

2018 Gender Pay Gap Report



Foreword by our managing partner



We were pleased at the positive response our first ever Gender Pay Gap report generated. Our aim was to include as much information as possible about the steps we are taking to address this vital issue.

We went well beyond the statutory requirements set out by the Government and attempted to give a real insight into what we are doing to address the issue.

This time last year there was fierce debate about the publication of the partner gender pay gap at law firms. While not obliged to do so under the Government regulations, we like many other firms took the decision to report our mean partner gender pay gap in the spirit of openness and transparency.

We go a step further this time around and report the gender pay gap of both general and equity partners. New guidance from The Law Society, which has laid out a series of key principles for firms to follow when reporting the gender pay gap, should help to bring a degree of consistency to law firm reporting.

As I mentioned in my foreword to last year's report, we welcome gender pay reporting. It shines a light on this important issue and encourages businesses to actually take steps to tackle it.

Careful analysis of the data contained in this report shows there is still lots of work for us to do as a firm to address this important issue. We are absolutely committed to reducing our gender pay gap and taking steps to address it.

The efforts of our Diversity and Inclusion Steering Group to set stretching realistic targets and recommendations for us to follow continue and we are satisfied that while we still have a long way to travel important progress is being made.

Claire Clarke
Managing Partner
Mills & Reeve

“We went well beyond the statutory requirements set out by the Government...”

The gap at a glance

Gender pay gap at Mills & Reeve

| | Mean | Median |
|---------------------|-------|--------|
| Gender pay gap | 21.6% | 33.5% |
| Year on year change | +1.5% | -0.7% |

Gender bonus pay gap at Mills & Reeve

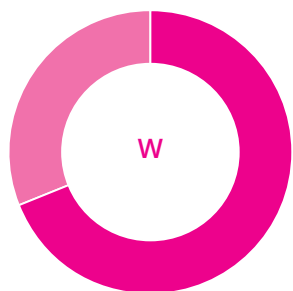
| | Mean | Median |
|----------------------|-------|--------|
| Gender bonus pay gap | 50.4% | 4.5% |
| Year on year change | +7.8% | 0% |

Proportion of women and men receiving a bonus at Mills & Reeve

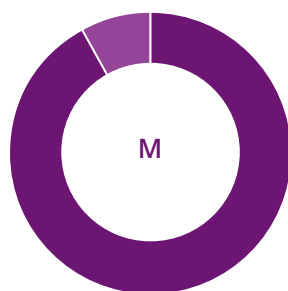
Women 94.1%

Men 95.7%

Working patterns at Mills & Reeve

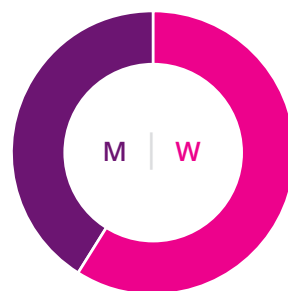


| Women | |
|-----------|-------|
| Full-time | 68.9% |
| Part-time | 31.1% |

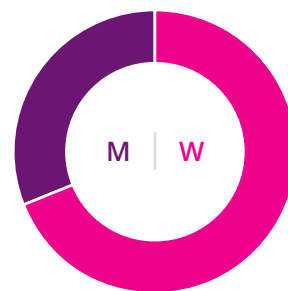


| Men | |
|-----------|-------|
| Full-time | 91.4% |
| Part-time | 8.6% |

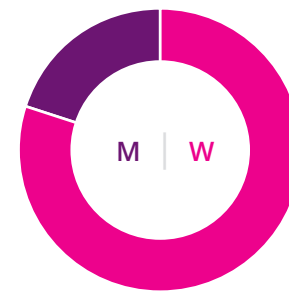
The percentage of women and men in each quartile (of equal size) of the payroll



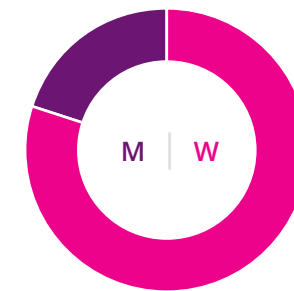
| Upper quartile | |
|----------------|-------|
| Women | 59.1% |
| Men | 40.9% |



| Upper middle quartile | |
|-----------------------|-------|
| Women | 70.0% |
| Men | 30.0% |

