

GENDER PAY REPORT

This report follows the significant work we have done as a business to listen to colleagues and articulate more clearly what it is we stand for as an employer and what colleagues can expect from us, namely, a life that works. Behind these words sits the need for each of us to play our part, a need to understand each other as individuals, to learn what each other values and to work hard to ensure that everybody's contribution counts. It is this message about the power of collective endeavour that sits behind the theme for International Women's Day 2020, "Each for Equal".

A crucial aspect of achieving our aspirations around gender equality - that is, equal opportunity for colleagues to succeed on merit, irrespective of gender or personal circumstances - is DACB being an inclusive, welcoming and supportive place to work and thrive, at whatever stage of a colleague's life and whatever their career choices. Our Managing Partner, David Pollitt, and I are proud that, collectively, our business has embraced new ways of working and champions a more open-minded approach to recruitment, working patterns and the value that different experiences can bring to our

business - we see this in the work, for example, we are doing to welcome people to the firm following extended career breaks or from working outside the law.

It is critical that we focus on maintaining a gender-balanced talent pipeline so that we can achieve our aspirations for even better balance within our senior leadership teams and thus grow the number of female role models and mentors within our business. We believe, too, that at the heart of equality and inclusion, is the ability to have open and honest conversations, one to one or as a group, such as the Working Dads Roundtables hosted by David Pollitt, so that we can better understand and tackle any barriers that exist or are perceived.

It is, of course, critically important to analyse data and to count the numbers but it is even more important, we believe, to make the numbers count through active and conscious inclusion of everyone in our business.

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 2019. 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.

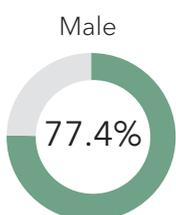
Hourly pay gap

Measure	FY18	FY19	Change
Mean	26.1%	24.6%	-1.5% ▼
Median	20.0%	20.4%	0.4% ▲

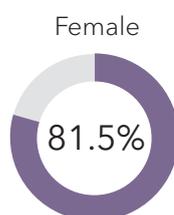
Bonus gap

Measure	FY18	FY19	Change
Mean	49.5%	44.8%	-4.7% ▼
Median	37.6%	20.9%	-16.7% ▼

Proportion of female/male employees who received a bonus



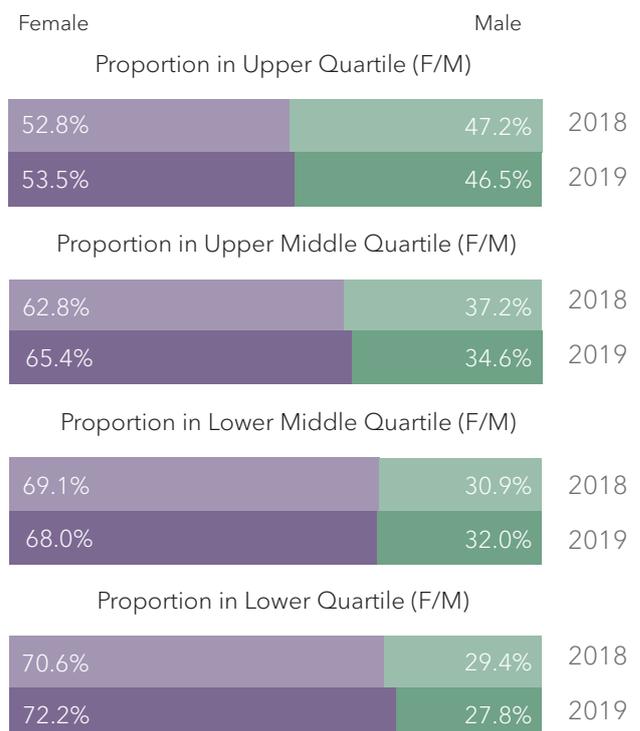
This is a 1.9% increase from 2018



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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 composition of our business remains broadly the same as last year, namely 70% of our business support population is female and there is a significantly higher proportion of women than men in the two lower quartiles. So, whilst the number of women in each of the two higher quartiles outweighs the number of men, the percentages there are closer (53.5% women in the top quartile and 65.4% in the second). It is this make up of our workforce, together with the impact of the Regulations requiring that prorated bonuses be compared with full-time, non-prorated bonuses that are the main causes of the pay gaps in our business. There has, though, been a further slight narrowing (1.5%) of the mean

hourly pay gap, representing an aggregate 2.5% reduction of the gap since FY17 and there has been more movement in relation to the bonus gaps. Both bonus gaps have closed, the mean bonus gap by 4.7% and, most notably, the median bonus gap has reduced by a significant 16.7%. The latter reflects an underlying trend towards proportionately larger increases in bonus amounts being paid to women than men.

