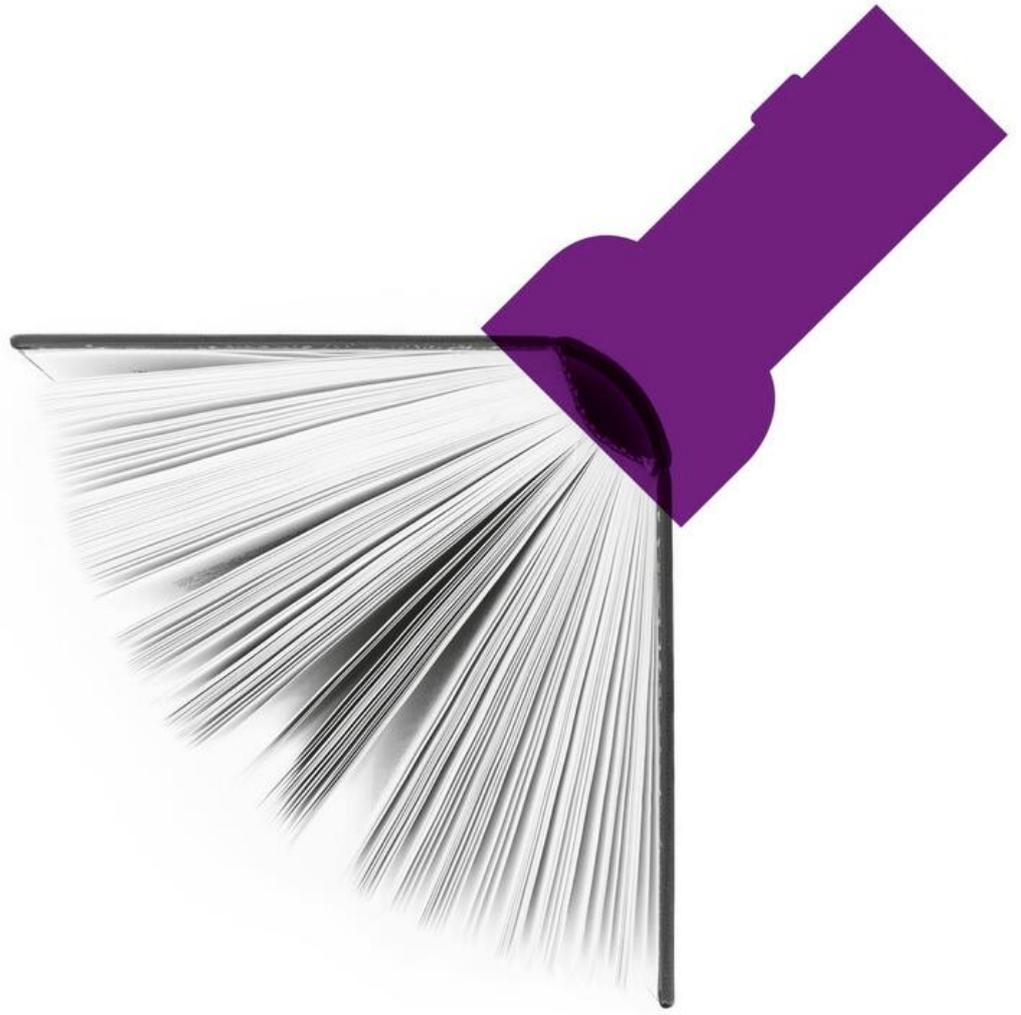


EVERSHEDS
SUTHERLAND



Gender and Ethnicity Pay Gap Report

6 April 2021 to 5 April 2022

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Building a diverse and inclusive firm

Our vision at Eversheds Sutherland is to be a truly diverse firm, with an inclusive culture that places respect and support for everyone at its core, where each person feels able to be their true self and is able to reach their full potential. We recognise that bringing together the perspectives of individuals of all backgrounds and life experiences is critical to achieving these aims.

We remain focused on our commitment to diversity and inclusion (D&I) and the delivery of our global strategy. Our D&I strategy is centred on six core pillars: leadership and accountability, progress evaluation, balancing global and local, recruiting, retaining and promoting diverse talent, awareness and career support, and clients and collaboration.

