



All things being equal
Gender and ethnicity
pay report

6 April 2018 to 5 April 2019

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Building a diverse and inclusive firm

At Eversheds Sutherland our vision is to have a diverse team and 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. We want Eversheds Sutherland to be a firm which reflects the world in which we live and work, and where opportunity is available to all and not the few.

We are committed to building a firm which aligns with our vision. Our aim is not just that there is no disadvantage to anyone, but to ensure that everyone can thrive.

In February 2019 we demonstrated this commitment, through the launch of our new purpose - helping our clients, our people and our communities to thrive -, and by making "inclusive" one of our new values.

We are monitoring our progress to increase the diversity of our team at all levels, and are pleased to see that the results, including the information included in this report, show we are moving in the right direction. This increase in diversity can be seen in the most senior roles in our organisation which includes a female chair, a female European Managing Partner, one of our five practice groups has a female lead and another practice group is led by a minority ethnic colleague.

The results equally show we have more to do to achieve our vision, and we remain committed to this. We have an existing target for gender at the partner level – 30% female partners by 2021 - and in September 2019 introduced ethnicity targets at both the partner level and firm wide across our UK business. Our UK ethnicity targets are 10% Black, Asian and minority ethnic (BAME) partners by 2025 and 14 % BAME UK population (all employees and partners) by 2022. The last page of this report indicates some of the other actions we are taking.

We believe that it is important that the information we provide as part of our mandatory pay reporting obligations is meaningful in the context of our business and enables us to monitor our progress in this important area as we work towards our diversity vision. Therefore, in addition to reporting on figures required under the Equality Action 2010 (Gender Pay Gap Information) Regulations 2017, we have continued to voluntarily provide information on our partner population, and calculated our combined gender pay gap differences for all employees and partners.

Furthermore for the first time, this year we are reporting on our ethnicity pay differences. This was a commitment we made when we announced our UK ethnicity targets.

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



Lee Ranson

Lee Ranson
(CEO)



Pamela Thompson

Pamela Thompson
(Chair)

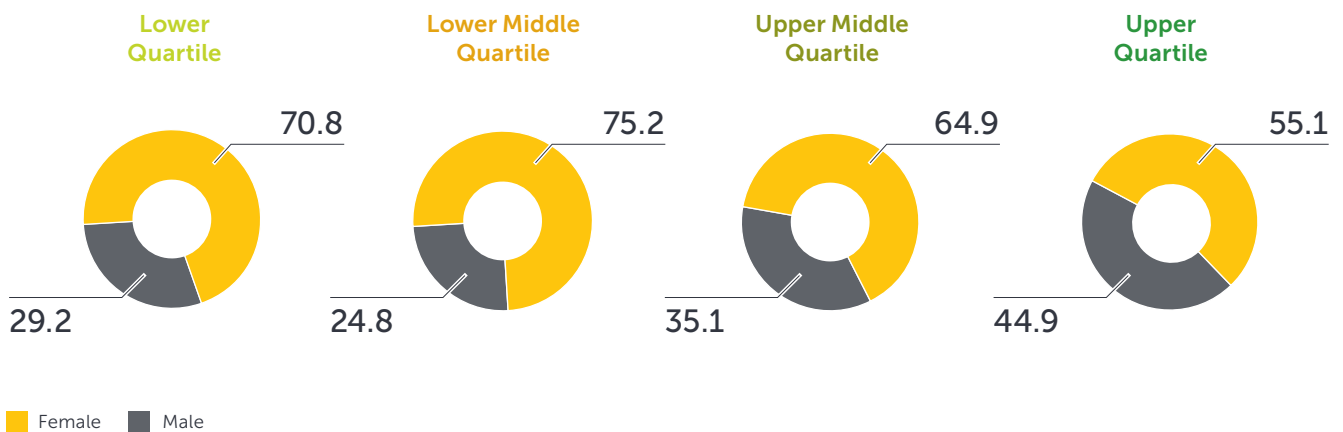
Gender pay

As at 5 April 2019, Eversheds Sutherland in the UK had 2422 employees of which **67%** were female. Within our employees, our lawyer population is **61%** female, while females comprise **70%** of other business professionals.

