

PAY GAP REPORT 2020

AT CLIFFORD CHANCE, WE ARE COMMITTED TO CREATING AN INCLUSIVE ENVIRONMENT BASED ON MUTUAL RESPECT WHERE EVERYONE HAS AN EQUAL OPPORTUNITY TO SUCCEED.

At Clifford Chance we understand that diversity and inclusion is good for our business, our clients and our people as well as being good for our profession and wider society.

Part of that is ensuring that our focus on inclusion remains steadfast despite the ongoing external challenges that surfaced this year, which brought into sharper focus that an equality of opportunity isn't always the lived experience of many people. We were reminded that we cannot be a true meritocracy until we address the structural barriers that prevent that meritocracy happening, and we recognise the disproportionate impact that the Covid-19 pandemic has had on disadvantaged groups, including women and ethnic minorities in particular.

Last year, we determined to find accelerators that we hope will break through the all-too-gradual pace of change in the sector. While our pay gap data shows that we are moving in the right direction, this progress remains slower than we would like, and we have more to do to realise our global inclusion strategy to change the rules, change the culture, change the lived experience.

We have since launched new global and regional inclusion targets as a catalyst for tangible progress and ensuring greater ambition and accountability are embedded across our network.

This year we have also published more in-depth data relating to ethnicity and LGBT+ and we continue to examine closely the causes of our pay gaps across gender, ethnicity, LGBT+ and disability.

We have deepened our focus on cultural change and how that translates into a meaningful impact on the quality of life for our people and our ability to attract and retain the best talent.

Highlights here include: a redefined 'Enable' strategy focused on visible and invisible disabilities, ensuring ours is an environment where everyone can thrive; the development of active inclusion training; expanded reverse mentoring; and a number of awareness raising campaigns designed to engage and inspire people to become supporters and advocates of inclusion.

We also have a number of new external commitments and partnerships such as the Women in Law Pledge, Rare's Race Fairness Commitment and the Global Business Collaboration for Better Workplace Mental Health.

More of our targeted actions are set out in this report. It is our hope that these actions will have a direct impact on the meaningful change we wish to see in our diversity and pay gap data, and we are encouraged by the high levels of engagement from our people and our leadership.

We also acknowledge that for real progress to happen we have to be prepared to campaign for it – in our firm, with our clients and industry peers, and in wider society. That requires a permanent commitment, from each of us to continually champion the world we want to see.

Michael Bates
Regional Managing Partner, United Kingdom



PAY GAP REPORTING

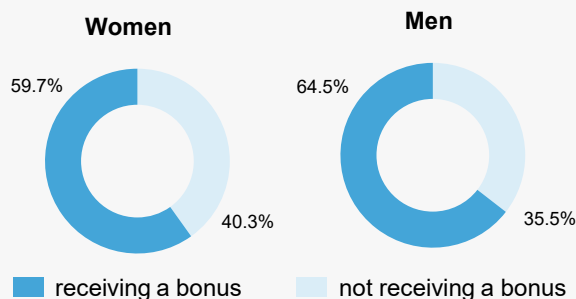
Statutory 2020 Gender Pay Gap Reporting

The Gender Pay Gap aims to show the distribution of men and women across different roles within an organisation and highlight where there may be concentrations of a particular gender at lower or higher pay levels. The Gender Pay Gap legislation is not aimed at showing equal pay for the same role; this has been a legal requirement since the Equal Pay Act 1970. The firm examines that question regularly and we are confident that we pay women and men equally for the same roles. Our 2020 data shows that, based on hourly rates of pay, women's pay is 19.1% lower (mean gap) than that of men. The median gap is 39.6%.

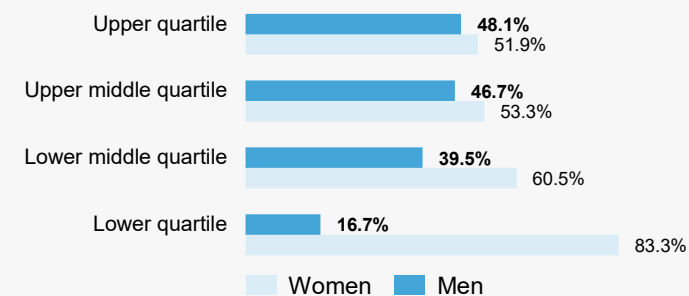
Employee pay and bonus gaps (% less than men)

	Mean	Median
Hourly Pay Gap	19.1%	39.6%
Bonus Gap	31.8%	44.0%

Proportion of employees receiving a bonus



Proportion of employees in each pay quartile band



For more details on the definitions used in this report and the % change since our 2019 Report, please refer to Appendix 1.