We have continued to develop and embed a number of significant programmes aimed at supporting our aims in relation to attracting, recruiting, retaining and promoting the best diverse talent for the future, and embedding our inclusive culture. These included:

- Enhancing our diversity data collection processes which provides us with a richer understanding of the make-up of our business as a basis for strategic decision-making
- Setting a new gender target of 35% representation of women at partner level across our international business by 2027, and developing a robust action plan to work towards this
- Providing transitional support for anyone who has taken a period out of the business of three months or more through our Family and Career Support Programme, and access to resources and support for our working parents and carers
- After a successful pilot, extending our Career Sponsorship Programme which aims to provide equity of access to career development opportunities for diverse talent
- Continuing to deliver Inclusive Leadership training for our partners and leaders, alongside our Inclusive Teams programme, which provides a framework for open and effective conversations about inclusion at a local level
- Further developed our 'Say Gap' programme, designed to track and monitor our media relations coverage to ensure greater gender and ethnic representation from our quoted spokespeople who share their expertise
- Holding our first Global Inclusion Week, bringing colleagues and clients together through a range of thinking, learning, and sharing activities centred on D&I, and launching six-monthly all-firm D&I Townhall sessions, where members of our Executive provide a progress update and invite questions from across the business.

Gender and Ethnicity Pay Gap Report

We have also continued to provide guidance and support for our people on inclusive behaviours, whilst working closely with colleagues to raise awareness of key issues and our shared responsibility. We are proud of our five people networks which play a key role in this.

The overall employee and partner gender pay position shows an increase in the pay gap compared to the previous year, although within that there is a positive movement for our lawyer population and for Fixed Share Partners. The ethnicity pay gap has reduced overall for employees, although the combined numbers are adversely impacted by a pay gap at partner level. Therefore, although progress has been made in some areas, there are areas that have seen an adverse change from the previous year and which require our continued focus in order to make the positive change that we would like to achieve.

We remain committed to achieving our diversity targets, and plan to reset our ethnicity targets in the current year and revisit our action plans to deliver further progress.

We confirm that the information is accurate and has been calculated in line with the Equality Act 2010 (Gender Pay Gap Information Regulations 2017).



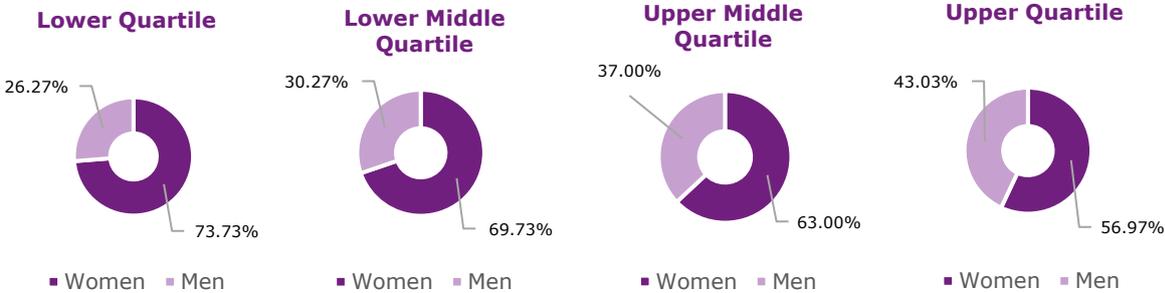
Gender Pay

As at 5 April 2022, Eversheds Sutherland* had **3,084** employees of whom **62.8%** were women. Within our employees, our lawyer population is **55.8%** women, while women comprise **68.5%** of other business professionals.

As at 5 April 2022, Eversheds Sutherland had **310** partners, of whom **29.4%** were women.

Pay Distribution

Employees



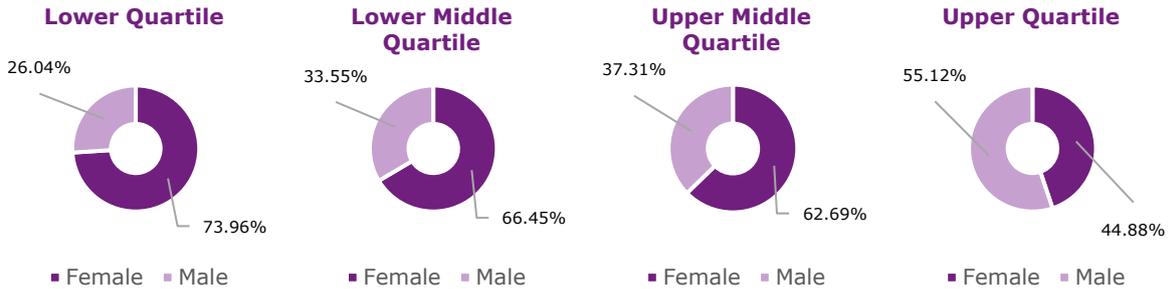
The charts above show the gender distribution across Eversheds Sutherland’s UK employees in four equally sized hourly pay quartiles. Overall women represent **62.8%** of our UK employees, excluding our partner population, and are represented across all pay quartiles. We have seen slight movement across the quartiles compared to the previous year, with a **1.03%** increase in women represented in the Lower Quartile and a decrease in women represented in all other quartiles (**1.67%** in Lower Middle, **2.00%** in Upper Middle and **1.03%** in the Upper Quartile.)

