

Rachel Reeves MP
Chair of the Business, Energy and Industrial
Strategy Committee
House of Commons
London SW1A 0AA



8 June 2018

Dear Ms Reeves

Corporate Governance: Delivering on Fair Pay

As requested in your letter dated 25 May 2018, please find below the information requested. Data relates to our UK office.

1. **What is the average gender bonus pay gap at Clifford Chance when including all UK partners either at 5 April 2017 (if readily comparable to gender pay gap without partners) or in the year leading to 5 April 2018?**
 - a. Bonuses paid to our UK employees in the 12 months leading up to 5 April 2017 result in an average gender bonus gap mean of 53.2%, and a bonus gap median of 50.7%.
 - b. Partners do not receive bonuses. Therefore it is not possible to provide a similar analysis on bonus gap which includes partners.
 - c. For the purposes of clarity, and to assist you in considering this issue, it may be helpful to reiterate our methodology used in calculating our total gender pay gap figure published in our 2017 report. We considered total annual FTE pay (distribution of profits) for all UK based partners and total annual FTE pay for all employees (including FTE bonus) is the only sensible basis for comparison both with employees and with other law firms, rather than looking only at a single month snapshot (which would not include significant amounts of our partner pay as at Clifford Chance, partner pay is a share of the Firm's profits which is paid periodically and not in April).
2. **What proportion of male and female staff at Clifford Chance received a bonus when including all UK partners either at 5 April 2017 (if readily comparable to gender pay gap without partners) or in the year leading to 5 April 2018?**

- a. 55.1% of men and 55.9% of women received a bonus in the 12 months leading up to 5 April 2017
 - b. Partners do not receive bonuses. Therefore it is not possible to provide a similar analysis on bonus receipt which includes UK partners
- 3. What proportion of junior associates at Clifford Chance identify as female at May 2018?**
- a. 56% of junior associates identify as female at May 2018.
- 4. What proportion of senior associates at Clifford Chance identify as female at May 2018?**
- a. 51% of senior associates identify as female at May 2018.
- 5. What success have you had with increasing female progression to partner, Executive Committee and Board levels through your various diversity initiatives? Please provide detailed statistics on success rates and precise the timeframe used for each indicator.**
- a. In 2009, the firm's then Management Committee announced a global target of 30% gender balance in our partnership. The target was not accompanied by a specific timeframe; however, it did provide a framework for reporting. The firm reports annually on gender balance, and, since the announcement of the firm's target, the female composition of the London partnership has shifted as follows:
 - i. 2010: 16.5%
 - ii. 2011: 16.1%
 - iii. 2012: 17.1%
 - iv. 2013: 18.9%
 - v. 2014: 21.0%
 - vi. 2015: 20.3%
 - vii. 2016: 21.7%
 - viii. 2017: 20.1%
 - ix. 2018: 21.0%
 - b. Promotion-to-partner rates for the London office from 2010 has been, in aggregate, 33.3% female and 66.7% male. Detail is set out below.

Year	F	M	% F	% M
2010	2	7	22.22%	77.78%
2011	2	4	33.33%	66.67%
2012	3	2	60.00%	40.00%
2013	1	4	20.00%	80.00%
2014	4	4	50.00%	50.00%
2015	2	5	28.57%	71.43%
2016	4	6	40.00%	60.00%

Year	F	M	% F	% M
2017	0	9	0.00%	100.00%
2018	4	3	57.14%	42.86%
TOTAL	22	44		

- c. Of the 6 business units (or practice areas) in the London office, currently 2 (33.3%) are led by female partners and 4 (66.67%) are led by male partners. Under my leadership, such partners comprise the executive members of the London office's leadership group. In addition, the London Leadership Group includes the firm's Partner with global responsibility for talent, our London HR head and the firm's global COO, all of whom are female. Therefore, the London leadership group has 5 males and 5 females at present.

The corporate employing entity of our firm in relation to the London office is Clifford Chance London Limited and the board of directors of that entity is comprised of 7 London partners, 3 of whom are female and 4 of whom are male.

At Clifford Chance, we are committed to creating an inclusive environment where every employee has the opportunity to succeed. We know that there are clear business advantages of having a diverse workforce – it is better for our clients, better for our business and better for our people. To achieve this, inclusivity, diversity and professional development must be central to our strategy and supporting the career development of women at all levels is an integral part of this. The Gender Pay Gap legislation has reinvigorated our focus on gender issues at Clifford Chance and we are committed to a number of new actions as a result of this.

We welcome the provision of statutory guidelines on how to include partner pay in order to assist the underlying spirit of the Gender Pay Gap legislation, and on 14 May, Richard Foley (Senior Partner, Pinsent Masons) and I met with Christina Blacklaws of the Law Society in order to encourage the development of a standard and more transparent approach across the legal sector to the inclusion of partner pay in overall gender pay gap reporting.

Please do not hesitate to contact me should you require any further clarification.

Yours sincerely



Michael Bates, London Managing Partner