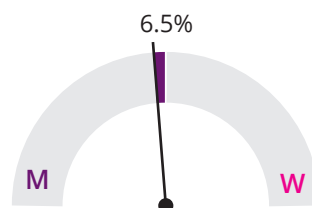


| Lower middle quartile | |
|-----------------------|-------|
| Women | 79.3% |
| Men | 20.7% |

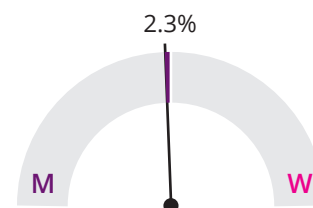


| Lower quartile | |
|----------------|-------|
| Women | 79.8% |
| Men | 20.2% |

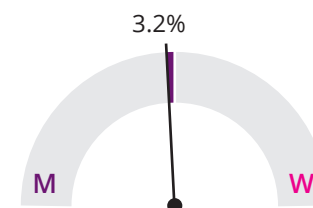
Gender pay gap broken down by pay quartile (Mean)



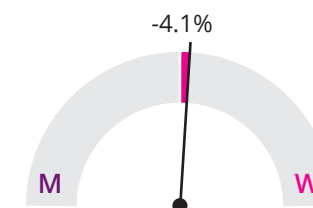
Upper quartile



Upper middle quartile

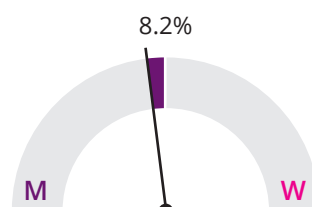


Lower middle quartile

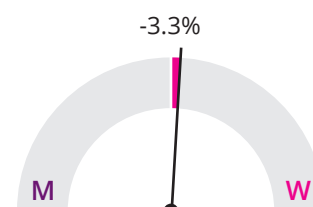


Lower quartile

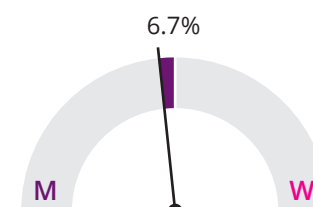
Gender pay gap broken down by associate solicitor level (Mean)



Associate

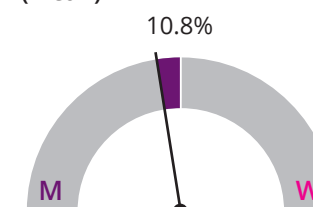


Senior associate



Principal associate

Partner gender pay gap (Mean)



Partner

All the figures reported above are for employees except for the Partner gender pay gap figure. Calculating the median involves taking all salaries in a sample, lining them up in order from lowest to highest, and picking the middle-most salary. Meanwhile, the mean is the overall average of the whole sample and is more subject to skewing by a small number of outliers.

Understanding our gender pay gap

Much of this year's data is very similar to the figures we published last time around. For example our median gender pay gap has decreased slightly from 34.2% to 33.5%, while our mean gender pay gap has increased by a similar amount from 20.1% to 21.6%.

Our partner gender pay gap, which last year was 10.5%, has risen slightly to 10.8%.

Clearly these fluctuations are to be expected when the various actions we are taking to address gender pay will take years rather than months to come to fruition.

As we explained in last year's report we have a large proportion of women employed in the lower pay quartile in executive support services, and more men in senior higher paid business services roles. This is the same as in many professional services firms and has a major impact on our gender pay statistics.

We believe that we reward our people employed in the lower pay quartile competitively when compared against the legal market as a whole. But because so many roles are held by women the average pay of women is reduced and this in turn affects our overall gender pay gap.

Last year when looking at our various associate solicitor levels we were pleased to be able to report that the gender pay gap was virtually non-existent. The gap has widened slightly this time in part as a result of our merger with a London law firm, which led to a number of higher paid associates joining us, the majority of whom were men.

Finally, with regard to the gender bonus pay gap almost all our employees receive a bonus, 95.7% of men and 94.1% of women. All employees are eligible to receive a bonus if they are employed by the firm at the point in time the bonus is paid.

The bonus pay gap did increase from 42.6% to 50.4% as a result of some of our senior, mostly male, business services roles, who have a firm performance linked bonus, receiving a larger dividend due to the firm's strong financial performance.

Unlike the gender pay gap calculation there is no conversion to an hourly rate or pro-rated figure. As all our bonuses are pro-rated to reflect part-time working and 31.1% of our women work part-time our mean gender bonus pay gap is therefore affected significantly.

