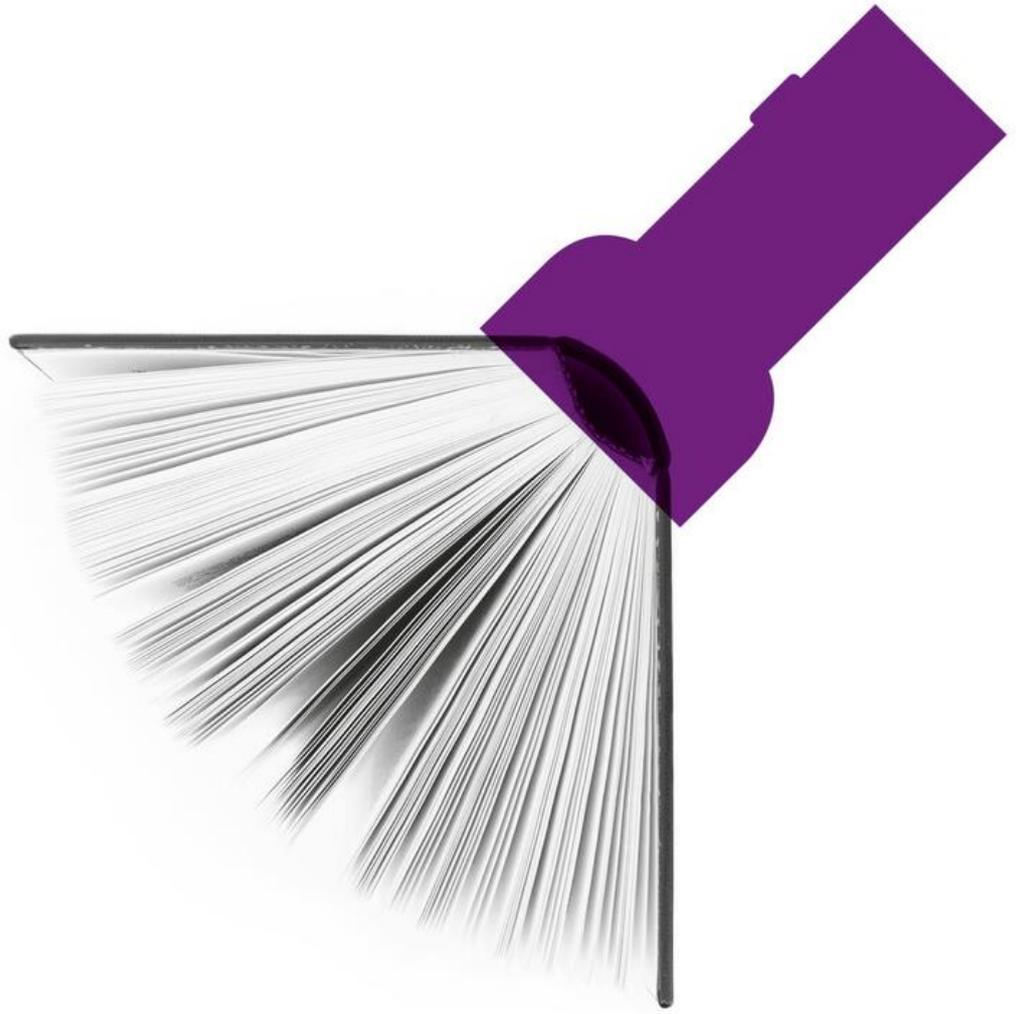


EVERSHEDS  
SUTHERLAND



## Gender and Ethnicity Pay Gap Report

6 April 2019 to 5 April 2020

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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 and empowers all of our people around the world to fulfil their potential. A culture of inclusion, where each person feels able to be their true self at work and reach their full potential is key. We recognise that bringing together the perspectives of individuals of all backgrounds and life experiences is critical if we are to serve our global client base, people and communities as a leading global law firm.

Despite the unprecedented challenges of 2020, we have continued to place significant focus on our approach to diversity and inclusion, and have approached each new challenge with our values at the forefront of our thinking: Collaborative, Creative, Professional, Inclusive and Open.

We have launched updated inclusive leadership and hiring strategies to support us in achieving our goals, along with a number of internal and external programmes aligned to our core areas of focus. We continue to undertake external benchmarking to evaluate our progress, and work collaboratively with our clients and our communities.

