

GENDER PAY GAP REPORT 2021.



Gender pay gap report 2021

At Morton Fraser we are committed to creating a diverse and inclusive place to work where our people can be themselves and be at their best. This is fundamental to Morton Fraser being an innovative and high performing Firm for the future. We take this commitment very seriously and within our People Strategy we have a number of initiatives planned to ensure this ambition is realised.

This year we agreed our Diversity, Inclusion and Belonging Strategy which focusses on attracting the widest possible range of talent from all sectors of society. In addition this will be the third year in which we, as one of only three law firms in Scotland, use the RARE contextualised recruitment system to attract and select talent from socially disadvantaged groups to ensure our workforce becomes more representative of the communities we serve and in which we live and work.

UK legislation requires legal entities that employ more than 250 people to share gender pay gap data. Whilst we currently fall below that level, (we employed 210 people at 24 May 2021), a growth of 40 would take us over this limit and so we share here our current position.

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Terminology

The gender pay gap shows the difference between the average (mean or median) earnings of men and women. This is expressed as a percentage of men's earnings e.g. women earn 15% less than men.

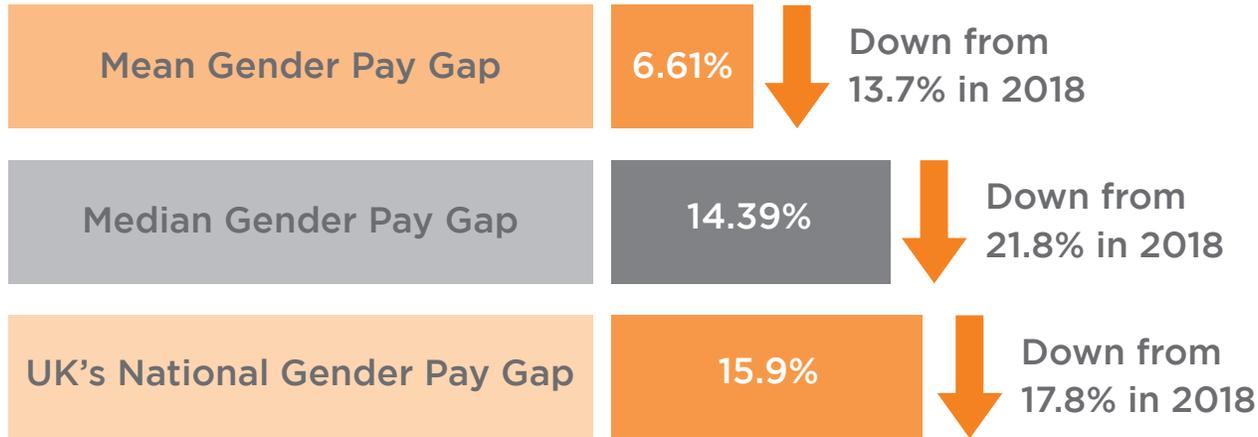
The mean average involves adding up all of the hourly rates of pay for males and dividing the result by the total number of male employees. The same is then done for female employees and the two results are compared.

The median average involves listing all the hourly rates for male employees in numerical order. If there is an odd number of results, the median average is the middle number. If there is an even number of results, the median will be the mean of the two central numbers. The same is then done for female employees and the two results are compared.

Over the three years from 2018 we have made significant strides in improving our gender pay gap. Indeed we have improved this by just over a third and we continue to challenge ourselves to do more. Pleasingly we do not have a bonus gap within the Firm.



Pay gap between women and men at May 2021



The diagram shows our “gender pay gap”. This is a snapshot of the difference between the average hourly pay levels of our female employees compared to the average hourly pay levels of our male employees, irrespective of their role or level in the Firm.

Our figures show that the median average hourly pay of all our female employees is 14.39% lower than that for our male employees. This is primarily due to the fact that proportionately, we employ more women than men in the lower and lower middle pay quartiles.

For comparison the UK’s national median gender pay gap is 15.9% (including both full and part time employees). The hourly pay figure used to calculate the difference includes all items specified in the regulations.