Within the Upper Quartile, there are proportionately more men in the more senior higher paid roles, which remains a contributing factor to our overall gender pay gap. We remain committed to increasing the number of women in senior level roles within the Upper Quartile, across both our lawyer and business professional populations.



* When we speak about Eversheds Sutherland in this document, we are referring to Eversheds Sutherland in the UK.

Combined (employees and partners)



When we look at the combined figures, including employees and partners, the distribution by gender across the quartiles differs from the employee-only distribution, particularly for the Upper Quartile. This is reflective of the lower representation of women within our partner population. We need to continue our focus on achieving more gender-balanced representation across all quartiles in line with our **62.8%** representation of women across the firm.

Gender Pay Gaps

The tables on the next page show the mean and median gender pay gaps for our employees and partners, and a combined figure. The gender pay gap reflects the average hourly pay of all women compared to the average of all men, and is expressed as a percentage relative to the average of men in each group. The mean figure is calculated from the arithmetic average and can be impacted by outliers of very high or very low hourly pay figures. The median figure represents the middle hourly pay rate when they are put in order, and is therefore less affected by outliers. The median is generally seen as the more reliable measure to use for comparisons.

The table also shows our gender pay gaps for the last three reporting years. We have seen some increases in most of our gender pay gaps from last year, with the mean gap across employees rising to **16.86%** from **15.35%**. The median also increased to **17.83%** from **15.33%**.



Our employee gender pay position

	Mean			Median		
	2022	2021	2020	2022	2021	2020
	Lawyers	5.30%	6.24%	8.70%	9.96%	9.80%
Other business professionals	19.79%	17.96%	12.96%	14.29%	9.68%	8.52%
All employees	16.86%	15.35%	19.06%	17.83%	15.33%	20.38%

The overall employee gender pay position (lawyers and other business professionals) shows an increase compared to the prior year. We believe this reflects headcount movements in our non-fee earning roles. Other business professionals data is reflective of the wide range of role types across our employee population.

Our partner gender pay position

	Mean			Median		
	2022	2021	2020	2022	2021	2020
	Equity Partners	-4.42%	-5.41%	-2.33%	-20.85%	-19.92%
Fixed Share Partners	0.35%	7.75%	5.31%	6.34%	6.86%	6.74%
All Partners	36.60%	33.55%	25.05%	23.21%	25.78%	22.68%

While our mean partner gender pay gap has increased by **3.05%** since the previous year, the median has decreased by **2.57%**.

When we look specifically at the gender pay data for Fixed Share Partners, we see that the mean has decreased by **7.40%**, and the median has decreased slightly by **0.52%**.

For Equity Partners, there continues to be a positive pay gap for the mean and median. This is reflective of the fact that a number of our senior leadership roles are held by women, however the proportion of women who are Equity Partners overall remains lower than we would like. We remain committed to increasing the number of women in our partnership and at our most senior levels.

Our combined gender pay position

	Mean			Median		
	2022	2021	2020	2022	2021	2020
All Partners and employees	61.84%	58.30%	57.64%	28.33%	27.70%	33.75%

The overall combined position for all partners and employees shows an increase in the mean gender pay gap of **3.54%**, whilst the median has marginally increased by **0.63%**.