We all have a part to play in understanding and delivering on our commitment to diversity and inclusion and there is real passion and engagement from our people at all levels to achieve this.

Our strategy is guided by six core areas: leadership and accountability, progress evaluation, balancing global and local, recruiting diverse talent, awareness and career support, and clients and collaboration.

Gender and Ethnicity Pay Gap Report

We are pleased that the overall position in relation to gender pay gap reporting has improved from last year's report as we have implemented our gender action plan. We have gender targets to increase the number of women in our partnership to 30% by the end of 2021, at which point we will be reviewing our target in line with our continued focus on bring greater diversity and gender balance to our partnership. As at the snapshot date of 5 April 2020, **28%** of our UK partnership were women, and we are taking steps to ensure that we make greater progress in relation to increasing the diversity within the most senior levels of our business. In 2020 **47%** of our promotions to the UK partnership were women, and we promoted twice as many women to partner than in 2019. We were pleased to have retained our inclusion in The Times Top 50 Employers for Women list again in 2020 and also became signatories to The Law Society's Women in Law Pledge.

We also have ethnicity targets across all levels of our UK business. We are committed to increasing the number of colleagues from underrepresented ethnic groups to **14%** of our total UK population by 2022, and specifically increasing the number of partners to **10%** by 2025. We have been signatories of the Business in the Community Race at Work Charter since 2018. This year, we invested in Let's Talk About Race training sessions for all UK partners and have developed a support guide for all colleagues to give them the tools to have open and effective conversations about race. We also committed to supporting the 10,000 Black Interns initiative, and adopted the Halo Code, the UK's first Black hair code which aims to end hair inequality by fighting for the protection and celebration of Black hair and hairstyles.

We have also continued our focus on internal and external mentoring programmes to create opportunities for talent from underrepresented ethnic groups to access professional development, build relationships, expand networks and gain access to a broader and more diverse range of role models.

We have also continued to champion the introduction of mandatory ethnicity pay gap reporting, as we believe it is an essential step in helping to better understand and address potential barriers impacting individuals from under represented ethnic groups.

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



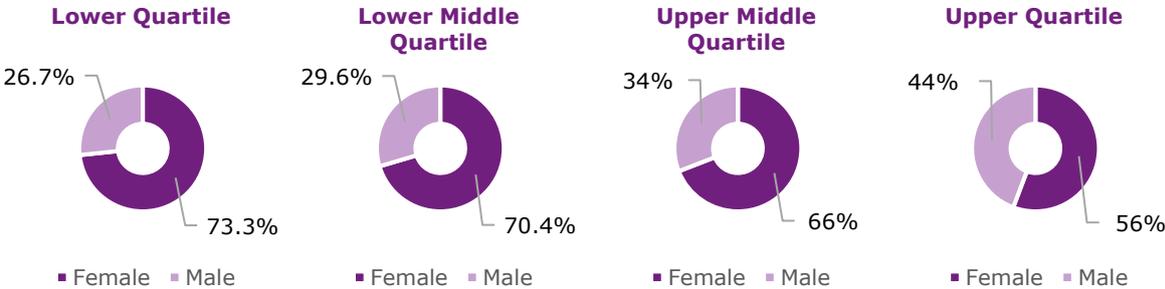
# Gender Pay

As at 5 April 2020, Eversheds Sutherland in the UK had 2,485 employees of which **66%** were women. Within our employees, our lawyer population is **61%** women, while women comprise **69%** of other business professionals.

As at 5 April 2020, Eversheds Sutherland had 293 partners in the UK of which **28%** were women.

