

Our gender pay gap report 2018

We aim to create an inclusive and entrepreneurial environment where talented people can work together and progress their career aspirations, irrespective of gender or background. Our commitment to people is one of the key principles of our strategy, and diversity and inclusion is a strategic priority for the firm.

Transparency about diversity is more important than ever; consequently, for this report, we have decided to go beyond the statutory gender pay requirements and publish our partner and combined partner and employee data.

Employee pay gap

The figures show our overall mean and median gender pay based on hourly rates of pay as at the snapshot date of 5 April 2018, and the bonus gap based on bonuses received in the preceding 12 months.

We confirm that the data in this report is accurate and in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Hourly gender pay gap

Mean	Median
24.7% in 2017	39.8% in 2017
19.6% in 2018	29.8% in 2018

Bonus gender pay gap

Mean	Median
48.2% in 2017	40.1% in 2017
57.1% in 2018	56.7% in 2018

Percentage receiving a bonus



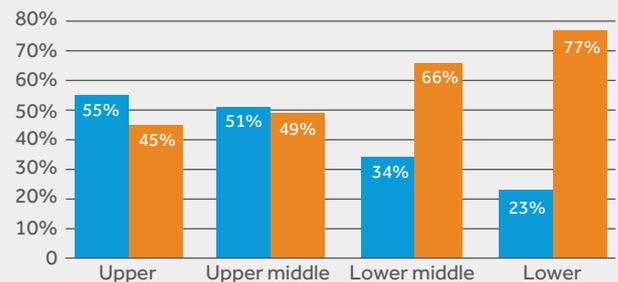
30.1% in 2017
31.2% in 2018



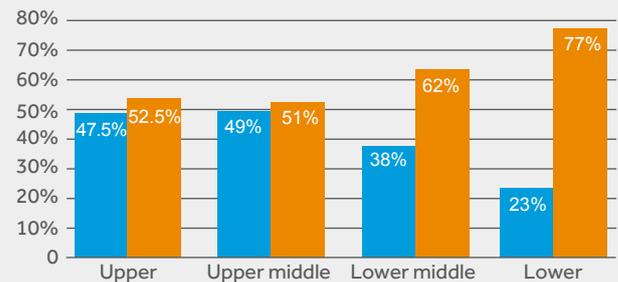
40.1% in 2017
38.1% in 2018

The proportion of employees in each quartile pay band

2017



2018



Male Female

Understanding our pay gap

Our analysis shows that the most significant factors affecting our gender pay gap remain unchanged from our gender pay gap report for 2017. The disparity between hourly and bonus pay for men and women is largely driven by the distribution of women and men within different types of role in the firm. There are more women in roles that fall within the lower pay quartiles and more than 20% of the women in our firm work in secretarial/administration roles.

There is a greater balance between men and women in our upper and upper middle pay quartiles. For associates, our mean pay gap is 3.4% and our median pay gap is 1.7%.

We are confident that men and women are paid equally for doing equivalent jobs across our business. We continue to review and refine our policies and practices to ensure decisions around recruitment, performance, annual appraisals, promotions, pay and bonus are fair and objective.

We are disappointed that our bonus pay gap has increased between 2017 and 2018, and it is clear there is more work to be done to address this.

Partner pay gap

This year we are reporting the gender pay gaps for our UK-based partners and also for our combined partner and employee population based in our London office. At the time of publication, this is outside the scope of the regulations and there is no guideline for preparing these calculations. As partners are remunerated differently from employees, the most appropriate way for us to make these calculations is to look at the total annual FTE (full-time equivalent) earnings including bonus of all UK partners and the total annual FTE earnings including bonus of our UK employees.

Gender pay gap for London based partners

Mean	Median
24.1% in 2017	27.3% in 2017
18.6% in 2018	17.3% in 2018

Combined gender pay gap for London based partners and employees

Mean	Median
55.3% in 2017	47.1% in 2017
56.6% in 2018	39.6% in 2018

"Recognising and rewarding talent is fundamental to our success as a business, and creating an inclusive working environment where our people flourish and reach their potential is a key aspiration of ours. While this report shows that we have made some progress in reducing our gender pay gap, it also provides food for thought: we continue to have a pay gap, particularly in terms of bonuses paid, and there remains work to be done to improve this. We are committed to making further change but those changes will take some time to be reflected in our gender pay gap. Unfortunately there is no 'quick fix'."

Sharon White, CEO

Addressing our pay gap

We want our firm to be a place where our people feel challenged, engaged and supported to fulfil their potential and perform at their best. Creating a culture of inclusion and belonging is key to achieving this.

We have been particularly focused on inclusive career progression and in the last 12 months:

- We launched inclusive leadership training sessions for our partners and directors/heads of business services. These sessions created a forum for participants to discuss how unconscious biases can have an impact on decision making. We will be working with a group of partners to further consider inclusive working practices at group level when partners make decisions about work allocation, opportunities for secondment, progression, and other related decision making. The aim is to ensure that there is a high level of integrity and quality of decision making, and that subjective bias is avoided.
- During 2018 we began a global review of our approach to how we manage and develop talent, and how we manage performance. This year will see us finalising and then implementing the changes we want to make as a result of this review. These changes will focus on having an approach to our people and talent that drives and supports high performance. The aim is to provide greater clarity and a consistent approach across the business to progression, setting objectives and providing continual feedback. This added rigour and transparency will benefit all of our people but will be particularly beneficial in addressing some of the gender related issues by providing a more robust approach to progression.
- We are pleased that for our internal partner promotions, for the year relating to this gender pay gap report, 50% were female.

We recognise that making changes will take time. We remain committed to building on and improving these activities to advance inclusive career progression and working practices for a diverse workplace. We are confident that the efforts we are making promote a 'level playing field' and will help us reduce the gender pay gap.



Sharon White
Chief executive officer



Jeff Marlow
Director of HR, learning and development and knowledge management



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