching; our small group women’s mentoring scheme teams junior women with counsel and partners to discuss topics such as career progression; and our global reverse mentoring programme matches leaders (the mentees) with a mentor with a different perspective, whether it is gender, ethnicity, socioeconomic background, etc.

Introduced representation targets from 2021 that cover gender representation at partnership and senior leader level –

- 40% women, 40% men and 20% flexible (women, men or non-binary persons) and ethnicity across the firm
- 15% of partners and senior business services leaders to be ethnically diverse, of whom 6% will be Black
- 30% of legal and business services staff to be ethnically diverse, of whom 13% will be Black
- 35% of trainees each year to be ethnically diverse, of whom 13% will be Black trainees.

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