

GENDER PAY REPORT

In last year's report I referred to the need for a collective focus on conscious inclusion of everyone in our business by listening and responding to the individual needs of colleagues. By listening to understand, we can help to eradicate any obstacles, actual or perceived, that exist to equality of opportunity so that we can tackle them to enable everyone to flourish and realise the goals that are personal to them.

The impact of the Covid-19 pandemic has served to highlight how critical that need is and to demonstrate the impressive results that can be achieved by affording colleagues more flexibility and control over when, where and how they perform their best work, culminating in Flex Forward. This brings for us, individually and collectively, new and exciting opportunities to deliver against our objective that everyone working in our business can enjoy a fulfilling Life That Works.

We have an opportunity, as never before, to build back in a way that can further tackle some of the underlying obstacles to female career progression, through Flex Forward and an ever more open minded approach to the way in which colleagues organise their working patterns to accommodate other life choices and roles, including caring responsibilities.

We know that one of the key factors sustaining our gender pay gaps remains the fewer number of women in senior positions in the firm relative to men. Within the last year we have made steady progress as regards female leadership, described further in this report, but the business wants to see more change at a faster pace. The Executive and Group Boards have therefore set a target of 35.0% for female senior leadership in our business by 2025, driven by the desire to hold ourselves to account and to measure the outcomes of our Inclusion & Diversity strategy. This does not mean that we subscribe to any form of tokenism or lowering of the bar, rather, it means that we will, collectively, pay even greater attention to and address any factors within our control that make it more difficult for our female colleagues to progress on merit at the same pace as men.

As required, I confirm that the information in this report is true and accurate.



Virginia Clegg
Senior Partner, DAC Beachcroft

STATUTORY REPORTING

The data required by the legislation is based on employees of DAC Beachcroft Services Limited, all of whom work either in DAC Beachcroft LLP or DAC Beachcroft Claims Limited, with a snapshot date of 5 April 2020. When reviewing the report, it is helpful to recall that a gender pay gap is the difference between the average earnings of men compared with those of women. It is a different concept from equal pay which is about equal pay for equal work.

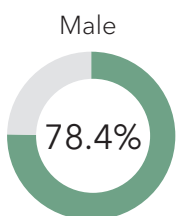
Hourly pay gap

Measure	FY19	FY20	Change
Mean	24.6%	25.3%	0.7% ▲
Median	20.4%	20.5%	0.1% ▲

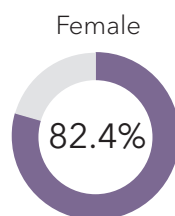
Bonus gap

Measure	FY19	FY20	Change
Mean	44.8%	51.5%	6.7% ▲
Median	20.9%	20.6%	-0.3% ▼

Proportion of female/male employees who received a bonus



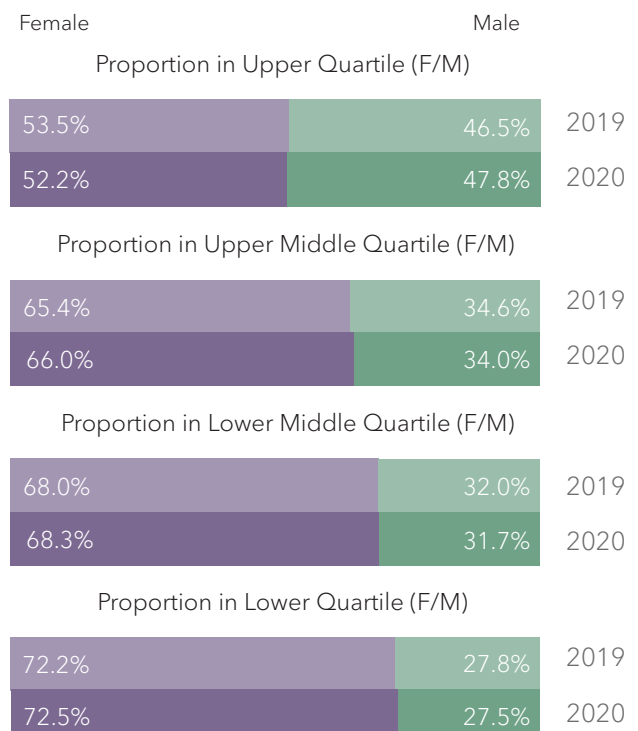
This is a 1.0% increase from 2019



This is a 0.9% increase from 2019

Quartiles

The legislation requires us to identify our overall pay range, divide it into equal-sized quartiles and report on the percentage of men and women in each quartile.



