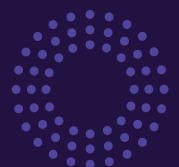


HOWARD KENNEDY



Gender Pay Gap Statement

Report 2021



Howard Kennedy – Gender Pay Gap Statement 2021

Executive summary of results

Howard Kennedy is able to report a notable reduction in the median gender pay gap for our employees, as at April 2021, in comparison to our 2020 data, as well as an increase in the number of women in the upper quartile. We acknowledge an increase in our mean pay gap, which is attributed to our male population being smaller, and therefore more likely to be skewed by any outliers.

We are pleased to report that we are below the legal sector median of 32.4%, with a median gender pay gap of 21.2%. Despite reporting a slight increase, we are still behind the legal sector mean gender pay gap of 20.3%, and the national gap of 14% with a mean gender pay gap of 13.0% ¹. While we know that we have work to do, we are proud to be reporting below our sector averages.

What is the "gender pay gap"?

Gender pay gap reporting shows the difference between men's and women's average earnings across the business. The 'gap' is reported as a percentage, with a positive result showing in favour of men, and a negative result showing in favour of women.

Reporting encourages discussion around the factors that can limit female progression: such as occupational segregation, unconscious bias, family responsibility and how this is viewed and treated.

How does this differ from "equal pay"?

Equal pay is where we look at men and women in comparable roles and ensure their salaries are equal. Gender pay does not look at like-for-like roles. Equal pay is out of scope of these reporting requirements.

What are the "mean" and "median", and why show both?

A "mean" average involves adding up all the numbers and dividing the result by how many numbers are in the list. Mean averages are useful because they give a good overall indication of the gender pay gap. However, the result can be distorted by outliers (for example, an individual who is paid significantly more or significantly less than others in the firm) in the data.

A "median" average shows the middle number if all the numbers were shown in numerical order. Median averages are useful to indicate the 'typical' situation, as they are not distorted by outliers. However, this wouldn't effectively highlight where there are pay gap issues at the highest and lowest levels.

Using these two different types of average gives a more balanced overview of the overall gender pay gap.

13.0%

Employee mean gender pay gap

21.2%

Employee median gender pay gap

25.9%

Partner mean gender pay gap

24.7%

Partner median gender pay gap

¹ The Law Society - <https://www.lawsociety.org.uk/Topics/Research/gender-pay-gap-reporting-firms-2020-snapshot>

Employee pay statistics

Our results

Below shows the results of our 2021 Gender Pay Gap report against prior years:

13.0%

Mean gender pay gap for employees
This is a change of 2.9% in comparison to 2020.

21.2%

Median gender pay gap for employees
This is a change of -5.2% in comparison to 2020.

	2020	2019-20 change	2019	2018-19 change	2018
Mean gender pay gap	10.1%	-7.6%	17.7%	-0.9%	18.6%
Median gender pay gap	26.4%	5.8%	20.6%	0.7%	19.9%

Pay quartiles

As part of the reporting requirements, we are required to break down our employee population into equal quartiles based on their salary, and show the percentage of men and women within each quarter. Pay quartiles rank individuals from highest to lowest hourly rate of pay and split these into 4 evenly sized groups.

% of employees in each pay quartile	Male	Female
Q4 (Upper Quartile)	34.7%	65.3%
Q3 (Upper Middle)	32.9%	67.1%
Q2 (Lower Middle)	21.9%	78.1%
Q1 (Lower Quartile)	25.0%	75.0%

What do the results tell us?

The reduction in our median pay gap shows that the gap between mid-range salary for men and women is reducing. This is due to the increasing percentage of women in our Upper Quartile range as a result of our recruiting habits in 2020/21. We acknowledge and are focussing moving forward on the increase in our mean pay gap. This is due to a single outlier - as we have a significantly lower male population in comparison to our female population, the mean is more likely to be skewed by any outliers.

As part of the reporting requirements, we are required to break down our employee population into equal quartiles based on their salary and show the percentage of men and women within each quarter.