Our 2020 Overall Gender Pay Gap Data

We believe that the gender pay gap is an important issue for our entire firm. The law does not permit us to include our partners in the statutory calculations. The legislation only allows inclusion of employees; our partners are not employees. However, in order to have a complete understanding of the issue and to help our efforts to tackle gender imbalance, we feel it is important to show the gender pay gap for the whole of our UK firm including all partners and employees. We have therefore continued to include our partners in our overall reported figures in order to offer a more transparent view of the firm. In this report, the 2020 overall pay gap data includes the pay gap data for UK subsidiaries of the firm.

Overall Pay Gap (includes partners)

	Mean	Median
Pay Gap	63.5%	41.5%

Associate Pay Gap

	Mean	Median
Hourly Pay Gap	5.5%	4.8%

Our Overall Pay Gap remains significantly impacted by two main factors:

- The level of remuneration that the partners receive, and the proportion of women in the UK Partnership (25.5% of the total UK partners are women, up from 24.3% last year).
- The high proportion of women in our secretarial roles who make up a large part of our lower quartile population.

Partner Pay Gap

	Mean	Median
Pay Gap	25.7%	30.4%

Business Professionals Pay Gap

	Mean	Median
Hourly Pay Gap	25.7%	35.4%

Our partner pay is a share of the firm's profits, much of which is not paid monthly. We think the most honest and informative way to show the figures is to look at total annual Full-time Equivalent (FTE) pay for UK-based partners and employees (including FTE bonus) rather than looking only at a single month snapshot (which would not include significant amounts of partner pay).

*Gender is referenced in binary terms of men and women on this page, but we recognise that a number of people at Clifford Chance are non-binary or gender non-conforming too and will not be represented by this breakdown.

PAY GAP REPORTING

Using ethnicity, LGBT+ and disability pay gap data to drive change

We believe that it is important to show pay gap data for partners and employees when analysing our ethnicity, LGBT+ and disability pay gaps. This year, we have published a further breakdown of data to give a better indication of the proportions within our population groups. The relatively small populations in each category, and in particular in our partnership, have a disproportionate and significant impact on our pay gap figures. We have observed small improvements in the overall pay gap means for each area, but again this change remains slow. Diversity in ethnicity, LGBT+ and disability will remain a key area of focus for us.

Ethnicity

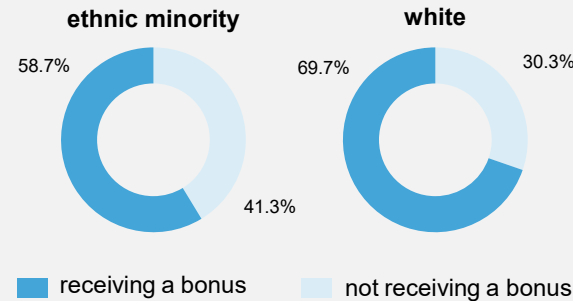
Overall ethnicity pay gap (includes partners)

	Mean	Median
Pay Gap	47.5%	0.0%

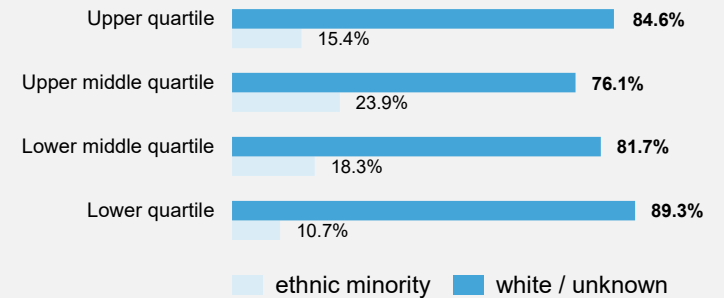
Employee pay and bonus gaps (% less than white)

	Mean	Median
Hourly Pay Gap	-1.8%	-19.7%
Bonus Gap	21.6%	-43.4%

Proportion of employees receiving a bonus



Proportion of employees in each pay quartile band



LGBT+

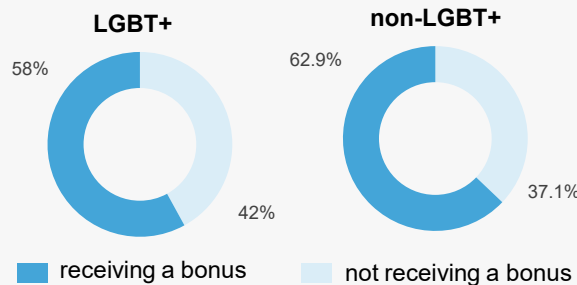
Overall LGBT+ pay gap (includes partners)

