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Pay Gap Report 2024/25

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The recent merger has brought new opportunities for growth and diversity, but it also presents challenges. Addressing the gender pay gap is a priority.

MARTIN GLOVER, CHIEF PEOPLE OFFICER

Pay Gap Report 2024

Following our recent merger, this report reflects the first comprehensive analysis of our gender pay gap as a unified firm. As a top tier independent law firm in Scotland, we are committed to fostering a diverse and inclusive workplace.

In this report, we present a baseline for our first year of reporting as a new organisation. As we report in later years, we will highlight the improvements we are making in all aspects of diversity, inclusion and belonging whilst also providing and commenting upon what we are required to report by statute.

In that regard, it is worth noting that the new firm's People Strategy emphasises the employee experience as core to the delivery of a great place to work where our people are encouraged to be the best they can be. Over the next few years, we are concentrating our efforts on:

- shaping an organisational culture which both drives our growth whilst supporting the wellbeing of our people
- driving leadership competence, both to take our business forward whilst ensuring people are well led
- focusing on driving individual and collective performance through strong personal and professional development
- ensuring our people are rewarded competitively for their efforts.

Through our membership of the Employers Network for Equality and Inclusion, we have been awarded the bronze Talent Inclusion and Diversity Evaluation (TIDE) award for our work in promoting diversity and inclusion, recognising the great work both legacy firms had undertaken in this area and which has continued in the new, merged firm.

Terminology

- The gender pay gap is defined as the difference between the mean or median hourly rate of pay that male and female colleagues receive.
 - The **mean** pay gap is the difference between average hourly earnings of men and women.
 - The **median** pay gap is the difference between the midpoints in the ranges of hourly earnings of men and women. It takes all salaries in the sample, lines them up in order from lowest to highest, and picks the middle-most salary.
- The gender bonus gap shows the difference in average (mean or median) bonuses that men and women receive.
- The figures in this report are all based on hourly pay as at 5th April 2024 and bonuses paid in June/July 2023 for all colleagues in employment on 5th April 2024 (it does not include partners).

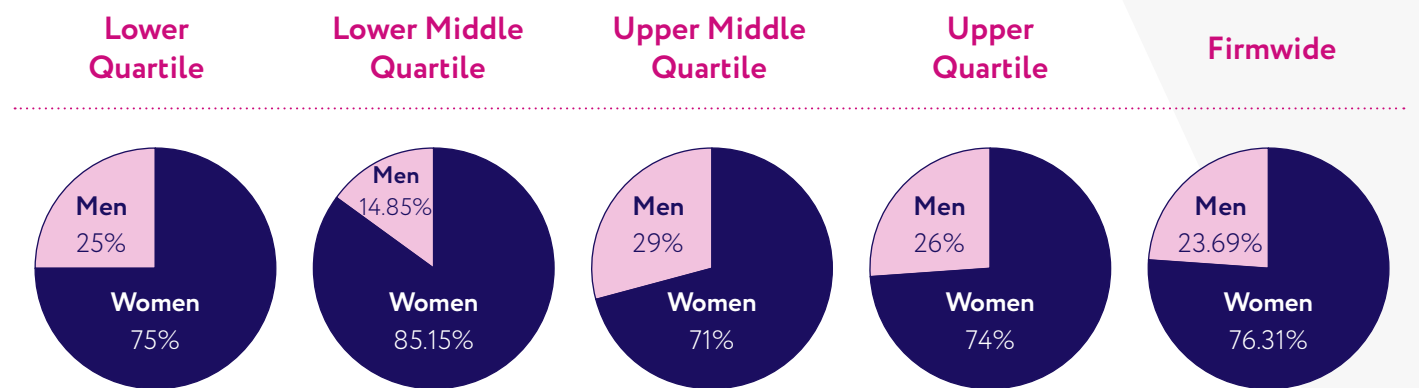
Gender Pay and Bonus Gap

Mean Hourly Pay Gap	Median Hourly Pay Gap	Mean Bonus Gap*	Median Bonus Gap*
4.99%	20.84%	33.52%	33.82%

Percentage of men and women receiving a bonus*	Women	Men
	56.21%	60%

Quartiles

This shows the gender split when we order hourly rate of pay from highest to lowest and group into four equal quartiles.



* The bonus pay gap relates to bonuses paid in June or July 2023 by the two legacy firms. For legacy Morton Fraser, employees had to be employed before 31st January 2023 in order to be eligible for a bonus in July 2023. For legacy MacRoberts, employees had to be employed before 1st October 2022 in order to be eligible for a bonus in June 2023. As a result, there were 84 people employed as at 5th April 2024 who did not receive a bonus in June/July 2023 on the basis of their start date. When these people are removed from the calculations, 70.49% of women received a bonus and 80.28% of men received a bonus. The **mean bonus gap is 37.69%** and the **median bonus gap is 26.36%**.

Key Findings

- Our figures show that the median average hourly pay of all our female employees is **20.84%** 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, and more men than women in the higher middle and higher pay quartiles.
- Having just merged two firms to create Morton Fraser MacRoberts LLP, the current pay reflects an historical and inherited position which we will work to improve year-on-year.
- On a practical level, we will do this, as we have done in previous years in one of the pre-merged firms, by analysing proposed pay and bonus awards prior to them being crystallised. This allows us to consider the potential impact on pay and bonus gaps and ensure the decisions we take align carefully to our ambition to reduce gender gaps, whilst also being properly aligned to the assessed performance of individuals.
- Improving the gender pay gap is not about equal pay, as we are confident that men and women are paid equally for doing equivalent jobs. All of our jobs are subject to rigorous job analysis and evaluation using proprietary job grading techniques.
- Our data indicates that the main reason for our gender pay gap is an imbalance of male and female colleagues across the firm. We have a higher proportion of women in the two lower pay quartiles, and fewer women in the higher quartiles when compared to the proportion of men and women across the firm. We regularly assess the salary position of our people, twice a year, through a formal talent review process where their contribution at work is aligned to the pay level within their pay grade.
- In respect of bonus, two very different bonus schemes were in operation at the legacy firms and aligning the approach, will, we believe, significantly reduce or eliminate the differential we see at the snapshot date

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Morton Fraser MacRoberts LLP, referred to as MFMac LLP, is a limited liability partnership registered in Scotland. Our registration number is SO300472 and our registered office is at: 9 Haymarket Square, Edinburgh, EH3 8RY.

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