## Pay Distribution

### Employees



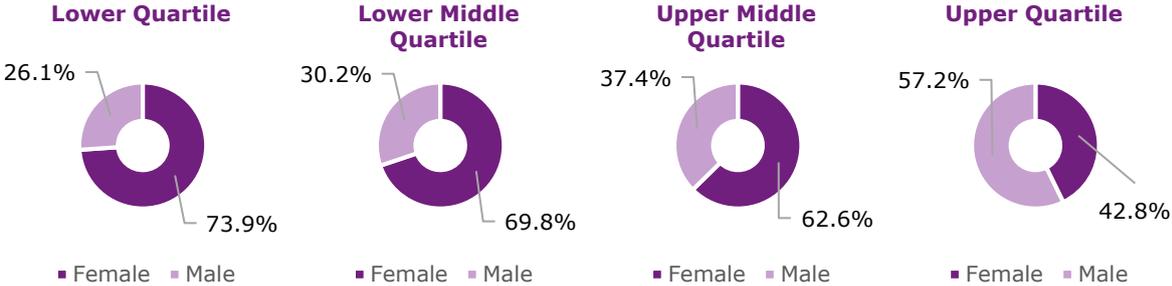
The charts above show the gender distribution across Eversheds Sutherland’s UK employees in four equally sized hourly pay quartiles. Overall women represent **66%** of our UK employees, excluding our partner population, and are well represented across all pay quartiles. Although there are significantly more women in the lower pay quartile, where there are also more likely to be part-time and administrative roles, we have seen a slight improvement in the other ranges i.e. a **1.1%** increase in women in the upper middle quartile and a **0.6%** increase in the upper quartile, when compared to April 2019.

We are pleased with the overall distribution across all quartiles, although we recognise that there are proportionately more men in the more senior higher paid roles within the upper quartile, which remains a contributing factor to our overall gender pay gap.

Our aim is to increase the number of women in senior level roles within the upper quartile, whilst also continuing to achieve a balanced distribution of genders across all pay levels.



Combined (employees and partners)



When we look at the combined figures, including both fixed shared and equity partners, the gender distribution across the upper middle and upper pay quartiles changes compared to the employee distribution, and is reflective of the lower representation of women within our partner population.

Male partners make up **72%** of the upper quartile and women partners make up **28%** of the upper quartile. When combined with the employee numbers, those figures are **57.2%** and **42.8%** respectively. The pay distribution of the upper quartile is quite broad, reflecting the range of seniority. We are committed to both increasing the number of women partners in the upper quartile and ensuring they are in the top bracket of the upper quartile.

Gender Pay Gaps

The tables below 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 females compared to the average of all males, and is expressed as a percentage relative to the male average 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 is calculated from 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 robust measure to use for comparisons.

The table below shows our gender pay gaps for the last three reporting years. We are pleased to see improvement in our gender pay gaps from last year, with the mean gap across employees falling to **19.06%** from **20.17%** and the median falling to **20.38%** from **22.92%**.



Our employee gender pay position

	Mean			Median		
	2020	2019	2018	2020	2019	2018
<b>All employees</b>	<b>19.06%</b>	<b>20.17%</b>	<b>22.63%</b>	<b>20.38%</b>	<b>22.92%</b>	<b>28.03%</b>
Lawyers	8.70%	8.18%	9.28%	11.37%	11.35%	8.42%
Other Business Professionals	12.96%	17.16%	25.46%	8.52%	3.70%	6.17%

The overall employee position shows a positive trend with the mean and median figures reducing year on year. When we look specifically at the lawyer population, there has been a slight increase in the mean and median figures since last year. This reflects turnover in the reporting period with more senior male hires being recruited. The median employee figure for other business professionals has increased this year, which also reflects turnover in the reporting period.

Our partner gender pay position

	Mean			Median		
	2020	2019	2018	2020	2019	2018
<b>All Partners</b>	<b>25.05%</b>	<b>24.84%</b>	Not reported	<b>22.68%</b>	<b>29.64%</b>	Not reported
Equity Partners	-2.33%	-5.64%	-6.20%	-19.31%	-19.21%	-14%
Fixed Share Partners	5.31%	7.75%	3.16%	6.74%	7.37%	2.25%

Compared to last year, we have seen a slight increase of **1.27%** in the mean figures for our partners, however the median figures have improved by **6.96%**. When we look at our Fixed Share Partner population, we see an overall improvement compared to last year (the median reduced by **0.63%** and the mean by **2.44%**). The gender pay gap for Equity Partners remains in favour of females.

**Our combined gender pay position**

	Mean			Median		
	2020	2019	2018	2020	2019	2018
<b>All Partners and employees</b>	<b>57.64%</b>	<b>57.78%</b>	<b>58.3%</b>	<b>33.75%</b>	<b>37.45%</b>	<b>39.62%</b>

The overall combined position shows a positive trend with the mean and median figures reducing year on year.