The “gender pay gap” is distinct from “Equal Pay”, which looks at the individual level and is about ensuring that men and women are paid the same for carrying out the same work, or work of equal value. The evaluation of our gender pay data indicates that the difference in average pay is due to proportionately more men being in senior, higher paid roles.

We have a variety of mechanisms to promote consistency in reward between men and women in the same job grade or doing the same work. These include a structured approach to job sizing and pay determination.

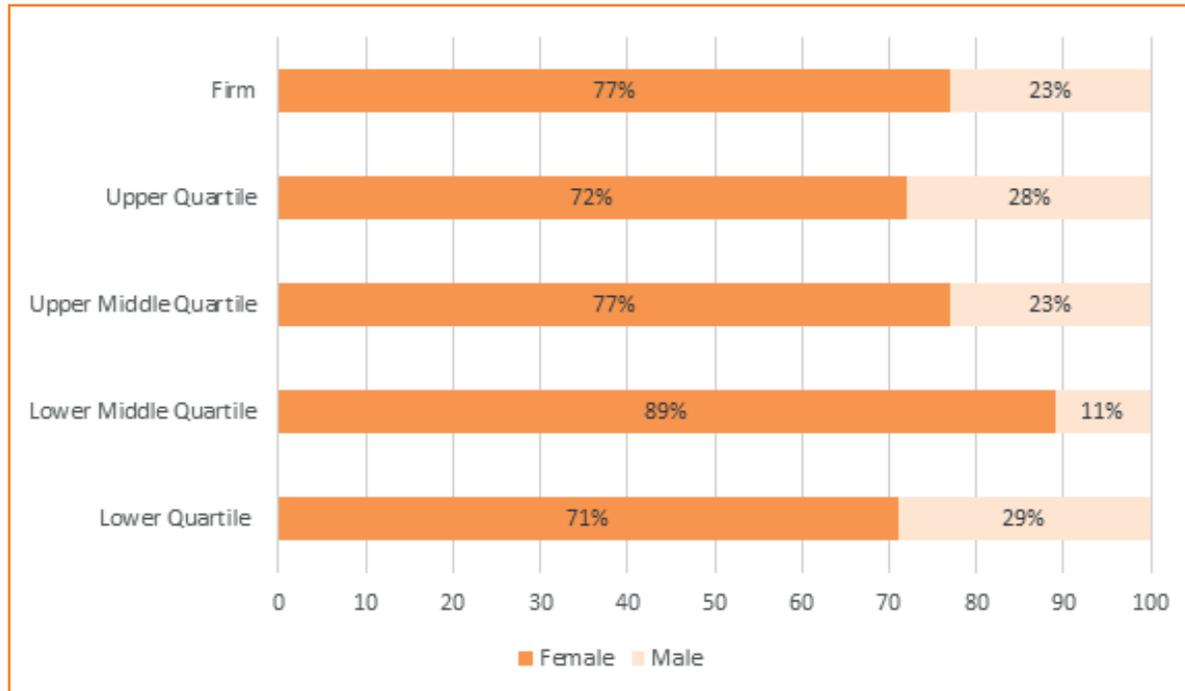
Bonus difference between women and men

	Mean	Median
Bonus (2020) (2018 figures in brackets)	7.1% (10.9%)	-24.8% (-32.7%)

Our bonus is a profit share scheme that is offered to all of our people based also upon personal performance. Payments are based upon a percentage of earnings for the Firm's financial year to 30 April and are paid in July each year. The figures show the median bonus payment for females was 24.8% more than the median bonus for male employees.

We believe this difference is accounted for in part through the fact that more of our female employees were eligible for a bonus (67.6%) compared to our male employees (53.6%). In most of these cases ineligibility was due to not having enough service to qualify or leaving before bonus was paid.

Gender demographic per quartile



This calculation requires us to show the proportions of male and female full-pay relevant employees in four quartile pay bands. This is done by ranking all employees from the lowest hourly rate of pay to the highest hourly rate of pay and then dividing the workforce into four equal parts.