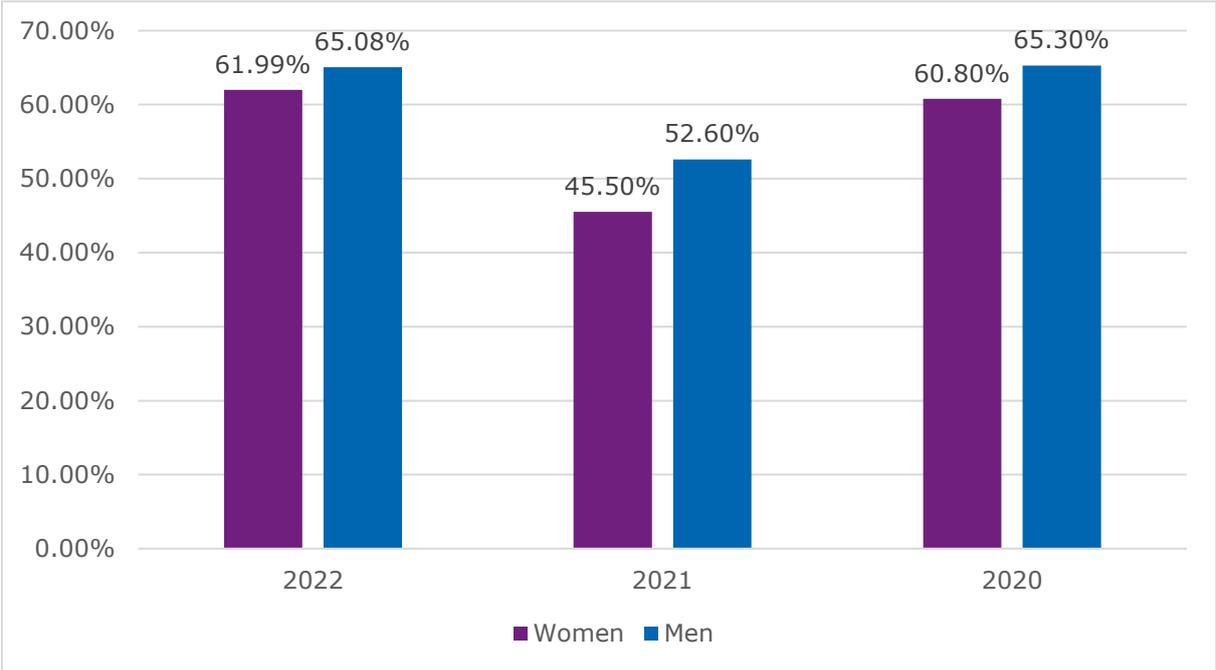
Gender bonus gaps

The distribution of women in an organisation impacts upon gender bonus gaps as well as gender pay gaps. More senior roles are likely to be higher paid and they are also more likely to be roles that receive a higher bonus payment.

In addition to the gender gap in bonus caused by role seniority, the proportion of people who receive a bonus will vary from year to year reflecting achievement of scheme criteria and the wider business environment. All bonus payments are included in these calculations.