“We believe that we reward our people employed in the lower pay quartile competitively when compared against the legal market as a whole.”

What we're doing to close the gap

Action point #1 Leading from the top

We are determined to increase the proportion of our female partners to at least 30% with the current level now at 28%, an increase of 1% from the previous year.

Our Diversity and Inclusion Steering Group has outlined a number of objectives designed to build on this further. These include:

- Continue to identify and match sponsors and mentors with women wishing to progress their development and career
- Run further sessions on how to become a partner to increase transparency of the process and bust myths
- Publish guidance to improve consistency of approach on flexible working, agile working and the different types of leave available to help with a variety of different life events

Clearly it will take more than 12 months to get the numbers to where we want them to be but we are pleased to report that our initiatives are proving successful with more women showing an interest in becoming a partner and being included in our talent pipeline at an early stage.

Action point #2 Support our people

Our maternity mentor initiative, designed to provide support to returning mothers, and “keep in touch” programmes to help women stay in contact with the business while on maternity leave, continues to receive positive feedback. We have also introduced paternity mentors over the last 12 months.

Mentors offer practical advice and support on future career progression, as well as dealing with the transition back into work. That might include help re-engaging with work and becoming productive as quickly as possible. Mentors can also help consider different options for childcare and part-time working arrangements.

Meanwhile our wellbeing strategy aims to make sure that the firm is a safe environment to raise wellbeing concerns and that everyone is aware of the support which is available and equipped to have the right conversations. Wellbeing supporters are also on hand in each office to help people.

We have just appointed our first Diversity, Inclusion and Wellbeing Manager who will help speed up the implementation of our strategy.



What we're doing to close the gap



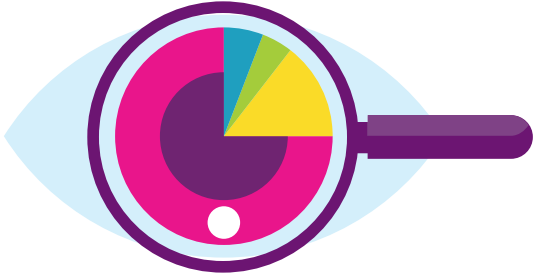
Action point #3 Fully utilise technology

More of our people now work from home on a regular basis as we continue to push agile working practices at all six of our UK offices. We continue to have a flexible approach to requests to work around other commitments outside of work, such as childcare or caring for elderly relatives.

There has also been a 2% increase in the number of men working part time over the last 12 months.

Action point #4 Rewarding all our people

Because we firmly believe that everyone should share the success of our firm, almost all our employees, 95.7% of men and 94.1% of women, receive a bonus. For the period covered by this report every non-partner member of staff received £1,638 regardless of position, seniority or salary if they worked full time and were with us for the whole of the financial year. For the most recent financial year, the amount increased to £2,273, the highest-ever all-staff bonus. The bonus scheme is fully transparent and operates on a shared enterprise basis with a percentage of profit placed into the bonus pool from Day 1.



Action point #5 Greater awareness

We continue to monitor the gender balance of talent programmes and promotions, pay and pay reviews by gender and job grade, and recruitment and selection by gender. Unconscious bias training is now provided ahead of key appointment processes and decisions, from partner appointment panels to trainee selection days.



Case study #1

Caitlin Jenkins, partner and board member



At Mills & Reeve I have always felt that part time and flexible working is something that is fully supported rather than just tolerated.

Throughout my career I have experienced that support first hand as I have been able to change and develop my working arrangements to enable me to balance my work and family commitments.

When I first joined Mills & Reeve in 2003 as a senior associate I had two young children – aged one and three, and I worked three days a week. As my children got older, I received lots of support from the firm to develop my working patterns and in turn my career.

In June 2007 I became a partner working four days a week, including one day from home. I also became a team leader at the same time, managing people in Cambridge and Norwich. More recently in 2012 I became a member of the board and am approaching the end of my second term.

I've always felt that working flexibly was supported in principle and in reality. I remember clearly feeling able, as a very junior partner, to leave a partners' lunch to attend a school concert one of my daughter's was playing in and the senior and managing partners at the time encouraging me to do so in front of other colleagues!