As at 5 April 2019, Eversheds Sutherland had 274 partners in the UK of which **27%** were female. We have one of the higher female partner representation levels in the legal sector but recognise we still need to make more progress to increase female representation at partner level. We are therefore disappointed that the level of female partner representation remains static when compared to last year's report, and we remain committed to addressing this.

PAY DISTRIBUTION

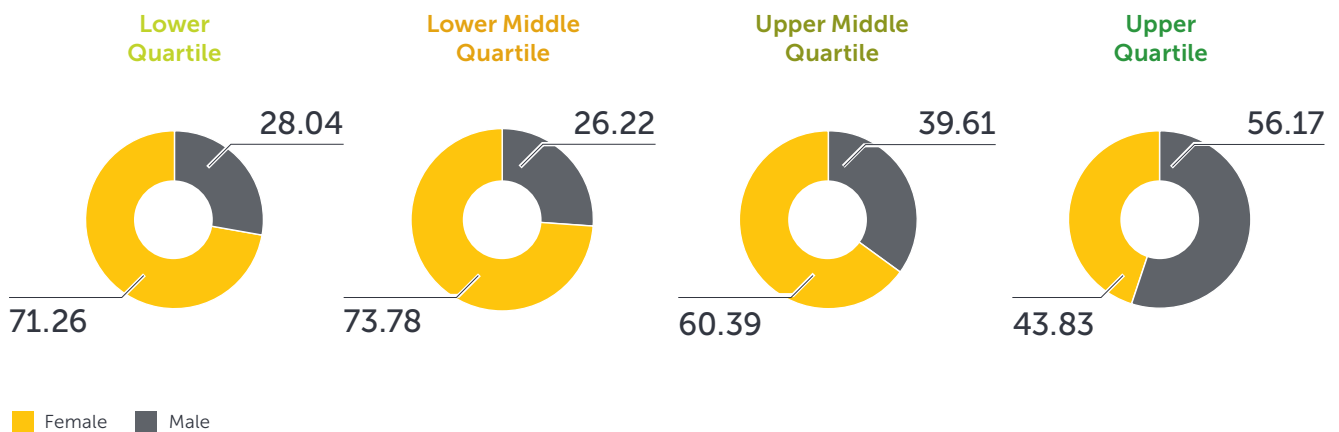
Employee



The charts above show the gender distribution across Eversheds Sutherland's UK employees in four equally sized hourly pay quartiles. Overall females represent **67%** of our UK employees i.e. excluding our partner population. Females are proportionally over represented in the lower pay quartiles due to more females having secretarial and administration roles. Females are proportionally under represented in the upper pay quartiles due to proportionally more men in senior level roles.

Our aim is to move to a more equal distribution of genders across all levels, while also aiming for the proportion of each gender within the quartiles to reflect the overall representation within our UK employee population. Compared to April 2018 we have seen a slight improvement, i.e. a **2.4%** increase, in female representation in the upper quartile.

Combined



When compared to last year, we have seen the figures for combined pay distribution move in the right direction, with a **3.4%** increase in females in the upper quartile. The combined pay distribution, i.e. all employees and partners, however continues to reflect the lower representation of females within our partner population. We are committed to increasing female representation at senior levels, and to identify and implement actions to support this aim.

PAY DIFFERENCES

The tables below show the mean and median pay differences for our employees and partners and a combined figure. They compare the average hourly pay of all the females, and compare it to the average of all the males, and express it as a percentage relative to the male average. 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.

With a few exceptions, the tables below show a continued improvement in the mean and median figures reflecting our ongoing focus and the actions we have taken since last year's report was published.

There has been a slight increase in the median pay gap for lawyers. Our analysis indicates that this figure has been influenced by maternity leave within our non-London offices.