Proportion of employees receiving a bonus payment

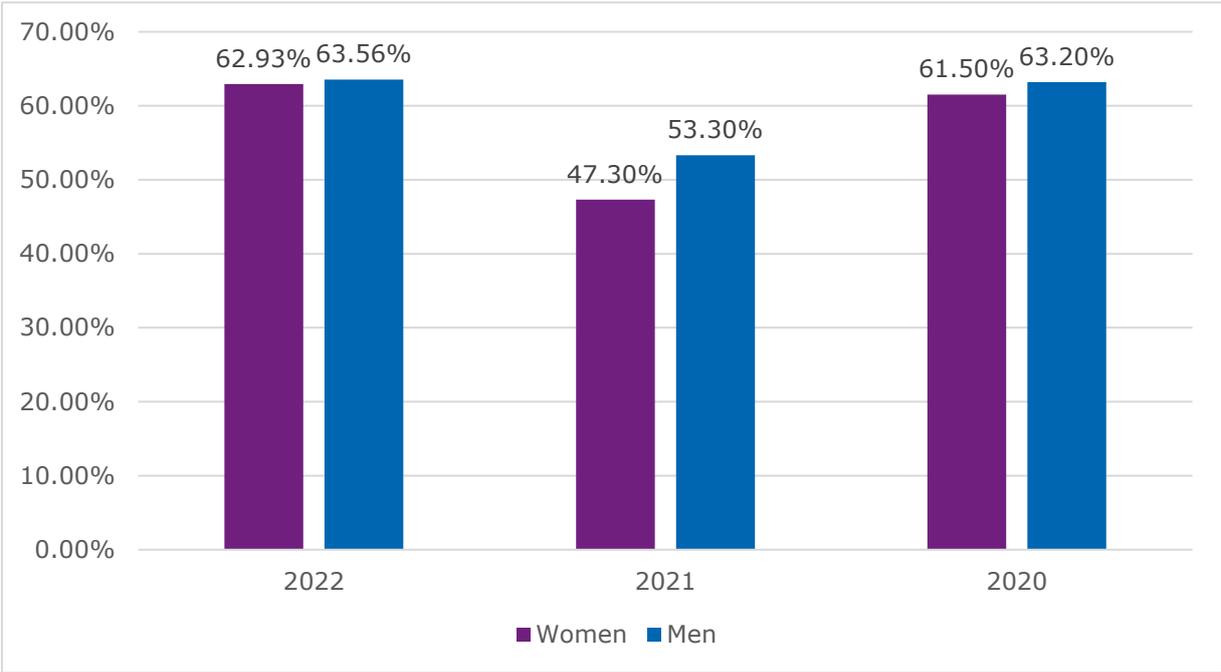


Bonus payments in the previous year were at lower levels reflecting the business impact of Covid. When compared to the previous year, the number of both men and women receiving a bonus payment has increased, by **16.49%** for women and **12.48%** for men.

While we still see the proportion of men receiving a bonus as **3.09%** higher than that of women in 2022, this is an improvement compared to **7.1%** in 2021 and **4.5%** pre-Covid in 2020.

Our remuneration strategy is kept under review annually and focusses on business performance across the business and performance at practice group/function/team and individual level. We have a market led approach to pay which is kept under review. Personal performance and contribution is considered through the bonus scheme rules. All pay and reward decisions are subject to significant moderation across functions and teams within the firm.

Combined (employees and Fixed Share Partners)



When we combine the employees and partners receiving a bonus payment, the proportion of men who received a bonus payment is **0.63%** higher than the proportion of women in 2022. This is an improvement compared to **6.0%** in 2021 and **1.7%** pre-Covid in 2020.

Overall **15.63%** more women and **10.26%** more men received a bonus in 2022 compared to 2021.

The above bonus figures include our Fixed Share Partners only, our Equity Partner remuneration does not include an entitlement to a bonus.

Gender Bonus Gap

The mean gender bonus gap has reduced by **2.39%** among our employee population compared to last year. Our median employee bonus gap has also reduced by **8.33%**. Whilst this is progress against the previous year, we recognise that there is still further work we need to do in this area.

Looking at the median gender bonus position for our Fixed Share Partners, we see that this is marginally favourable to women, with a **1.93%** reduction in the gap from the previous year. The mean gender bonus gap has increased by **10.25%**.

For our combined numbers, our mean gender bonus gap position has improved by **2.12%** compared to last year and the median position has improved by **6.35%**.

We will continue to focus on the structure and impact of our bonus schemes to reduce the gap yet further.

Gender and Ethnicity Pay Gap Report

Employees

	Mean			Median		
	2022	2021	2020	2022	2021	2020
	28.54%	30.93%	35.52%	25.00%	33.33%	38.06%

Fixed Share Partners

	Mean			Median		
	2022	2021	2020	2022	2021	2020
	8.36%	-1.89%	3.95%	-1.54%	0.39%	-0.03%

Combined (employees and Fixed Share Partners)

	Mean			Median		
	2022	2021	2020	2022	2021	2020
	41.14%	43.26%	41.69%	42.63%	48.98%	50.0%

Ethnicity Pay

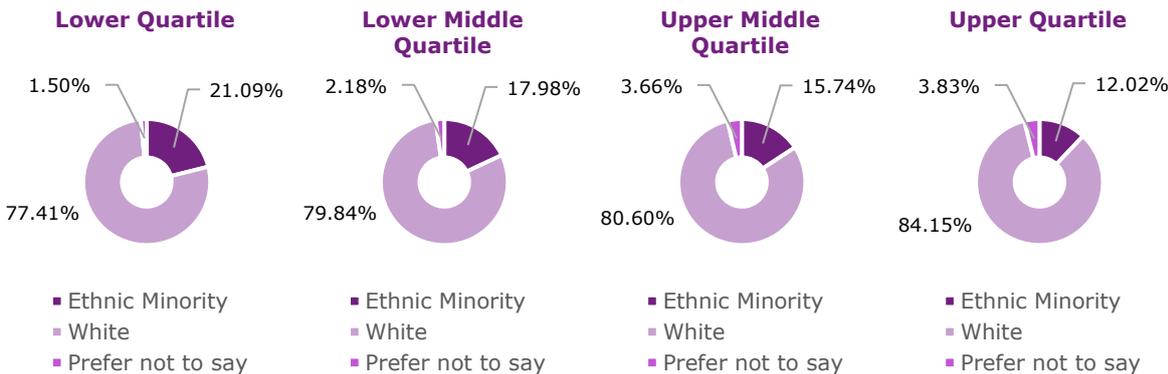
As at 5 April 2022, **18.1%** of employees self-identified as being from an ethnic minority group, alongside **9.3%** of our UK partnership. In 2021 **14.56%** employees and **6.3%** partners self-identified as being from an ethnic minority group. In calculating our ethnicity pay data, we have excluded the 'prefer not to say' category from our calculations, in order to better assess and understand those that have openly declared their ethnicity.