The mean and median gender pay gaps have very marginally increased since 2019, with the upper quartile being the largest contributor towards the mean gap. There remains an over representation of women in the lower quartiles, within business support, and particularly within secretarial roles, 98.8% of which are occupied by women. This over representation drives down the female median salary, resulting in the gap between the median male and female salaries. The mean pay gap is more affected by outliers in that there are more men than women earning the highest salaries (the outliers), thus increasing the mean gap.

The bonus pay gaps are also predominantly due to a small number of outliers in the top quartile, illustrated by removing the categories containing the outliers (directors, consultants and salaried partners) which causes the mean and median

bonus gaps to drop substantially to 16.1% and 7.7%, respectively. The average bonuses for men and women in the three other quartiles are otherwise very similar with women receiving a higher bonus on average.

Given that the gaps are largely due to the over-representation of men occupying higher paid roles and the predominance of women in the lower quartile, addressing the gender balance in the upper and lower quartiles over time remains key to closing future gaps.

WIDER ANALYSIS - BEYOND THE LEGISLATION

Whilst not a statutory requirement, we outline below the “pay” and “bonus” gap data relating to the firm’s members. For the purpose of this analysis, we have treated members’ profit share and return on capital as “pay” and merit awards as “bonus”. As can be seen, the member pay gaps are minimal, as is the mean bonus gap. The more significant median bonus gap is a product of the small size of the recipient pool and the impact of the current membership gender ratio.

Pay gap

Measure	Mean Pay	Change from 2019	Median pay	Change from 2019
Employees	25.3%	0.7% ▲	20.5%	0.1% ▲
Members	3.6%	-0.3% ▼	2.4%	-0.2% ▼
Employees & Members	48.5%	0.7% ▲	24.3%	0.2% ▲

Bonus gap

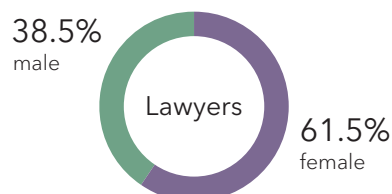
Measure	Mean Bonus	Change from 2019	Median Bonus	Change from 2019
Employees	51.5%	6.7% ▲	20.6%	-0.3% ▼
Members	3.4%	2.6% ▲	28.6%	28.6% ▲
Employees & Members	65.9%	2.3% ▲	30.2%	-12.0% ▼

Pay gap analysis by category of lawyer

A further helpful analysis, illustrating the impact of the workforce distribution, is that of the pay gaps without the effect of the predominantly female business support and secretarial populations. This analysis reveals far smaller gaps than the firm wide data and some of which are in favour of women (those expressed as a negative percentage in the table below).

Job Level	Mean pay gap	Median pay gap
Salaried Partner	10.8%	14.6%
Legal Director	2.4%	5.2%
Senior Associate/ CSG Associate	-4.5%	-2.9%
Associate	0.8%	3.2%
Solicitor/Chartered Legal Executive	5.8%	5.6%

Percentage of lawyers who are female/male



WORKFORCE PROFILE BY GENDER/ROLE

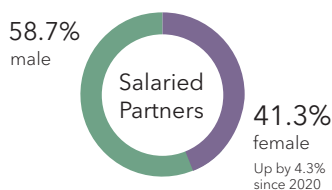
This section, and the analysis of our talent pipeline below, looks beyond the snapshot date. It includes promotions that took effect during the year commencing 1 May 2020 and on 1 May 2021, and reflects our workforce profile as at June 2021.