This year, for the first time, we have introduced an overall partner figure. This overall figure shows a relatively small gender pay difference. We will continue to provide information on the two types of partnership. The Equity Partner pay gap indicates that average pay figure for our female equity partners is higher than that for their male colleagues. Like other law firms, this is affected by a small number of Equity female partners.

The pay gap for fixed share partners has also increased slightly, reflecting the change as a result of additional recruitment at partner level.

Our Employee Pay Position

	Mean			Median		
	2019	2018	2017	2019	2018	2017
All Employees	20.17%	22.63%	23.22%	22.92%	28.03%	25.41%
– Lawyers	8.18%	9.28%	Not reported	11.35%	8.42%	Not reported
– Other business professionals	17.16%	25.46%	Not reported	3.70%	6.17%	Not reported

Our Partner Pay Position

	Mean			Median		
	2019	2018	2017	2019	2018	2017
All Partners	3.44%	Not reported	Not reported	1.45%	Not reported	Not reported
– Equity Partners	-5.64%	-6.20%	10.29%	-19.21%	-14.0%	8%
– Fixed Share Partners	7.75%	3.16%	4.55%	7.37%	2.25%	5.99%

Our Combined Pay Position

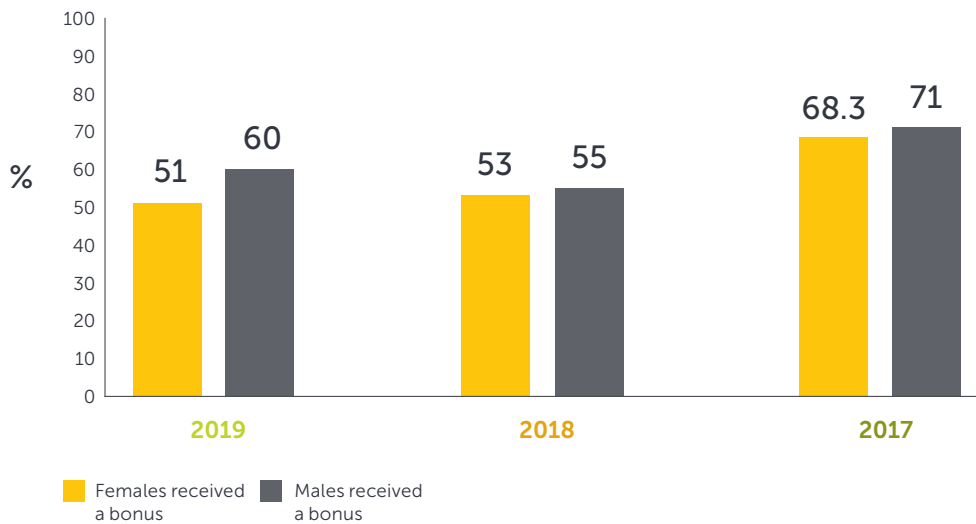
	Mean		Median	
	2019	2018	2019	2018
All Partners and employees	57.78%	58.3%	37.45%	39.62%

BONUS DIFFERENCES

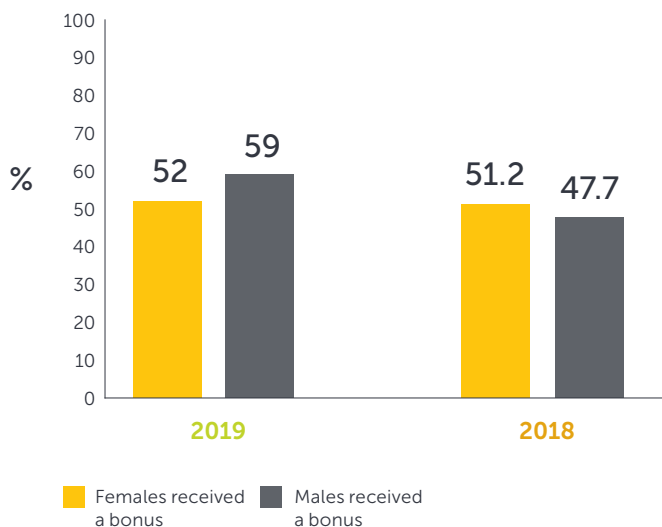
The distribution of females in an organisation impacts upon bonus differences as well as pay differences. More senior roles are likely to be higher paid, they are also more likely to be roles that as a result receive a higher bonus payment.