In October 2021 we invited our people across the business to share or update their diversity data with us, with a view to developing a more comprehensive and updated data set on employees and partners in the business. This data has been used in the 2022 ethnicity data analysis within this report.

This is the fourth year that we have voluntarily reported on our ethnicity pay data. We remain committed to continuing to voluntarily report on this data, and increasing the ethnic diversity of our business. We are developing revised ethnicity targets, having reached our 2022 UK target for all employees and partners.

In the absence of any legislation covering ethnicity pay reporting, for this voluntary report we have used the same reporting categories as those we have used since 2019, so we can make a direct comparison. We have focused on the difference between White and ethnic minority employees, rather than a more detailed summary using the five main ethnic groups – White, Mixed, Asian, Black/African/Caribbean, Other – used by the Office for National Statistics. Although we have more detailed pay distribution data available by ethnic group, we have not reported at a more granular level as we are aware of the potential confidentiality issues that can result from reporting across a small population of employees.

Pay distribution



The pay distribution across these quartiles reflects the lower representation of ethnic minority employees overall, particularly at more senior levels. Compared to the previous year, we see some movement, with **4.18%** more ethnic minority employees in the Lower Middle Quartile, a marginal increase of **0.39%** in the Lower Quartile and **1.14%** and **1.72%** in the Upper Middle and Upper Quartiles.

Ethnicity Pay Gaps (White/Ethnic Minority)

Voluntarily providing our ethnicity pay data ensures we have a clear understanding of our current position and gives a baseline to target improvement.

	Mean			Median		
	2022	2021	2020	2022	2021	2020
Employee	10.57%	14.38%	19.41%	5.97%	20.57%	26.81%
Partner	18.74%	2.09%	-3.44%	7.94%	10.66%	8.2%
Combined	38.07%	36.26%	39.30%	13.02%	17.39%	26.33%

The mean ethnicity pay gap for employees has reduced by **3.81%** from the previous year, and the median ethnicity pay gap has reduced by **14.60%**.

When we look at our partner ethnicity pay data, the mean pay gap has increased by **16.65%** from the previous year, whereas the median has reduced by **2.72%**. As a result of our internal campaign to collect more comprehensive diversity data, including ethnicity data, our data set encompasses a larger population this year and therefore direct comparisons are impacted.

Overall, the combined position has seen an increase of **1.81%** in the mean ethnicity pay gap when compared to the previous year, whereas the median ethnicity pay gap has reduced by **4.37%**. This is something we will keep under review, as small changes can have a significant impact on the overall position. Whilst there is some progress against the previous year, we recognise that there is still further work we need to do in this area.

The binary comparison (White/ethnic minority) provides a summary position, but hides significant variation between ethnic groupings. See examples overleaf.



Examples

Employee Mean Ethnicity Pay Gap			
Ethnic Grouping	2022	2021	2020
Asian	10.85%	5.11%	12.72%
Black	24.07%	32.37%	34.06%
Mixed	8.26%	28.44%	29.32%
Other	-16.34%	21.87%	25.44%

There has been an overall reduction in the mean employee ethnicity pay gap across different ethnic groups since the previous year (Black, Mixed, Other) while the Asian ethnicity group pay gap has increased. The greatest of these changes is the Mixed ethnicity mean pay gap, which reduced by **20.18%**. The largest mean pay gap continues to be seen in the Black ethnicity group, at **24.07%**, but this shows a **8.3%** reduction in the pay gap compared to 2021. We know that this is an area where we have low representation at all levels and we continue to focus on this area in order to achieve greater change.