**Gender bonus gaps**

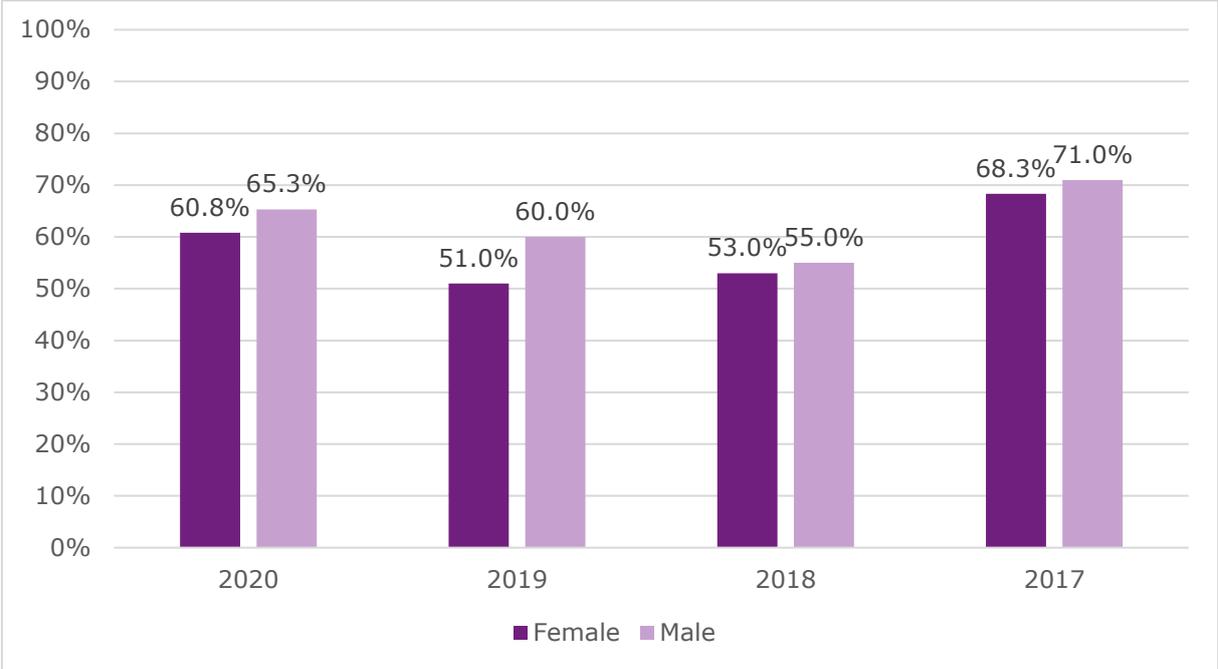
The distribution of females in an organisation impacts upon gender bonus gaps as well as gender pay gaps. More senior roles are likely to be higher paid and they are also more likely to be roles that receive a higher bonus payment.