	Mean	Median
Pay Gap	24.7%	2.0%

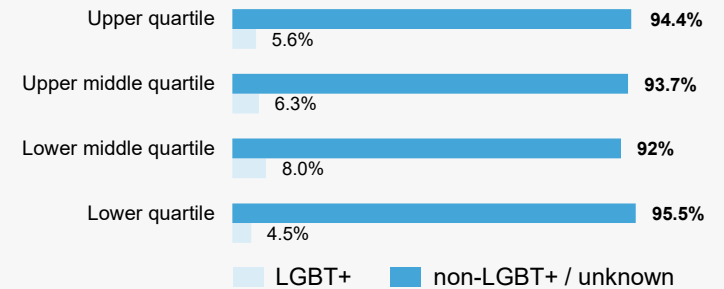
Employee pay and bonus gaps (% less than non-LGBT+)

	Mean	Median
Hourly Pay Gap	0.7%	-1.5%
Bonus Gap	8.2%	-16.2%

Proportion of employees receiving a bonus



Proportion of employees in each pay quartile band



Disability

Overall disability pay gap (includes partners)

	Mean	Median
Pay Gap	12.4%	34.0%

We have chosen not to provide a breakdown on bonus or quartile distribution given the low number of individuals who chose to share that they have a disability or long term injury or condition. Clifford Chance Enable seeks to understand the lived experience of our disabled colleagues and create the right environment for them to feel comfortable to share their stories and capture meaningful data to better understand our population groups.

ACTIONS TO DRIVE CHANGE

Actions across gender, LGBT+, ethnicity and disability

- Launched global and regional inclusion targets, including the following which are relevant to the UK:
 - At least 40% female and at least 40% male global partners in the firm by 2030
 - UK goal of increasing the proportion of female partners by 25% by 2025 and by 60% by 2030
 - Gender targets of at least 40% female and at least 40% male are to be extended at all levels throughout the firm's structures at a global and regional level, including to counsel, senior associate, associate, business professionals directors and leadership groups by 2025
 - LGBT+ global partner target of 3% by 2025 and a UK LGBT+ goal of 5% of partners by 2025
 - Minority ethnicity targets for UK which include 15% of new partners and 30% senior associates and business professionals by 2025
- Introduced mandatory Diversity & Inclusion objectives for all senior UK leaders.
- Developing targeted action plans within individual practice areas and business professionals teams to achieve our inclusion targets
- Developed a new strategy for work allocation to ensure best practice is adopted and to increase the fairness of work allocation so colleagues of particular backgrounds are not underutilised, which will have a negative impact on their career progression.
- Organised a successful Self-ID campaign to encourage colleagues to share their diversity data in the firm's HR portal, allowing us to better understand our different communities and identify any trends affecting them.
- Launched mandatory global anti-bullying and anti-harassment training in partnership with the International Bar Association.
- Became a founding partner of the Global Business Collaboration for Better Workplace Mental Health; increased focus on wellbeing resources and resilience training accessible for all UK employees, in partnership with the Samaritans
- Launched a partnership with Peppy, an app providing support to all UK employees and their partner or spouse on issues relating to menopause, parenthood and fertility, as part of our ongoing commitment to wellbeing.
- Reverse mentoring relationships continue to expand.

Overall gender pay gap

	Mean	Median
Pay Gap	63.5%	41.5%

Overall LGBT+ pay gap

	Mean	Median
Pay Gap	24.7%	2.0%

Overall ethnicity pay gap

	Mean	Median
Pay Gap	47.5%	0.0%

Overall disability pay gap

	Mean	Median
Pay Gap	12.4%	34.0%

Public recognition:

We are delighted with the recognition for our efforts. For example:

- Partner Narind Singh and Senior Associate Eraldo d'Atri named in 2020's OUTstanding LGBT+ Role Models list
- Winners of The Law Society 'Excellence in Diversity & Inclusion' Award 2020
- Ranked as One of Europe's most inclusive companies in Financial Times Diversity Leaders List
- Two spots on the global HERoes Women Role Model Lists 2020: Senior Associate Alice Jefferis and partner David Harkness.
- Won Outstanding D&I Practices in Procurement Teams Award at CIPS Awards 2020
- Three wins for UK Graduate Recruitment team at the 2020 TARGETjobs awards in recognition of its groundbreaking programmes including ACCESS, ACCEPT, IGNITE, LIFT, SPARK and global virtual internships.
- Partner Matthew Newick won the Champion (Ally) category at Investing in Ethnicity Awards 2020.
- Anne Collins, Senior Associate, finalist in Spark 21's 'Top 5 Under 35' Inspirational Women in Law Awards

ACTIONS TO DRIVE CHANGE

Consultation with affinity groups

While we do not see affinity groups as a solution to our pay gaps, they play an important role as consultative bodies when developing our action plans. Members of each network are brought into senior management discussions where appropriate, and we continue to encourage and support our affinity groups for gender parity (Accelerate>>>), LGBT+ (Arcus), ethnicity (Race Equality and Celebrating Heritage (REACH)) and disability (Enable).

Actions relating to gender parity

- Increased efforts to eliminate gendered language from legal documentation and from all our written work (actively championed by our gender parity group Accelerate>>> and our LGBT+ network Arcus).
- Actively reviewing working models and our approach to agile working post-Covid.
- Signed the Law Society's Women in Law pledge, supporting the progression of women into senior roles in the profession by focusing on retention and promotion opportunities.

Actions relating to ethnicity

- Signed Rare's Race Fairness Commitment, which mandates close analysis of quantitative data and monitoring of employee lifecycles from recruitment to senior promotion, to identify and encourage intervention at points where ethnic minority colleagues appear to fall behind their peers.
- Ran a series of focus groups with diversity consultants Delta Alpha Psi (with white and ethnic minority colleagues) to understand what shapes our colleagues' career experiences and critical career decisions and how that differs between white and ethnic minority colleagues.
- Developed new training on 'microaggressions' for our people (in partnership with diversity recruitment organisation Rare).

Actions relating to LGBT+

- Enhanced our private medical insurance cover for gender affirmation surgery to also include top surgery, as part of our commitment to support non-binary and transgender people in our firm.
- Increased focus on retention through building and nurturing our Arcus community with events, social activities, Pride series, Queer Film Club, Lunch & Learns and upskilling sessions on topics like LGBT+ inclusive language and raising awareness of transgender experiences.
- Developed strategic pillars within the Arcus steering committee for Collaboration, Education & Awareness and Pro Bono to focus efforts and achieve objectives.

Actions relating to disability

- Held a 'Lived Experience Forum' with PurpleSpace providing an opportunity for employees to share feedback and observations confidentially; these outputs were able to inform and support a rebrand of our disability network and new 'Enable' strategy, and shape our disability agenda for 2021/22.
- Created a global storytelling campaign to raise awareness and educate employees about visible and non-visible disabilities, the support and guidance available to them, and the importance of equality.
- Signatory of the Valuable 500 and the UK government's Disability Confident scheme where the firm has so far achieved Disability Confident Committed, Level 1, helping us to drive disability inclusion and improve how we attract, recruit and retain disabled workers.

OUR INCLUSION STRATEGY IN ACTION

CHANGE THE RULES | CHANGE THE CULTURE | CHANGE THE LIVED EXPERIENCE

with a call to action

"A year ago, much of our conversation around the structural barriers that exist in our industry for ethnic minorities occurred in our affinity groups. Then the death of George Floyd happened. We had already begun work to change the rules with our inclusion targets, but we saw a step-change in the levels of engagement across all levels of the firm. We issued a public call to action for racial equality because we needed to be vocal about our ambitions to change the rules in our firm and beyond, and stand behind what we say.

Changing the rules involves taking a methodical approach and looking at every stage of a successful career at Clifford Chance to ensure ethnic minorities are not disadvantaged. We're asking why is there a discrepancy between race in terms of tenure? Why are ethnic minorities getting lower appraisal ratings? Why are they getting lower bonuses? Why are we not seeing enough ethnic minorities progress through to partnership and directorship?

We're also engaging the most senior levels of the firm in these conversations. Three years ago, we were celebrating that I was the only black woman partner in London; now we have a black female partner in our Executive Leadership Group. I'm there to challenge the group's thinking, ask constructive questions and ensure decisions are not made in silos.