Employee Median Ethnicity Pay Gap			
Ethnic Grouping	2022	2021	2020
Asian	4.77%	-0.35%	5.84%
Black	32.90%	36.79%	34.13%
Mixed	9.00%	30.06%	37.36%
Other	-20.56%	27.80%	29.70%

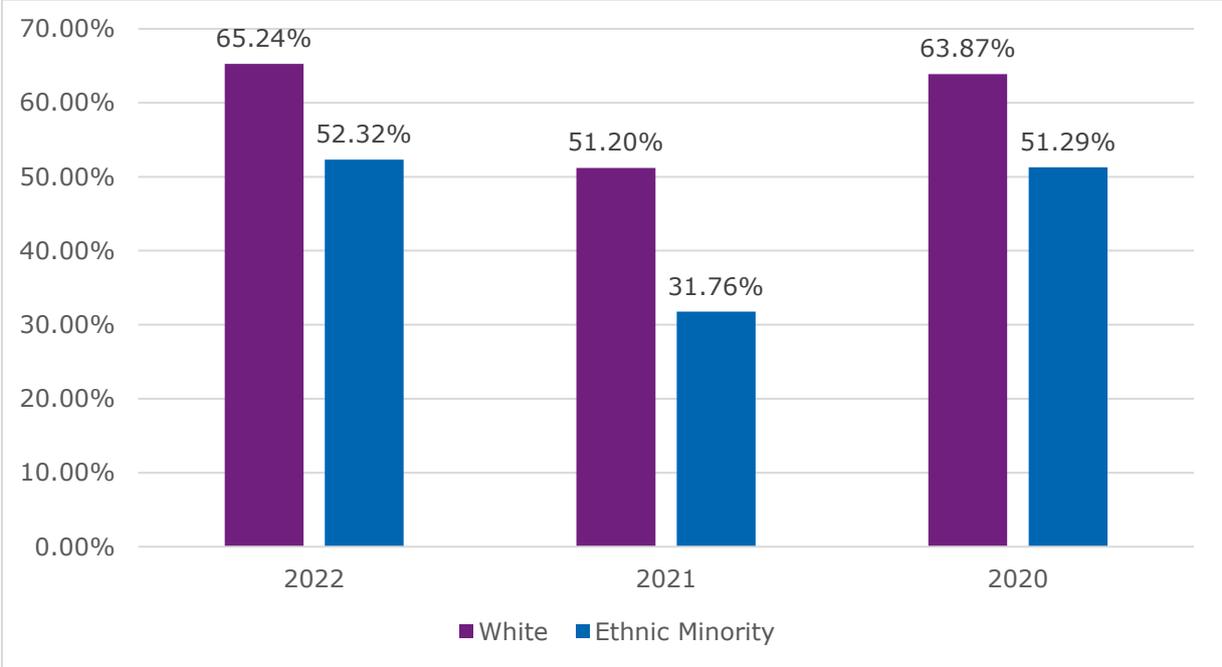
The employee median ethnicity pay gap for the Black ethnicity group has reduced by **3.89%** when compared to the previous year. However, the median employee ethnicity pay gap for the Asian ethnicity group has increased by **5.12%** since the previous year.



Ethnicity bonus gap

The bonus distribution and bonus pay gap figures are made with reference to the different roles, at different levels, held within the firm.

Proportion of employees receiving a bonus payment



The number of employees overall receiving a bonus payment in 2022 was more than the previous year, which had been impacted by Covid, and is therefore more directly comparable with 2020.

The proportion of ethnic minority employees receiving a bonus compared to the previous year increased by **20.56%**, compared to **14.04%** for White employees. When compared to 2020, we see a **1.03%** increase in the proportion of ethnic minority employees receiving a bonus, compared with a **1.37%** increase for White employees. This figure does not take into account any ineligibility for bonus payment due to start dates. We recognise there is further work that we need to do in this area.

Employee Ethnicity Bonus gap

	Mean			Median		
	2022	2021	2020	2022	2021	2020
	26.72%	14.37%	41.04%	14.29%	10.88%	42.85%

Although the overall number of employees receiving a bonus was more in 2022 than in 2021, both the mean and median employee ethnicity bonus gaps have increased. This indicates that White employees receive, on average, larger bonuses than ethnic minority colleagues. We will keep these figures under close review in order to ensure further improvement is actioned to continue to close this gap.

Gender and ethnicity action plan

Diversity and inclusion (D&I) involves everyone. All of our people have a role to play in embedding our values, individually and collectively, as we work to deliver on our purpose. Our five shared values sit at the heart of our culture, defining how we behave in everything we do. One of our values is “Inclusive”. We foster a diverse and inclusive culture that places respect and support for everyone at its core and empowers all our people to fulfil their potential.