**Proportion of men and women receiving a 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.

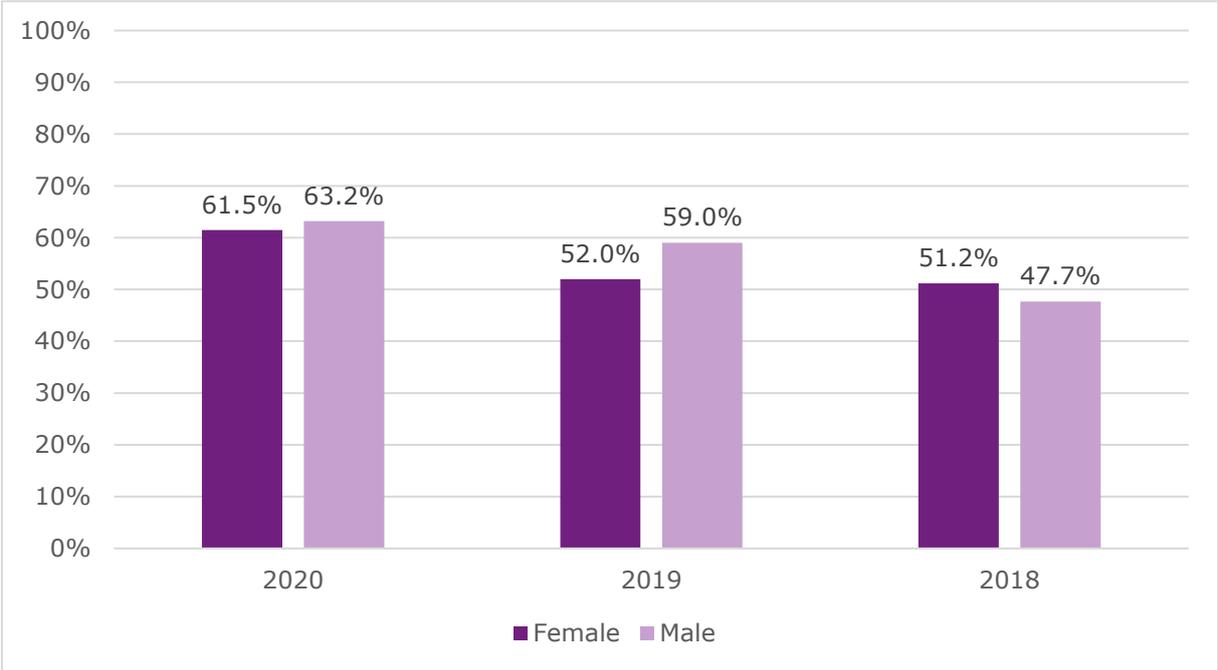


Gender and Ethnicity Pay Gap Report



When compared to last year, the number of women receiving a bonus has increased from **51%** to **60.8%**. When we look at the year on year movements to bonus payments for employees, there has been a **9.8%** increase in the number of women who received a bonus compared to last year, whereas the same figure for male employees was **5.3%**.

Combined (employees and fixed share partners)



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

When looking at the combined figure, we recognize that the difference in the proportion of women receiving a bonus has increased by **9.5%**, and men by **4.2%**. We will continue to focus on increasing the number of women receiving a bonus.

## Gender Bonus Gap

The gender bonus gap has improved among our employee population between 2019 and 2020. The mean figure shows an improvement, decreasing by **2.53%** (employees) and **1.48%** (fixed share partners) between 2019 and 2020. When the employee and fixed share partner data are combined, the corresponding mean figure shows a **1.49%** improvement i.e. decrease, while the median average has remained the same. The employee median bonus figure has increased from **20.00%** in 2019 to **38.06%** for 2020 which reflects the number of smaller bonuses awarded to females as a result of our "Everyday Heroes" award scheme.

For our fixed share partners the mean has slightly increased and the median has decreased to now be more favourable to females. We will continue to focus on the impact of our bonus schemes to achieve improvement.

### Employees

	Mean			Median		
	2020	2019	2018	2020	2019	2018
	<b>35.52%</b>	<b>38.05%</b>	<b>47.77%</b>	<b>38.06%</b>	<b>20.00%</b>	<b>45.95%</b>

### Fixed share partners

	Mean			Median		
	2020	2019	2018	2020	2019	2018
	<b>3.95%</b>	<b>3.44%</b>	<b>3.91%</b>	<b>-0.03%</b>	<b>1.45%</b>	<b>4.5%</b>

### Combined (employees and fixed share partners)

	Mean		
	2020	2019	2018
	<b>41.69%</b>	<b>43.18%</b>	<b>47.55%</b>
Median			
2020	2019	2018	
<b>50%</b>	<b>50%</b>	<b>44.44%</b>	