During my career I have been given practical support to make flexible working arrangements work, including co-working with junior colleagues to make sure clients' needs are met. I have felt that working part time and flexibly has not limited my career and indeed, has enabled me to maximise my career opportunities.

“I have felt that working part time and flexibly has not limited my career and indeed, has enabled me to maximise my career opportunities.”

Case study #2

Andrew Moore, principal associate



Working at Mills & Reeve over the last 10 years has helped me to preserve a great work life balance, allowing me to remain an influential and important team member who can prioritise my career progression as well as being a hands-on dad.

I joined Mills & Reeve as a newly qualified solicitor in July 2008, becoming the sixth member of the newly formed Manchester office. I later met my wife at the firm and we have two young daughters.

I submitted a flexible working request in the run up to my wife's return from maternity leave in 2013, later adding a day working from home to be closer to school and nursery, and removing the stress of the commute.

I found the application to change my working patterns swift and painless. Although there are fewer examples of men working flexibly than women at the firm, I was never made to feel that my request was out of the ordinary, nor have I encountered any negativity towards my working pattern over the five years since. Technology allows me to work remotely with no drop in functionality or in the service I am able to provide my clients.

In the last year I have become a member of the firm's paternity mentor network. Our aim is to ensure that all employees, including men, feel supported in thinking creatively about their careers, signposting them to firm resources, and passing on the benefit of our own experiences.

“ I have become a member of the firm's paternity mentor network. Our aim is to ensure that all employees feel supported in thinking creatively about their careers.”

Case study #3

Kate Butler, financial controller



I have been with Mills & Reeve throughout my time as a parent, starting with the firm in 2005 and having my first child the following year. My son will soon be 13 years old, and I think it is testament to Mills & Reeve and their flexible approach that I'm still here progressing my career.

My requests to work flexibly have always been supported by the firm and I've had several different arrangements over the years that have enabled me to meet the demands of family life and work.

Having the ability to work at home, from both a technology and supportive management point of view, has been a huge benefit over the years to ensure that I can maximise the times I can work.

I have always worked hard to ensure that the flexibility works both ways, and I think that this approach has been key in developing relationships across the business and being a valued employee. Mills & Reeve's positive attitude to part time working has encouraged me to try and achieve more out of my career, as well as being able to prioritise my family life.

“Mills & Reeve’s positive attitude to part time working has encouraged me to try and achieve more out of my career, as well as being able to prioritise my family life.”

Mills & Reeve Gender Pay Gap – Year-on-year comparisons

Broken down by employees and employees and partners combined.

Employees

| Employees | Mean | | | Median | | |
|----------------------|-------|-------|----------|--------|-------|----------|
| | FY17 | FY18 | Variance | FY17 | FY18 | Variance |
| Gender pay gap | 20.1% | 21.6% | 1.5% | 34.2% | 33.5% | -0.7% |
| Gender bonus pay gap | 42.6% | 50.4% | 7.8% | 4.5% | 4.5% | 0.0% |

| Employees | Men | | | Women | | |
|--|-------|-------|----------|-------|-------|----------|
| | FY17 | FY18 | Variance | FY17 | FY18 | Variance |
| Proportion of males/females in each quartile | | | | | | |
| Upper | 41.0% | 40.9% | -0.1% | 59.0% | 59.1% | 0.1% |
| Upper middle | 31.0% | 30.0% | -1.0% | 69.0% | 70.0% | 1.0% |
| Lower middle | 20.0% | 20.7% | 0.7% | 80.0% | 79.3% | -0.7% |
| Lower | 21.0% | 20.2% | -0.8% | 79.0% | 79.8% | 0.8% |

| Employees | Mean | | |
|----------------------------|-------|-------|----------|
| | FY17 | FY18 | Variance |
| Gender pay gap by quartile | | | |
| Upper | 6.9% | 6.5% | -0.4% |
| Upper middle | -1.3% | 2.3% | 3.6% |
| Lower middle | 2.8% | 3.2% | 0.4% |
| Lower | -6.3% | -4.1% | 2.2% |

| Employees | Mean | | |
|---|-------|-------|----------|
| | FY17 | FY18 | Variance |
| Gender pay gap by associate solicitor level | | | |
| Associate | -2.3% | 8.2% | 10.5% |
| Senior associate | 0.7% | -3.3% | -4.0% |
| Principal associate | 0.6% | 6.7% | 6.1% |