Proportion of men and women receiving a bonus payment

Employees



Combined (employees and fixed share partners)



In addition to the difference 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, as well as individual nominations for our "Everyday Hero" awards.

Bonus Gap

The bonus pay gap difference improved among our employee and fixed share populations between 2018 and 2019. The mean figures for both populations show an improvement, decreasing by **9.72%** (employees) and **0.47%** (fixed share partners). It is the median figures however which indicate the greatest positive move, decreasing by **25.95%**, (employees) and **3.05%** (fixed share partners) between 2018 and 2019.

When the employee and fixed share partner data are combined, the corresponding mean figure shows a **4.4%** improvement i.e. decrease, while the median average shows a similar move in the opposite direction. The overall averages of **43.18%** (mean) and **50%** (median) are a result of fewer females at more senior levels. The apparent contradiction i.e. an increase in one average and a decrease in the other average, is a result of the different methods of calculating mean and median.

Employees

Mean			Median		
2019	2018	2017	2019	2018	2017
38.05%	47.77%	42.8%	20.00%	45.95%	31.25%

Fixed Share Partners

Mean			Median		
2019	2018	2017	2019	2018	2017
3.44%	3.91%	10%	1.45%	4.5%	4.95%

Combined (Employees and Fixed Share Partners)

Mean		Median	
2019	2018	2019	2018
43.18%	47.55%	50.0%	44.44%

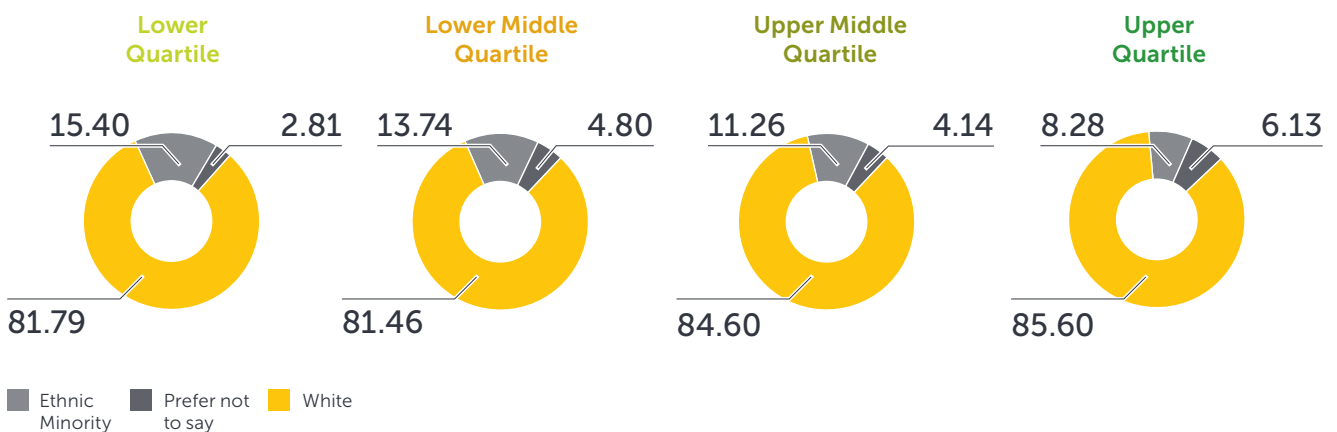
Ethnicity pay

As at 5 April 2019, **12.29%** of Eversheds Sutherland’s 2422 UK employees self-identified as minority ethnic. **99.67%** of employees provided a response to the question regarding their ethnicity, with **3.22%** of these selecting “prefer not to say”. In calculating our ethnicity pay data we have excluded this category of response.