The overall composition and shape of the firm remains broadly unchanged, namely 70.0% of the population fee earning, 30.0% working in business support and 70.0% of business support colleagues female. We have, though, seen an increase in the percentage of female salaried partners, which now stands at 41.3% (up by 4.3% and high for the legal profession), further boosting the gender balance of our pipeline for senior leadership roles. Female representation in the membership has also increased and is now up to 23.7%. These are positive changes, but we know that there is more progress to be made to see the male/female fee earning ratio (40/60) more closely reflected in the partnership and senior leadership pipeline.

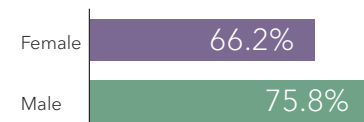
Percentage of member population who are female/male



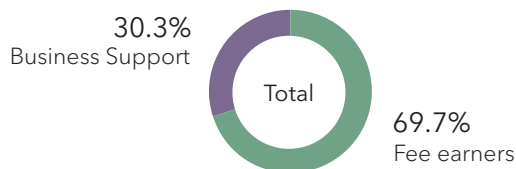
Percentage of salaried partner population who are female/male



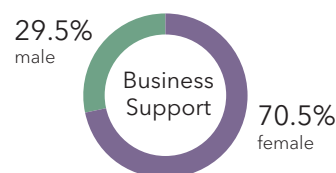
Percentage of female and male population who are fee earners