We will continue to work towards our ethnicity targets, and our commitment to increase the number of women in our partnership and in more senior positions.

Our strategy is focused on both diversity and inclusion. The pillars that guide our strategic planning focus on local priorities, embracing intersectionality and leveraging difference to ensure that everyone has a platform to thrive. Progress and impact are kept under continuous review by our Board and senior leadership team.

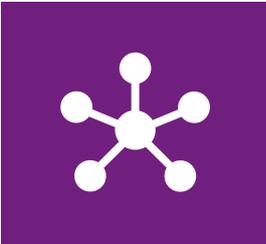
We have a dedicated framework of D&I champions and network group committees within the business, who support our activities and provide valuable insight to help inform what we do. Our Inclusion Council meets quarterly to contribute to and help shape our firmwide D&I agenda.

In 2022, we re-committed to the Business in the Community Race at Work Charter. We are an active member of the Business in the Community Race Leadership Team. We encourage open dialogue about race and ethnicity in the workplace, and support and develop our people to be effective allies.

We will continue to encourage colleagues to share their diversity data with us to build an even more comprehensive data set from which to evaluate progress.

We have developed targeted interventions around three ‘levers’ – Recruitment, Promotions and Retention – in order to continue to drive greater change across our business, as summarised below.

Recruitment



- We will continue to implement our inclusive hiring plan, ensuring that we recruit the best possible talent at all levels in our firm and across all locations. We have a particular focus on attracting and recruiting diverse senior talent through targeted interventions. All of our leaders play a role in delivering on this.



- We will continue to work hard to ensure that our recruitment processes are not a barrier to diversity. We are developing inclusive recruitment training for all hiring managers.
- We use a contextualized recruitment system, strengths-based interviewing and diverse interview and promotion panels. We will continue to work closely with our recruitment suppliers, in support of our diversity and inclusion priorities.



- We will continue to offer diverse career entry routes into the firm, with a view to providing a range of opportunities for women and ethnic minority talent:
 - Our Unlocked Programme is designed to remove barriers to a career in law for students from a variety of backgrounds
 - We work with a wide range of universities and other organisations to attract diverse talent to our Apprenticeship and Graduate Recruitment programmes
 - We have committed to supporting the #10000BlackInterns initiative for five years
 - We are participating in 'Project Rise', an initiative to encourage more part-time training contacts to be offered as a matter of course in the legal sector.

Promotions



- We will continue to apply a diversity lens to our promotions process, with diverse representation on interview panels, and a robust review of all decisions at a micro and macro level.
- We launched our Talent Dashboard tool to monitor diverse talent across each business area, identify areas where further support may be beneficial, and track progress over time.
- We will continue to support career progression and personal development of women and ethnic minority colleagues through our Career Sponsorship programme and targeted talent development opportunities.

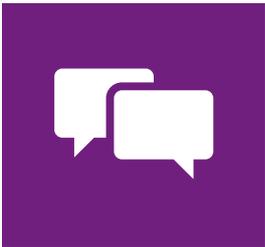


- To help support equal access to career and personal development opportunities for all, we shall build on our work allocation project, launched in 2022, which seeks to ensure work allocation is based on objective measures (capacity, skills, matter profitability).

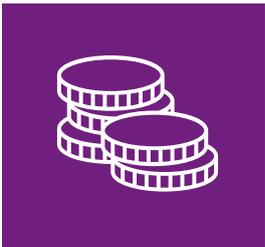
Retention



- We will further develop our established Inclusive Leadership programme, and our Inclusive Teams resources and guidance.
- We will continue to invest in our Family and Career Support Programme, which provides focussed support to anyone taking three months or more out of the business to ensure their transition is successful.
- We will continue to actively support our Gender network and Verve (ethnicity) network which help build a sense of community across the business, raise awareness and understanding, provide a collective voice for and act as a sounding board in the development of our D&I interventions.



- We will extend our participation in the Say Gap project which focuses on developing women and ethnic minority talent as external spokespeople/expert speakers to further provide career enhancing opportunities and better reflect the diversity of our business.



- We will continue to keep our compensation and reward packages under review through benchmarking, and will ensure our processes provide a robust platform for equitable decision-making based on performance.



- We will review our people policies on a regular basis, and adapt them as needed. These include our Family Friendly Policies, and Lifestyle (flexible working) Policy, the launch of a new Menopause Policy, and our Equality & Diversity Policy.

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