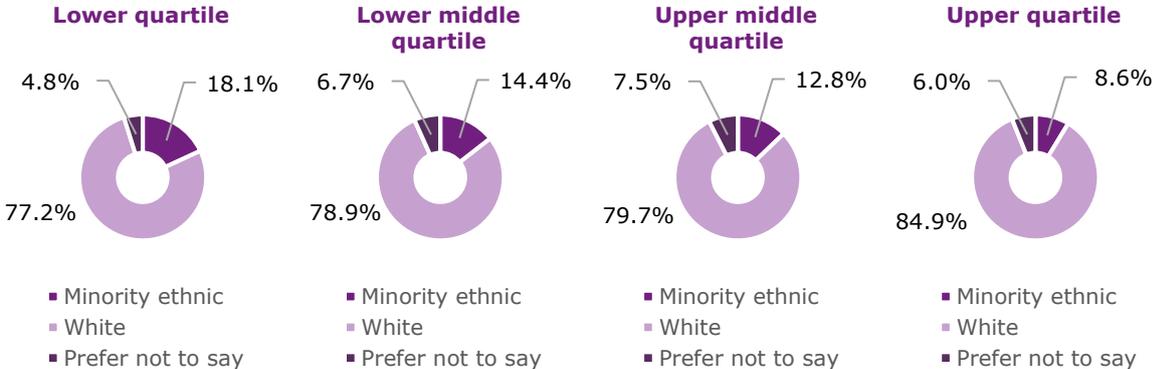
# Ethnicity Pay

As at 5 April 2020, **98.06%** of employees provided a response to the question regarding their ethnicity, with **2.97%** of these selecting 'prefer not to say', and **13.80%** of the 2,485 UK employees self-identified as being from a minority ethnic 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.

This is the second year that we have voluntarily reported on our ethnicity pay data, and we are pleased that some areas have improved since last year with the mean gap across employees falling to **19.41%** from **20.67%**, and our mean employee bonus gap reducing from **45.06%** to **41.04%** (with the corresponding mean figure reducing by **2.15%**).

In the absence of any legislation covering ethnicity pay reporting, for this voluntary report we used the same reporting categories as in 2019 so we can make a direct comparison. We have focused on the difference between white and minority ethnic employees, rather than a more detailed summary using the 5 main ethnic groups – White, Mixed, Asian, Black/African/Caribbean, and Other used by the Office for National Statistics particularly as we are aware of the sensitivities that can result from reporting on the relatively low numbers of ethnic minority employees and therefore have not reported at a more granular level although we have undertaken a more detailed analysis of the pay distributions between different ethnic groups.

## Pay distribution



The charts above reflect the lower representation of minority ethnic employees across all levels, and particularly in the upper quartile. When compared to 2019, we have seen an increase in the representation of minority ethnic employees across all pay quartiles, however the smallest of these increases is seen in the upper quartile at just **0.32%**. We continue to see the largest representation of minority ethnic employees in the lower pay quartile.

We are committed to increasing the representation of minority ethnic employees across all levels in order to achieve a balanced distribution across all pay levels.

## Ethnicity Pay Gaps (White/Minority Ethnic)

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	
	2020	2019	2020	2019
<b>Employee</b>	<b>19.41%</b>	<b>20.67%</b>	<b>26.81%</b>	<b>24.17%</b>
<b>Partner</b>	<b>-3.44%</b>	<b>-5%</b>	<b>8.2%</b>	<b>11.37%</b>
<b>Combined</b>	<b>39.30%</b>	<b>33.70%</b>	<b>26.33%</b>	<b>22.72%</b>

Overall, the mean position for ethnic minority employees and partners has improved slightly since last year, although the median has increased by **2.64%**. When we look at the partner figures (fixed share and equity partners), the median has improved by **3.17%**.

The binary comparison (white/minority ethnic) provides a single “minority ethnic” summary but also hides significant variation between ethnic groups. See examples overleaf.



## Examples

- our employee mean pay difference is **19.41%** (**20.6 %** in 2019) with variation between **12.72%** (Asian) and **34.06%** (Black). Last year this variation was between **11.2%** (Asian) and **34.43%** (Black).

Ethnic Grouping	2020	2019
Asian	12.72%	11.2%
Black	34.06%	34.43%
Mixed	29.32%	24.18%
Other	25.44%	28.22%

- our employee median pay difference is **26.81%** (**24.17%** in 2019) with variation between **5.84%** (Asian) and **37.36%** (Mixed). Last year this variation was between **4.76%** (Asian) and **32.67%** (Mixed).