Howard Kennedy has a greater proportion of women than men across all quartiles, which indicates that we are able to attract, recruit and retain women at all levels within the firm. We have also seen an increase in the overall percentage of women in the firm as well as an increase in women in our Upper Quartile roles.

Employee bonus statistics

Our results

As well as salary, it's also important to ensure other remuneration is equal across the business which is why we're also required to report on bonuses.

19.5%

Mean bonus gap.
-4.0% change from 2020

24.2%

Median bonus gap
6.5% change from 2020

37.3%

Males receiving a bonus
-3.7% change from 2020

48.2%

Females receiving a bonus
-10.0% change from 2020

	2020	2019-20 change	2019	2018-19 change	2018
Mean Bonus Gap	23.5%	9.9%	13.6%	-6.2%	19.8%
Median Bonus Gap	16.7%	-10.6%	27.3%	7.3%	20.0%
Males Receiving Bonus	41.4%	6.3%	35.1%	-1.0%	36.1%
Females Receiving Bonus	48.2%	6.2%	42.0%	10.8%	31.2%

What do the results tell us?

The reduction in our mean tells us that the average bonuses being received by our female population are more closely aligned than last year.

We acknowledge an increase in our median. Despite the percentages of males and females receiving bonuses being similar, due to our larger female population more women received bonuses than men and therefore the median is less likely to be skewed by an outlier.

We are proud to continue to be consistent, fair and transparent in our process of incentives for performance.

Partner pay statistics

Our results

We have chosen to share information on the gender pay gap for partners within our statement to ensure that there is transparency at all levels of the firm.

25.9%

Mean gender pay gap for partners
This is a change of 0.4% in comparison to 2020.

24.7%

Median gender pay gap for partners
This is a change of 0.5% in comparison to 2020.

	2020	2019-20 change	2019	2018-19 change	2018
Mean bonus gap	25.3%	-3.9%	29.2%	-2.6%	31.8%
Median bonus gap	27.3%	-7.3%	34.6%	2.0%	32.6%

Partner Gender Split	
Male	Female
70.6%	29.4%

What do the results tell us?

We acknowledge that the gender pay gap for our partners is wider than for our employees. This can be attributed in part to the proportion of women at partner level not being representative of the gender split across the rest of the firm, a factor that we continue to address as part of our talent and development approach as well as our recruitment strategy.

In addition, whilst individuals are not included in our data when on family leave, we are pleased to offer enhanced support to our partners who were on maternity leave this year with our new partner maternity policy.

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Looking ahead

Our strategy

We are pleased to see an increase in women in our upper quartiles but acknowledge the gender split extremes in the lower quartiles. We continue to place emphasis on addressing these through the many initiatives described below.

We are committed to inclusion and providing everyone with opportunities to progress and develop. We are doing this through initiatives such as our development curriculum, mentoring and career frameworks. We invested in leadership training for partners around 'Respect at Work', which has now been rolled out around the firm, and launched our Women's Campaign to celebrate women across the firm and challenge any unconscious bias. We continue to raise awareness of the challenges facing women in the workplace through our wellbeing strategy and introduction of our Fertility Leave and Pregnancy Loss policies, in addition to enhancing support for our male population through our enhanced Paternity Leave policy.

We still have a lot of work to do and are excited about the opportunity to build on the changes made already through focus on ESG/responsible business, a strategic imperative for 2022 and beyond.

As a firm, we are proud that we have a sizeable female population at all levels and we seek to continue to develop our talent pipeline, through our Future Leaders Programme, so that more women progress to partnership.

We continue to invest in practices that will make life easier and therefore provide the space for progression, such as promoting flexible working hours and coaching for those taking maternity leave. We are also proud to be corporate members of City Parents because we recognise that it can sometimes be difficult balancing home life with a progressive career and we want to support our working parents with access to networking, events, webinars and mentoring. Our Agile Working guidance, announced in 2021, cements the support.

We continue to provide transparency around our pay philosophy, including publishing our pay bands for each level. We aim to standardise pay ranges for roles to ensure comparable pay for broadly similar jobs, while reflecting the specific market value of different specialisms.

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