I aim to help us become an organisation where everyone feels they have an opportunity for success. I want us to achieve our inclusion targets and make sure we have a clear action plan if we're off the mark. There is a lot of change coming in the wake of the pandemic, so I also want to ensure that we manage that change in a way that respects all of our people."

Chinwe Odimba-Chapman will be the firm's new Global Partner for Talent, effective May 2021



OUR INCLUSION STRATEGY IN ACTION

CHANGE THE RULES | **CHANGE THE CULTURE** | CHANGE THE LIVED EXPERIENCE

with a tailored approach

“We are developing diversity and inclusion action plans within our individual practice areas to make sure that our inclusion goals and our cultural values are driven into our day-to-day practice. They’re helping us think constructively about how we will achieve our inclusion targets and what we can all do to change our culture for the better.

Key to this is listening to what is most important to our people. In Corporate this year, we brought together a group of partners across different remits to talk through our action plan’s proposed areas of focus. We then invited the wider practice area to become engaged. Almost 100 people responded, which was excellent. We created diverse groups of partners, lawyers and business professionals to begin a very open discussion. We want colleagues to hear each other’s authentic voices, how life at the firm really feels for them, and what our key goals should be.

Some of these conversations move into areas that are difficult, but we have to gain confidence as a group to talk about issues that impact fundamental elements of our business, such as development and career progression, to understand what we’re missing. After all, this is people’s daily experience in our practice. We want to improve the way we work together, as it stands to reason that this will improve our practice and our business. This isn’t just a conversation about gender, or ethnicity or LGBT+ or disability, it’s about creating an environment where everyone can thrive.

We have always prided ourselves on being a progressive firm and a meritocracy. If we want to be confident that is, in fact, the case, then we should be naturally ensuring inclusion and have it flow through every fabric of our firm.”

Nigel Wellings is the UK’s joint Head of Corporate



OUR INCLUSION STRATEGY IN ACTION

CHANGE THE RULES | CHANGE THE CULTURE | **CHANGE THE LIVED EXPERIENCE**

with a new Enable strategy

"Everybody has a different lived experience and it's important that we create a safe, confidential and inclusive space where our people can be heard; a place where we can all learn and share the breadth of wisdom that different lived experiences bring.

This year, we held our Lived Experience Forum with PurpleSpace to make sure we were on the right track. This gave us a great roadmap for redefining our Enable strategy – an evolution of our Disability Action Group. Enable aims to ensure anyone with a disability, long term injury or condition or workplace adjustment has an equality of opportunity and experience.

One of the ways we're doing this is to bring together visible and non-visible disabilities, including mental health, which can have a substantial impact on our lives at work. This has been especially noticeable in the last year. They also interlink, for example, someone with a physical disability can feel depressed, or another with dyslexia can experience anxiety. Our dialogue needs to be consistent so we provide a safe, inclusive environment for anyone with a condition that affects their ability to work.

We are raising awareness through our storytelling campaign *Enable: My Lived Experience*. Stories have enormous power to connect and inspire people. They help to generate action, avoid assumptions, and help others have the courage to share their own experiences too. We are also conducting an end-to-end review of our workplace adjustments process to ensure a seamless and smooth experience for colleagues to request workplace adjustments at all stages of their career journey.

These are interventions that will truly change the lived experience; to ensure ours is a firm where people don't just want to stay, but feel enabled to perform to their absolute best."

Ashika Patel is a Senior HR Manager and co-chair of Enable



SUMMARY

Pay Gap reporting reminds us that we must increase and maintain momentum in relation to diversity and inclusion. Organisations which are best able to cater for a global and diverse client base and workforce will be those that thrive.

We are committed to following through on our plan of targeted, recommended actions to address these issues.

Declaration

Our methodology for the statutory Gender Pay Gap reporting has been reviewed by a third party. We confirm that the data reported is accurate.



A handwritten signature in black ink that reads "M. A. Bates".

Michael Bates
Regional Managing Partner, United Kingdom



A handwritten signature in black ink that reads "Claire Howe".