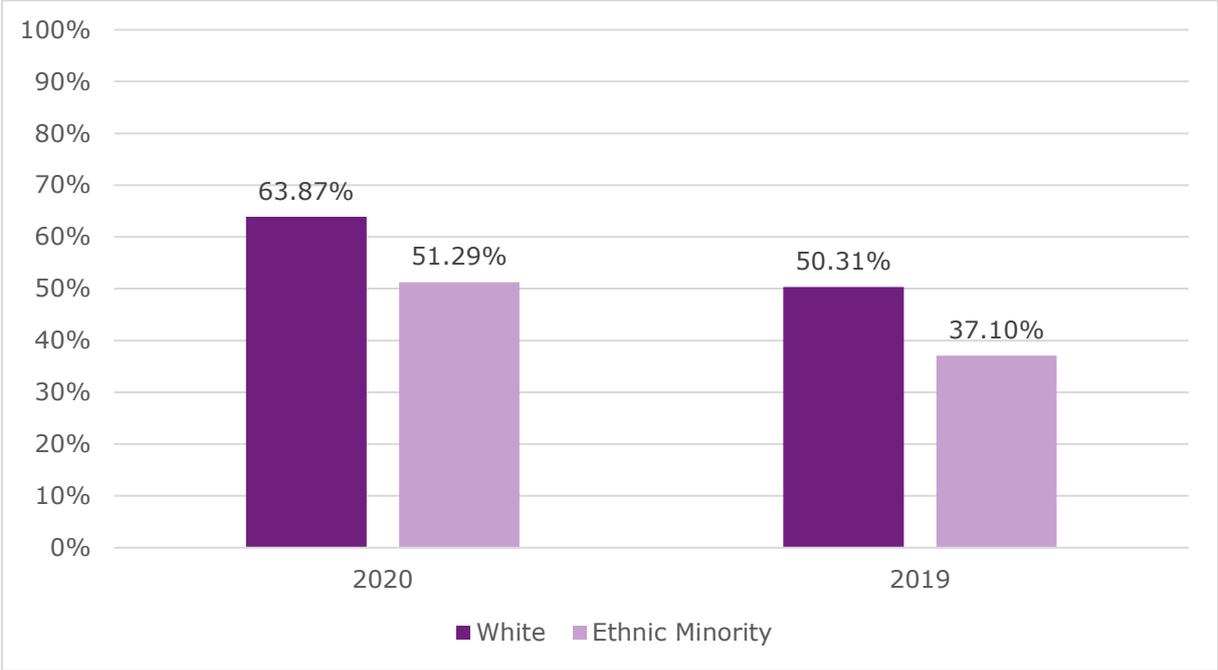
Ethnic Grouping	2020	2019
Asian	5.84%	4.76%
Black	34.13%	30.24%
Mixed	37.36%	32.67%
Other	29.70%	26.19%

## Ethnicity bonus gap

The bonus distribution and bonus pay gap figures are as a result of the different roles, at different levels, held within the firm.



**Proportion of employees receiving a bonus payment**



In 2020 the proportion of minority ethnic employees receiving a bonus increased by **14.19%** from 2019, the white population increased by **13.56%**. Whilst there is still further improvement needed, this is a positive trajectory.

**Employee Ethnicity Bonus gap**

	Mean		Median	
	2020	2019	2020	2019
	<b>41.04%</b>	<b>45.06%</b>	<b>42.85%</b>	<b>45%</b>

The bonus pay gap difference improved among our employee population between 2019 and 2020. The mean figure shows an improvement, decreasing by **4.02%** (employees) and the median figure decreasing by **2.15%**.

When we look at the combined bonus gap (employees and fixed share partners) for 2020, **59.05%** of white partners received a bonus in 2020, and **100%** of minority ethnic partners received a bonus.

Equity Partners do not receive bonuses.

# Gender and ethnicity action plan

Diversity and inclusion 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.

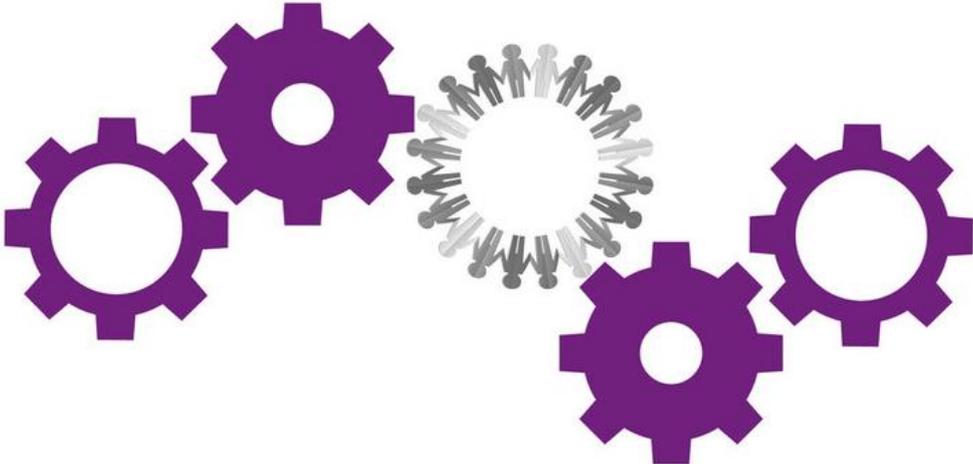
Our strategy is focused on both diversity and inclusion. The pillars that guide our strategic planning focus on local priorities, embracing intersectionality and leveraging difference to ensure that everyone has a platform to thrive.

