



GENDER PAY REPORT

Our Managing Partner, David Pollitt, and I were delighted to see, from the response to the firm’s recent Engagement Survey, that our colleagues recognise DACB’s commitment to equality, diversity and inclusion. As this report outlines, we are working hard to ensure that colleagues feel supported, respected and included and have more opportunity to work in a way that best suits their aspirations and wider responsibilities, as those evolve and change throughout their working lives.

In this second Gender Pay Report we have elected to go beyond the strict requirements of the legislation, which applies only to employees, by including data relating to members’ remuneration. We have also refreshed the analysis of our workforce profile, to monitor one of the principal, underlying causes of the pay gaps, namely the predominance of women in our business support populations.

I have been delighted to attend a number of our Women+ network events in the past year. In 2019, the

centenary of women entering the legal profession, we will be encouraging our male colleagues to get involved in the conversation about gender equality, as this is a vital part of the equation.

Building a diverse workforce that represents the communities in which we live and work is a business imperative. We have made some good progress but we plan to do more. We intend, for example, to collect richer data to enable us better to understand and report on the effects of other aspects of diversity, such as ethnicity, disability and sexual orientation. This will enable us more accurately to measure and monitor the impact of the work we refer to in this report and the progress we make against our stated commitments to Diversity and Inclusion, one of the five pillars of our People Strategy.

As required by the legislation 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 2018. 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.

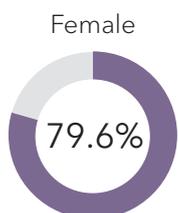
Hourly pay gap

Measure	FY17	FY18	Change
Mean	27.1%	26.1%	-1.0% ▼
Median	22.6%	20.0%	-2.6% ▼

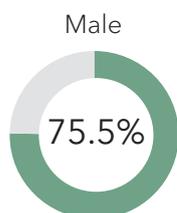
Bonus gap

Measure	FY17	FY18	Change
Mean	44.8%	49.5%	4.7% ▲
Median	42.0%	37.6%	-4.4% ▼

Proportion of female/male employees who received a bonus



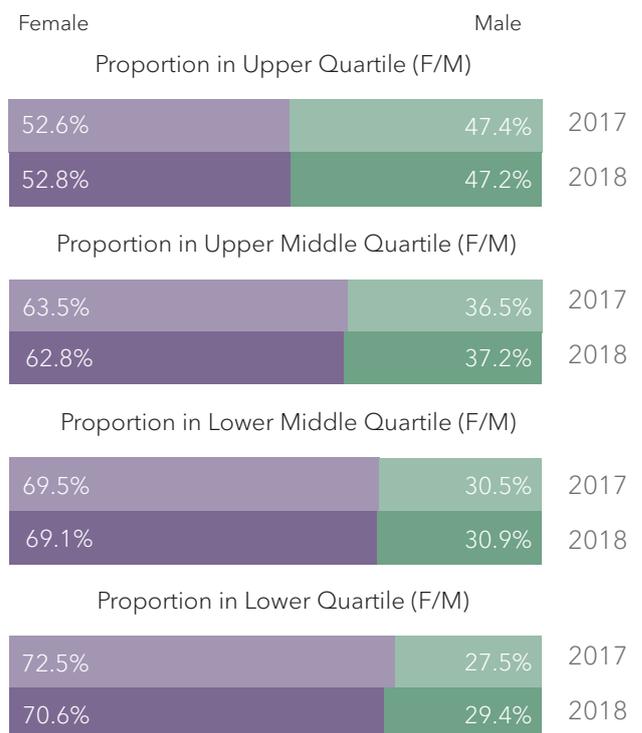
This is a 22.3% increase from 2017



This is a 21.3% increase from 2017

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.



Given the ongoing effect of the composition of our business, and in common with most law firms, the overall picture is very similar to last year, with minor changes to pay and bonus gaps and the composition of the quartiles. Whilst there are more women than men in the two upper pay quartiles, the significantly higher proportion of women in the two lower quartiles is the main reason for the pay gaps.

The hourly pay gaps and the median bonus gap have closed slightly, whilst the mean bonus gap has increased from 44.8% to 49.5%. We are satisfied that, rather than indicating any underlying trend, the latter increase is in large part due to

the impact of one outlying recipient, without which the gap drops to 45.7%. The bonus gaps are partly caused by the fact there is no adjustment of bonus payments for part-time employees (mainly women), which produces a gap even where the bonuses, before being pro rated, are the same. Additionally, the support staff bonuses were fixed amounts, not target-related, which disproportionately affects the female population, with 72% of business services colleagues being female. The increase in the proportion of men and women receiving a bonus is explained by the firm-wide vouchers issued.

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".

Hourly pay gap

Measure	Mean pay	Median pay
Employees	26.1%	20.0%
Members	2.9%	0.0%
Employees & Members	46.1%	26.0%

Bonus gap

Measure	Mean bonus	Median bonus
Employees	49.5%	37.6%
Members	4.0%	40.0%
Employees & Members	59.4%	42.9%

The median "bonus" gap is the difference between the midpoints of the merit awards received by male and female recipients. This gap reflects a less even distribution amongst the female recipients.