Percentage of total population who are fee earners/business support

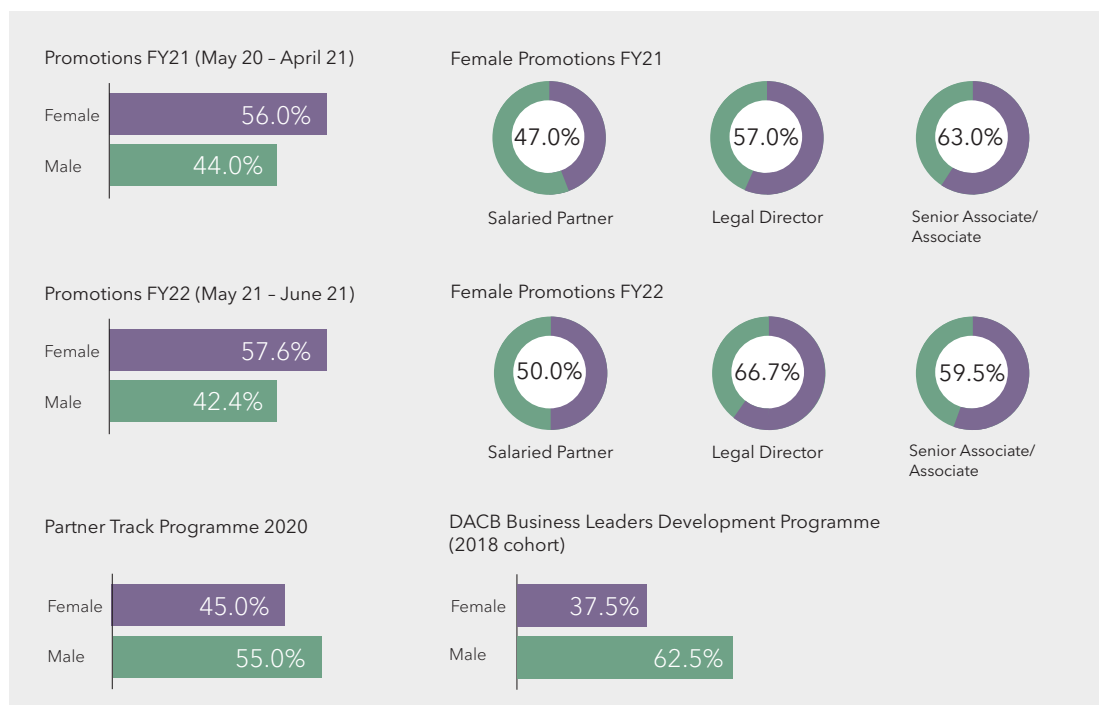


Percentage of Business Support population who are female/male



MONITORING OUR TALENT PIPELINE

Monitoring the potential and actual impact of decisions about recruitment, lateral hires, promotions and development opportunities plays an important part of the work towards our senior leadership target, described in more detail in this report. In the past financial year, 47.0% of salaried partner promotions and 75.0% of senior associate/associate (CSG) were female and women represented 56.0% of all promotions. In our latest round of promotions taking effect from May 2021, 57.6% of all promotions were women, comparing more favourably to the female fee earning population, being 61.5% of all fee earning colleagues.



OUR RESPONSE

Identified below are those aspects of our Inclusion & Diversity strategy, which forms part of our wider People Strategy, that support our belief in gender equality and our desire to see a more balanced leadership (in all respects, not limited to gender), recognising that there is not one single solution but, rather, a combination of factors that, together, can make a difference:



Executive Sponsor for Gender Equality

Gender equality is an issue for and the collective responsibility of everyone in the business. Flowing from the 2021-2025 Inclusion & Diversity strategy, a number of Executive and Group Boards members have volunteered to sponsor an aspect of the strategy. Nigel Montgomery, Health Sector Head and Executive Board member, is therefore now the Sponsor for Gender Equality, recognising that listening to female colleagues to understand more their experiences and obstacles and engaging the voice and influence of male colleagues and allies are critical to accelerate the pace of change.



Visible and accessible role models

We know that “seeing people like me” in prominent and influential positions in our business encourages and inspires other colleagues and helps to reinforce the message that we value and recognise our colleagues for who they are and what they deliver to the firm, not because they can or choose to replicate another colleague. Digital working allows for improved and wider access to people in our business, to clients and to our wider international network. We plan to make more of this medium to help colleagues to widen their networks and to access sources of support and inspiration, for example through mentoring relationships. Further, as of June 2021, 33.0% of Location Heads are now women.



Women + and other networks

Hybrid and remote working enables Women + and our other colleague networks, and the network chairs, to work more closely together to offer support and guidance on topics that affect colleagues more broadly. We will make more of the opportunities for the networks to collaborate with each other and with clients, in particular to inform the guidance referred to below.



Lifting the Lid and Inclusive Behaviours

Central to our ability to help colleagues to understand the perspective of other colleagues is nurturing a working environment that encourages open and honest conversations and by colleagues and others telling their stories, often about difficult or sensitive subjects. For example, we have run sessions on the menopause, infertility and suicide. We will continue this work and will develop and share guidance, based upon listening to colleagues’ experience, about language and behaviours that promote wellbeing, inclusion and a sense of belonging.



Reconnect

We are strong advocates of supporting and encouraging women back into the legal profession following extended career breaks, often after having raised a family. As well as being a responsible initiative, it makes absolute sense for our business because it widens the pool of people from which we can recruit and taps into a wealth of experience within the profession and beyond it. Bringing back experienced women also supports the gender balance of our senior talent pipeline. We launched Reconnect, our returners programme, in autumn 2020 with the support of Women Returners and our own Back to Work Mentors. Since then we have recruited four returners through the programme and continue to support a further twenty aspiring returners through The Reconnective, group coaching sessions led by a number of our Back to Work Mentors. We won People in Law’s Most Innovative HR Initiative Award 2021 for this programme.



Senior Leadership Target

As part of our refreshed Inclusion & Diversity Strategy, the Executive and Group Boards have set a target of 35.0% for women in our senior leadership teams, to be achieved by 2025. This compares to 32.8% at the time of this report, broken down as shown below. Decisions about recruitment, promotion or appointment to roles will only ever be made on merit and will never be manipulated to hit this self imposed target. Rather, the purpose of the target is to focus minds, cause us to pause and challenge decision-making, making better use of data, and to take steps to make change happen at a faster rate than has occurred to date by encouraging more open and honest conversations about any unintended obstacles faced by women and addressing them.

Composition of Senior Leadership Groups