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 shape and inform what we do.

Some of the key steps that we will take this year to continue to drive greater change across are business are:

## Data and Insights

- We will use a D&I data set which we have implemented for all leaders that highlights key indicators of diversity and inclusivity, and we will measure progress against them by each practice group and business function.
- We will refer to our global employee engagement survey which we have launched with a key inclusivity index, to highlight the feedback from our people on how inclusive we are.



## Inclusive Hiring



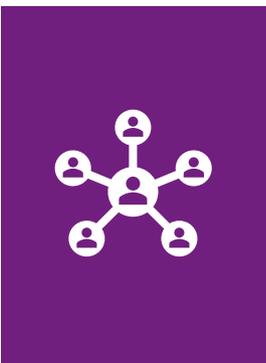
— We will continue implementation of the firm's inclusive hiring plan, ensuring that we can recruit the best possible talent at all levels in our firm and across all locations. This can only be achieved if we have an inclusive hiring approach to attract diverse talent and be seen as an employer of choice for a broad range of candidates. All of our leaders play a role in delivering on this.



— We will seek to ensure that our recruitment processes are not a barrier to diversity. Our recruitment team already use contextualized recruitment, strength-based interviewing and diverse interview and promotion panels. We will introduce inclusive interviewing training for panel interviewers and will be working with the recruitment firms we appoint, to identify opportunities to do better in attracting diverse talent.



— We will be further developing our Unlocked Programme, with the aim of removing any barriers to students from a variety of backgrounds participating in and getting the most out of the programme. A virtual programme will take place this year, with enhancements to the bursary scheme and mentor support, and to the opportunities for work experience, vacation scheme placement and training contracts.



— An important part of our inclusive hiring approach is the Apprenticeship and Graduate Recruitment programmes we run. Working with universities and other organisations is a great way of attracting diverse talent to these programs and during 2020 we worked virtually on university campuses and with a number of other organisations. We want to further build on this during 2021, by further developing relationships with a wider range of universities and organisations. We will also be supporting the #10000BlackInterns initiative and revamping our work experience program to focus on social mobility. We will continue to work towards our ethnicity targets, and our commitment to increase the number of women in our partnership.



## Inclusive Leadership



- We will continue to work hard to create an inclusive culture for all colleagues across all offices, embedding our values into the way we work and interact with each other recognising that an inclusive employee experience is vitally important. This focus specifically supports our commitments under the Business in the Community Race at Work Charter and The Law Society's Women in Law Pledge.



- Throughout 2021 we will continue our roll-out of inclusive leadership training, and offering additional ethnicity specific learning opportunities, such as our Let's Talk About Race training. In addition we will also continue with our Reverse Mentoring Programme and will implement a programme of inclusive sponsorship across the firm. There will also be opportunity for colleagues at all levels to get involved in inclusive behaviour training within teams.



- We will continue to take a more inclusive lens to our promotions process, with increased diversity of interview panels, sponsoring of female and ethnic minority talent, as well as a final review of all decisions at both micro and macro level.

## Work Allocation

We understand the importance of equality of opportunity for colleagues at all levels to be involved in new matters and projects to drive their personal development, and we are undertaking a project to ensure work allocation is based on objective measures (capacity, skills, matter profitability) and ensure a level playing field for hidden talent. To further support this, we will also launch our newly developed Talent Dashboard tool that enables each Practice Group Head to understand and monitor diverse talent in their business area and better track their progress.

For further information, please contact:



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