In the absence of any legislation covering ethnicity pay reporting, for this first voluntary report 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.

For our internal action planning, this more detailed summary is available, along with an overlay of gender, which enables us to understand the nuances of pay differences between ethnic populations, for example Asian females and black males.

PAY DISTRIBUTION



The charts above reflect the lower representation of minority ethnic employees in the more senior roles. These charts also show the percentage of “prefer not to say” responses. Within the upper quartile the percentage of minority ethnic responses is just over **2%** higher than the “prefer not to say” response. Understanding more about the population who preferred not to respond is a priority.

PAY DIFFERENCES (white/ethnic minority)

	Mean	Median
Employee	20.67%	24.17%
Partner	-5%	11.37%
Combined	33.70%	22.72%

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

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

For example:

- our employee mean pay difference is **20.6%** with variation between **11.2%** (Asian) and **34.43%** (Black)
- our employee median pay difference is **24.17%** with variation between **4.76%** (Asian) and **32.67%** (Mixed)

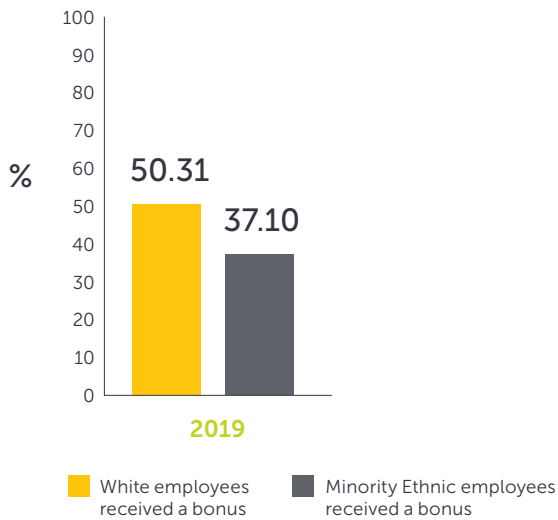
From the 274 UK partners in situ as at 5 April 2019, **7.3%** were classified as “prefer not to say” or had not completed the field. **5.5%** of partners had self-identified as either Asian, Black, Mixed or Other.

The significant difference between the partner mean and median figures (**-5 to +11.4%**) indicates the challenges from calculating averages from relatively small populations. With one figure indicating that the hourly pay of minority ethnic colleagues is higher than that of their colleagues, which the other indicates the opposite. Given the relatively high proportion of “prefer not to say” and “not stated” compared to the partner population size, and the impact of excluding those 20 partners from the calculations, our priority is to increase the robustness of our data through gaining a greater understanding of the prefer not to say and not stated population.

BONUS DIFFERENCES

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

Proportion of employees receiving a bonus payment



Employee Bonus gap



Gender and ethnicity action plan

Our “move the dial” action plan is focussed on increasing the representation of females and minority ethnic colleagues particularly at senior levels in the firm. It is a multifaceted approach, as we recognise that there is no single solution. Our commitment is to a continuous focus which has positive results.

As representation of females and minority ethnic colleagues at senior levels is a challenge affecting the legal profession as a whole, in addition to any actions we are taking as an individual firm, we are also contributing to industry wide initiatives.

Activities include:

- ✓ implementing gender/BAME targets and driving progress to achieve the goals, including the introduction of BAME targets for partners and across the firm’s UK population
- ✓ continuing to build the membership and profile raising of our gender and ethnicity networks, with a particular focus on allies to increase understanding of challenges that colleagues in these groups face
- ✓ identification and promotion of role models
- ✓ in conjunction with the Practice Group Heads, and other key stakeholders, reviewing the effective allocation of work and opportunities, including dedicated roles
- ✓ reviewing our recruitment approach - including that for lateral hires - through a diversity lens, introducing campaigns and activities to attract diverse candidates
- ✓ maximising the availability of mentoring, reverse mentoring, and coaching opportunities
- ✓ continuing to provide focussed training initiatives, such as Development Plus, our global female development programme

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