| Employees | Men | | | Women | | |
|---|-------|-------|----------|-------|-------|----------|
| | FY17 | FY18 | Variance | FY17 | FY18 | Variance |
| Proportion of males/females receiving a bonus | 97.0% | 95.7% | -1.3% | 95.0% | 94.1% | -0.9% |

| Employees | Men | | | Women | | |
|-------------------------|-------|-------|----------|-------|-------|----------|
| | FY17 | FY18 | Variance | FY17 | FY18 | Variance |
| Working patterns at M&R | | | | | | |
| Full-time | 93.0% | 91.4% | -1.6% | 67.0% | 68.9% | 1.9% |
| Part-time | 7.0% | 8.6% | 1.6% | 33.0% | 31.1% | -1.9% |

Employees and Partners

| Employees and Partners | Mean | | | Median | | |
|------------------------|-------|-------|----------|--------|-------|----------|
| | FY17 | FY18 | Variance | FY17 | FY18 | Variance |
| Gender pay gap | 55.2% | 61.6% | 6.4% | 42.7% | 43.4% | 0.7% |
| Gender bonus pay gap | 42.5% | 50.4% | 7.9% | 4.5% | 4.5% | 0.0% |

| Employees and Partners | Men | | | Women | | |
|--|-------|-------|----------|-------|-------|----------|
| | FY17 | FY18 | Variance | FY17 | FY18 | Variance |
| Proportion of males/females in each quartile | | | | | | |
| Upper | 57.6% | 60.5% | 2.9% | 42.4% | 39.5% | -2.9% |
| Upper middle | 33.8% | 33.3% | -0.5% | 66.2% | 66.7% | 0.5% |
| Lower middle | 24.0% | 21.9% | -2.1% | 76.0% | 78.1% | 2.1% |
| Lower | 19.6% | 18.9% | -0.7% | 80.4% | 81.1% | 0.7% |

| Employees and Partners | Mean | | |
|----------------------------|-------|-------|----------|
| | FY17 | FY18 | Variance |
| Gender pay gap by quartile | | | |
| Upper | 35.4% | 33.1% | -2.3% |
| Upper middle | 0.9% | -0.4% | -1.3% |
| Lower middle | 3.8% | -0.4% | -4.2% |
| Lower | -8.1% | -5.4% | 2.7% |

| Employees and Partners | Men | | | Women | | |
|---|-------|-------|----------|-------|-------|----------|
| | FY17 | FY18 | Variance | FY17 | FY18 | Variance |
| Proportion of males/females receiving a bonus | 71.6% | 69.6% | -2.0% | 90.3% | 89.3% | -1.0% |

* All percentages to 1 decimal place

The firm operates a lockstep partnership with gateways at certain points. All partners are remunerated by way of a share of the firm's profit, we don't have any salaried partners. The profit share a partner receives largely reflects the time spent as a partner and the gateways they have moved through.

Mills & Reeve Gender Pay Gap – Year-on-year comparisons

Broken down by partners, equity partners and general partners.

Partners

| Partners | Mean | | | Median | | |
|----------------|-------|-------|----------|--------|------|----------|
| | FY17 | FY18 | Variance | FY17 | FY18 | Variance |
| Gender pay gap | 10.5% | 10.8% | 0.3% | 18.8% | 6.2% | -12.6% |

| Partners | Men | | | Women | | |
|-----------------------------|-------|-------|----------|-------|-------|----------|
| | FY17 | FY18 | Variance | FY17 | FY18 | Variance |
| Proportion of males/females | | | | | | |
| Upper | 74.1% | 80.0% | 5.9% | 25.9% | 20.0% | -5.9% |
| Upper middle | 78.6% | 70.0% | -8.6% | 21.4% | 30.0% | 8.6% |
| Lower middle | 78.6% | 83.9% | 5.3% | 21.4% | 16.1% | -5.3% |
| Lower | 59.3% | 53.3% | -6.0% | 40.7% | 46.7% | 6.0% |