Pay gap analysis by category of fee earner

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. An analysis of fee earners reveals marginal gaps, 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	12.6%	18.9%
Legal Director	7.4%	8.6%
Senior Associate/ CSG Associate	-2.9%	-2.8%
Associate	-6.1%	-4.9%
Solicitor/Chartered Legal Executive	0.2%	-0.0%

Percentage of total population who are fee earners/business support



WORKFORCE PROFILE BY GENDER

Our profile reflects part of a wider, gradual shift in the gender make up of those in and entering the profession, as reported by the Law Society of England & Wales in 2018. For example, in 2017 for the first time more than half of practising certificates were held by women and men accounted for less than one third of applicants accepted onto first degree law courses in 2017-2018 - an indicator of the future law graduate gender split. For now, though, women holding practising certificates are younger on average (40 years) than men (45 years). This age demographic is reflected amongst our partner group, where men represent 70% of partners over 45.

Percentage of member population who are female/male



Percentage of salaried partner population who are female/male



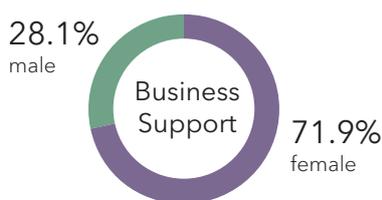
Percentage of female and male population who are fee earners



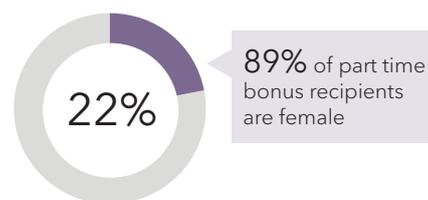
Percentage of fee earning population who are female/male



Percentage of Business Support population who are female/male



Percentage of bonus recipients working part time



OUR RESPONSE

The gender composition of the legal profession is gradually changing and societal stereotypes of men's and women's roles are slowly being eroded. We wish to play our part in accelerating these changes, so that women are more evenly represented in higher paid and leadership roles. There is no single or quick fix but we are committed to providing an environment where equal opportunities exist, regardless of gender, and where unconscious bias, assumption and stereotyping are challenged. We will do this through a combination of the following:



Access to senior role models

In the last year we have seen a significant expansion of Women+, our women's network, providing opportunities for DACB women to network, inspire and support each other and clients, to meet senior women in the business and to influence and inform aspects of the firm's decision-making.



Agile and flexible working

To complement our approach to flexible working, which we define as a formal and permanent change to working arrangements, we are rolling out an agile working policy firm-wide, following a successful pilot. This improves the support we offer, for example, to colleagues with caring responsibilities, which tend to fall disproportionately to women. Our new global headquarters, in London's Walbrook Building, will showcase our approach to agile working.



Enhanced support for working families

In October last year we announced additional support for working families by introducing a suite of enhancements to our existing policies, including bringing Shared Parental Leave in line with our enhanced maternity pay policy, earlier triggering of rights for adopters, increased paid paternity leave, more consistent communication about adjustments to targets after maternity or other family leave and formalising the firm's approach to time off for IVF treatment.



Improving return to work experience

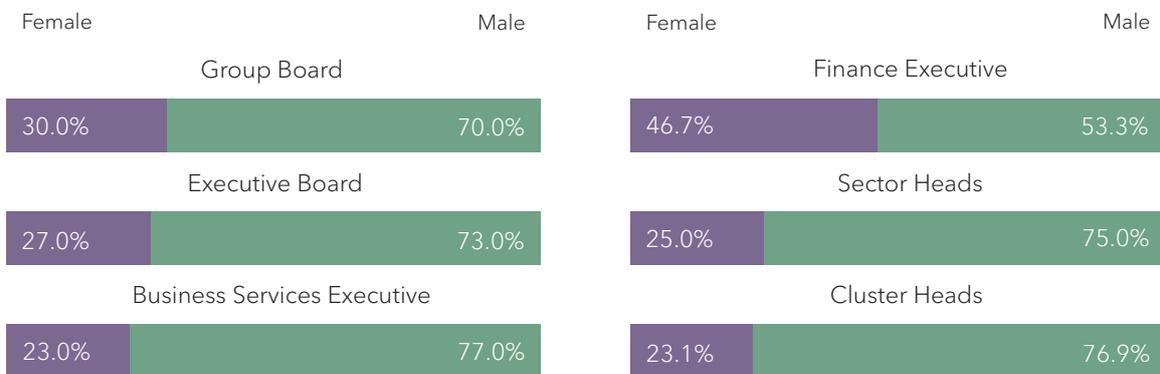
As part of our commitment to improving and making more consistent the return to work experience following family leave and other career breaks, we are developing mandatory training for line managers to improve understanding and awareness and to share good practice. This work is an important part of retaining, supporting and developing our female colleagues. It helps to shore up a balanced talent pipeline, as part of our commitment to achieving better gender balance across the senior leadership of the firm. As an extension of this approach, we have welcomed to the firm women returning to the law after career breaks, as part of the Law Society's Law Returner pilot programme. In the next twelve months we will develop a bespoke DACB returner programme.



Mentoring, coaching and leadership development

These activities continue to be part of our approach to supporting colleagues as their careers progress and part of our commitment to achieving greater diversity across the firm's senior leadership team. We are in the process, for example, of training a group of Back to Work Mentors to support colleagues' transitions back to work following a prolonged period of leave, most commonly maternity leave. This forms part of our approach to retaining and supporting colleagues with caring responsibilities and to minimising the loss of women from the business following maternity leave.

Composition of Senior Leadership Groups



Monitoring our talent pipeline

We continue to analyse the gender composition of our business across locations, job roles and service lines. This monitoring and analysis extends to decision-making about development opportunities, such as the Partner Track Programme and the DACB Business Leaders Development Programme as well as promotions generally. The majority of our senior lateral hires are men and this inevitably impacts the gender balance of our talent pipeline. Working with our recruitment agencies, this will be an area of focus during next year.