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	24.6%	20.4%
Members	3.9%	2.6%
Employees & Members	47.8%	24.1%

Bonus gap

Measure	Mean bonus	Median bonus
Employees	44.8%	20.9%
Members	0.8%	0.0%
Employees & Members	63.6%	42.2%

Within the membership, the pay gaps are non-existent or negligible. The membership itself is 80% male but women now represent 33% of the members below age 40 and 37% of the salaried partner pipeline population is female.

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	7.3%	11.5%
Legal Director	5.7%	7.3%
Senior Associate/ CSG Associate	-4.8%	-6.0%
Associate	1.7%	-0.5%
Solicitor/Chartered Legal Executive	1.4%	1.7%

Percentage of fee earning population who are female/male



WORK PROFILE BY GENDER/ROLE

From an age and gender perspective, our profile continues to reflect the gradual evolution of the profession as a whole which in turn reflects the greater numbers of female law graduates. Across the fee-earning population there are now more women than men below the age of 45 in each of the fee-earning role categories, except partners.

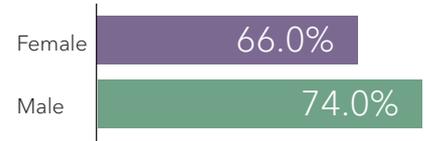
Percentage of member population who are female/male



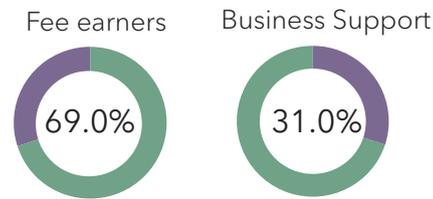
Percentage of salaried partner population who are female/male



Percentage of female and male population who are fee earners



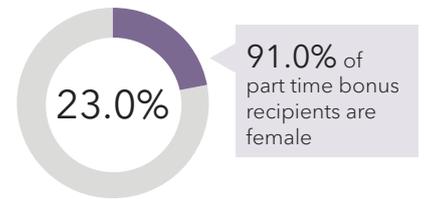
Percentage of total population who are fee earners/business support



Percentage of Business Support population who are female/male



Percentage of bonus recipients working part time



OUR RESPONSE

We wish to play our part in challenging the social stereotypes, biases and assumptions that can hold back the pace of change. We recognise that greater diversity in our senior leadership teams in all respects, not just limited to protected characteristics, including a more equal gender balance, will inevitably help to inspire, role model and bring different perspectives, helping to accelerate the pace of change. We will help colleagues to succeed in the following ways:



Working Dads

A key part of working towards gender equality is the opportunity for more equal sharing of childcare and other caring responsibilities, underpinned by an open minded and progressive culture. As part of our wider support for working families, and following the enhancement of our Shared Parental Leave (SPL) policy, we held a series of Working Dads Roundtable discussions hosted by David Pollitt to understand better the challenges and concerns of working dads, particularly those with young children. This reinforced the need to tell and share experiences, to offer encouragement to colleagues considering SPL and to ensure that everyone is aware of their entitlements and benefits. The taking of SPL by DACB fathers has more than trebled since we enhanced the policy in late 2018 and have been actively promoting it. We will continue to promote SPL by sharing stories and by encouraging more connection and support amongst the Working Dads network in the business.



Back to Work Mentors

A team of colleagues, with personal experience of the practical and emotional challenges that can arise following a period of maternity or shared parental leave, have volunteered to mentor fellow colleagues on their return to work. These Back to Work mentors have received external training and can help either in the period leading up to the leave, when preparing for return and/or in the period following return. The mentor can offer practical help and advice or morale support through confidential, coaching-style conversations outside the returner's line management or peer group.



Reconnect - Career Returners Programme

As an additional way of attracting talented people to the business, and another aspect of our approach to safeguarding the gender balance of our talent pipeline, we are developing 'Reconnect', a career returners programme, following our participation in a pilot returners programme last year. Working with Women Returners, expert advisers in this area, we will launch our programme in April 2020, offering flexibility, training, empathetic support and the opportunity to start on a short-term contract if people prefer to return to the law in that way.



Focus on Conscious Inclusion

We have started and will continue to examine ways in which behaviours in the business affect the inclusion and wellbeing of colleagues. Through open and honest conversations and awareness raising, supported by our networks and with external advice and training, we will continue to help each other to understand better how we can conduct ourselves and the business in a way that most effectively enables colleagues to contribute fully. This includes sharing more widely in the business an understanding about the impact of unconscious bias and preference on decision-making.