Equity Partners

| Equity Partners | Mean | | | Median | | |
|-----------------|------|------|----------|--------|------|----------|
| | FY17 | FY18 | Variance | FY17 | FY18 | Variance |
| Gender pay gap | 1.7% | 3.3% | 1.6% | 0.0% | 5.0% | 5.0% |

| Equity Partners | Men | | | Women | | |
|--|-------|-------|----------|-------|-------|----------|
| | FY17 | FY18 | Variance | FY17 | FY18 | Variance |
| Proportion of males/females in each quartile | | | | | | |
| Upper | 80.0% | 83.3% | 3.3% | 20.0% | 16.7% | -3.3% |
| Upper middle | 80.0% | 77.8% | -2.2% | 20.0% | 22.2% | 2.2% |
| Lower middle | 66.7% | 66.7% | 0.0% | 33.3% | 33.3% | 0.0% |
| Lower | 73.3% | 66.7% | -6.6% | 26.7% | 33.3% | 6.6% |

| Equity Partners only | Mean | | |
|----------------------------|-------|-------|----------|
| | FY17 | FY18 | Variance |
| Gender pay gap by quartile | | | |
| Upper | 1.2% | 0.8% | -0.4% |
| Upper middle | 0.0% | 0.0% | 0.0% |
| Lower middle | -1.0% | 0.9% | 1.9% |
| Lower | 3.0% | -2.2% | -5.2% |

* All percentages to 1 decimal place

| Partners | Mean | | |
|----------------------------|-------|-------|----------|
| | FY17 | FY18 | Variance |
| Gender pay gap by quartile | | | |
| Upper | 1.3% | 1.1% | -0.2% |
| Upper middle | -0.3% | 1.9% | 2.2% |
| Lower middle | 4.1% | -7.0% | -11.1% |
| Lower | 7.9% | 3.6% | -4.3% |

General Partners

| General Partners | Mean | | | Median | | |
|------------------|-------|-------|----------|--------|-------|----------|
| | FY17 | FY18 | Variance | FY17 | FY18 | Variance |
| Gender pay gap | 17.5% | 19.9% | 2.4% | 20.0% | 10.0% | -10.0% |

| General Partners | Men | | | Women | | |
|--|--------|--------|----------|-------|-------|----------|
| | FY17 | FY18 | Variance | FY17 | FY18 | Variance |
| Proportion of males/females in each quartile | | | | | | |
| Upper | 100.0% | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Upper middle | 75.0% | 84.6% | 9.6% | 25.0% | 15.4% | -9.6% |
| Lower middle | 69.2% | 41.7% | -27.5% | 30.8% | 58.3% | 27.5% |
| Lower | 38.5% | 50.0% | 11.5% | 61.5% | 50.0% | -11.5% |

| General Partners only | Mean | | |
|----------------------------|--------|-------|----------|
| | FY17 | FY18 | Variance |
| Gender pay gap by quartile | | | |
| Upper | 0.0% | 0.0% | 0.0% |
| Upper middle | -6.0% | 3.5% | 9.5% |
| Lower middle | 2.6% | 5.2% | 2.6% |
| Lower | -10.7% | -3.3% | 7.4% |

The firm operates a lockstep partnership with gateways at certain points. All partners are remunerated by way of a share of the firm's profit, we don't have any salaried partners. The profit share a partner receives largely reflects the time spent as a partner and the gateways they have moved through.

About Mills & Reeve

Mills & Reeve is a dynamic and thought-provoking firm. We're flexible, personal, and passionate about the law.

Delivering value to our clients through highly commercial, pragmatic and practical advice, we follow the highest possible standards of professional service, in the most personable and approachable way we can.

Our 1,000 plus people and over 500 lawyers work from six offices nationally and through handpicked relationships with law firms across the globe. Our work spans a broad range of legal sectors and jurisdictions; for a diverse range of clients; from the FTSE 250, to fast-growth start-ups, individuals and some of the world's most established and prestigious organisations.

The small print

Under legislation which came into force in April 2017, UK employers with more than 250 employees are required to publish their mean and median gender pay gap.

These metrics are complementary, and illustrate different aspects of the distribution of pay across an organisation. Calculating the median involves taking all salaries in a sample, lining them up in order from lowest to highest, and picking the middle-most salary. Meanwhile, the mean is the overall average of the whole sample and is more subject to skewing by a small number of outliers.

We confirm that Mills & Reeve's gender pay gap calculations are accurate and meet the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

The data published in this report is published by Mills & Reeve Services Limited, a wholly owned subsidiary and the service company of Mills & Reeve LLP. Mills & Reeve Services Limited is the main employing entity for Mills & Reeve's employees.

MILLS & REEVE