Claire Howe
HR Director, United Kingdom

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APPENDIX 1

DETAILED COMPARISON TO STATUTORY GENDER PAY GAP REPORTING IN 2019

Pay and bonus gaps (% less than men)

	Mean 2019	Mean 2020	Difference	Median 2019	Median 2020	Difference
Hourly pay gap	20.0%	19.1%	-0.9%	37.0%	39.6%	+2.6%
Bonus gap	37.9%	31.8%	-6.1%	44.3%	44.0%	-0.3%

Proportion of men and women in each pay quartile band

	Women 2019	Women 2020	Difference	Men 2019	Men 2020	Difference
Upper quartile	51.6%	51.9%	+0.3%	48.4%	48.1%	-0.3%
Upper middle quartile	51.8%	53.3%	+1.5%	48.2%	46.7%	-1.5%
Lower middle quartile	60.0%	60.5%	+0.5%	40.0%	39.5%	-0.5%
Lower quartile	80.8%	83.3%	+2.5%	19.2%	16.7%	-2.5%

Proportion of employees receiving a bonus

	2019	2020
Women	57.8%	59.7%
Men	57.8%	64.5%
Difference	0.0%	4.8%

Pay gaps by employee type (% less than men)

	Mean 2019	Mean 2020	Difference	Median 2019	Median 2020	Difference
Partner	27.5%	25.7%	-1.8%	40.6%	30.4%	-10.2%
Associate	4.8%	5.5%	+0.7%	3.4%	4.8%	+1.4%
Business Professionals	25.8%	25.7%	-0.1%	35.2%	35.4%	+0.2%

How to read this data

Mean

Mean figures represent an average, i.e. the compensation of the individuals included in the data, divided by the number of individuals.

Median

If we rank each individual's pay/bonus data from lowest to highest, the median is the value in the middle of that list.

Hourly Pay Gap

This reflects the equivalent hourly rate of pay for all employees of the firm, so long as they were in receipt of full pay in April 2020. This includes those working both part and full time.

In 2020, on a mean basis, women were on average paid 19.1% less than men. This gap has reduced by 0.9% since 2019, when women were paid 20.0% less.

Bonus Gap

The bonus gap reflects the actual bonuses paid to employees in the 12 months to April 2020. For us, this means bonuses paid in June 2019.

In 2020, on a median basis, women received an average bonus that was 44.0% lower than that paid to men. This gap has reduced marginally since 2019 (0.3%) while the mean bonus gap has reduced more significantly (6.1%).

Proportion of men and women in each quartile band

The quartile distributions divide our employees into four equal groups ranked from highest to lowest levels of pay. The proportions show the relative number of each gender in those groups.

In 2020, 51.9% of those employees in our upper pay quartile were women. This has increased by 0.3% since 2019, when 51.6% of the upper pay quartile were women.

Proportion of employees receiving a bonus

This shows the proportion of employees who receive any level of bonus payment.

In 2019, 57.8% of women received some form of bonus payment. This has increased in 2020, when 59.7% of women received a bonus.

Pay gaps by employee type

These figures break down the pay gaps for our major job families in the UK. We use 'Partners' to refer to members of Clifford Chance LLP. Associates are our other qualified lawyers. 'Business Professionals' refers to those employees whose role does not include giving legal advice.

In 2020, on a mean basis, female Associates were on average paid 5.5% less than men. This gap has increased by 0.7% since 2019, when women were paid 4.8% less.

Pay gap data for UK subsidiaries of the firm is included in our 2020 overall pay gap data, but not our statutory data.

APPENDIX 2

COMPARISON TO CLIFFORD CHANCE'S PAY GAP REPORTING IN 2019

Overall gender pay gap

	Mean 2019	Mean 2020	Difference	Median 2019	Median 2020	Difference
Pay Gap	65.7%	63.5%	-2.2%	41.8%	41.5%	-0.3%

Overall ethnicity pay gap

	Mean 2019	Mean 2020	Difference	Median 2019	Median 2020	Difference
Pay Gap	51.6%	47.5%	-4.1%	0.0%	0.0%	0.0%

Overall LGBT+ pay gap

	Mean 2019	Mean 2020	Difference	Median 2019	Median 2020	Difference
Pay Gap	27.5%	24.7%	-2.8%	3.6%	2.0%	-1.6%

Overall disability pay gap

	Mean 2019	Mean 2020	Difference	Median 2019	Median 2020	Difference
Pay Gap	27.0%	12.4%	-14.6%	2.9%	34.0%	+31.1%

How do we collect this data?

Our gender data is informed by official reporting figures required for tax purposes. Our further diversity information is collected on a voluntary basis through our HR self-identification portal. The proportion of people who have responded to our requests to provide diversity information is:

Ethnicity: 73.5%

LGBT+: 74.0%

Disability: 66.5%

Those who have chosen not to disclose their data have been excluded from these calculations.

C L I F F O R D
C H A N C E

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