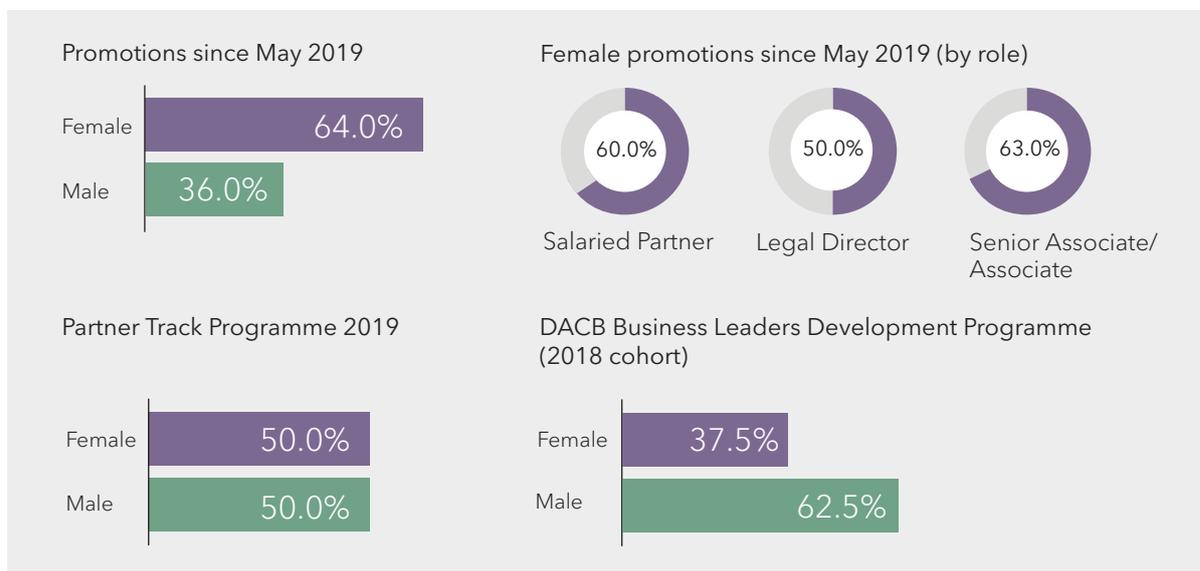
Bringing networks together

The more we share and understand each other's perspectives or challenges, the better able we are to learn what others most value or need by way of support to succeed. Many issues examined by our diversity networks have common threads and can impact performance and wellbeing, in particular mental health. We will look at ways of better sharing knowledge across networks, including more collaboration to effect change and we will consider more deeply the implications of intersectionality - such as LGBT parents, parents of children with disabilities, the impact of caring for parents or menopause, or racial issues - on female career progression.

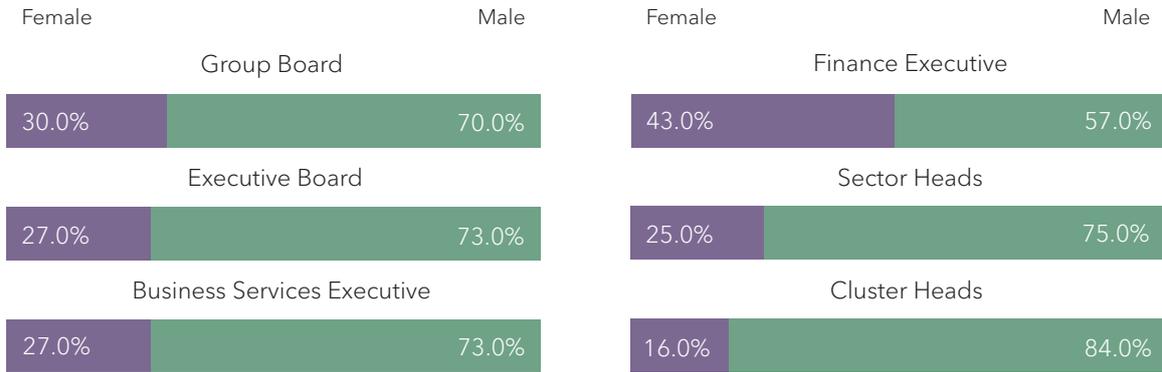


Monitoring our talent pipeline

We continue to analyse and monitor our talent pipeline, including the impact of promotions and senior lateral hires on the gender balance of our succession pools. Of note, 55% of salaried partner lateral hires in the current financial year are female, compared with 29% in the previous year. The increase of female salaried partner promotions in FY20 (60% up from 44% the previous year) is broadly representative of the percentage of female fee earners in the business. Enabling senior women to accommodate caring responsibilities without setting back careers, peer support, our approach to flexible and agile working and an overt appreciation that careers are not always linear, are key factors in protecting the gender balance of our succession pipeline.



Composition of Senior Leadership Groups



We do not believe in setting arbitrary targets but we would expect the impact of the actions outlined in Our Response above to result, over time, in the gender balance of our senior leadership team reflecting more closely the gender composition of our talent pipeline. This shift can be seen, for example, in the gender balance of the DACB Business Leaders Development Programme.