The table below shows the proportion of males and females in each quartile. For example, within the lower quartile, 71% of employees are female and 29% male. Overall, females currently represent 77% of Morton Fraser employees.

What does this all mean for Morton Fraser?

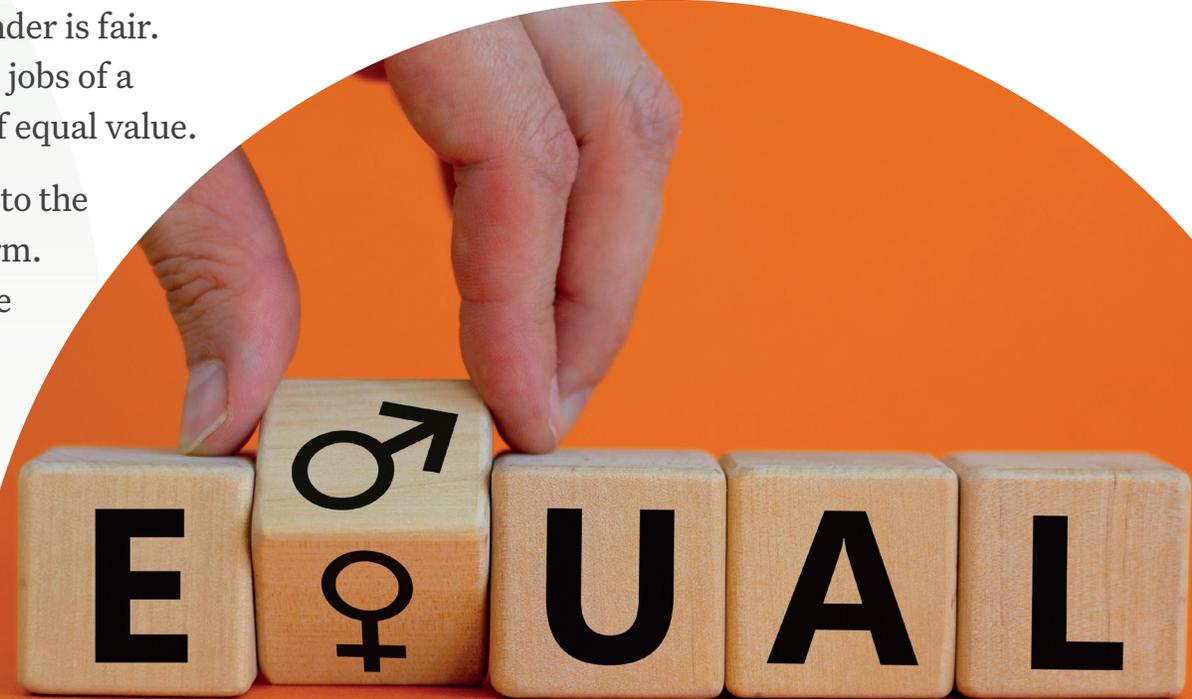
“We consider that our approach to pay within Morton Fraser as it relates to gender is fair.”

We consider that our approach to pay within Morton Fraser as it relates to gender is fair. Jobs are graded according to an internal job evaluation system which allocates jobs of a similar value to a given job grade. This forms the basis of equal pay for work of equal value.

The disparities in gender pay when looking at the organisation as a whole point to the over-representation of our female colleagues at more junior levels within the Firm. It also points to the fact that many support jobs, which attract a lower salary, are also done by women. Both of these factors call for us to consider ways in which we can continue to attract more senior women in to the organisation and bring more diversity across the full range of all our career options at the Firm.

As part of our talent attraction strategies we are in discussion with executive search partners and external recruiters about the need for diversity in those we shortlist so that we have a strong pool of talent from which to choose. In addition we will be reviewing our recruitment collateral to ensure it is inclusive and attractive to all sectors of society.

Martin Glover, HR Director, May 2021



THANK YOU.

**MORTON FRASER WAS COMMENDED
FOR EMPLOYMENT LAW BY THE TIMES IN
THEIR BEST LAW FIRMS 2021 GUIDE.**

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