UK Pay Gap Report – Gender and Ethnicity 2023





One voice made of many

Foreword

What businesses do matters much more than what they say about diversity, equity & inclusion. This report on our gender and ethnicity pay gap focuses on our actions and progress. How far we've come, but also how far we need to go.

We take a data-led approach to our DEI (diversity, equity, and inclusion) activities. Pay gap reporting is one of the tools we use to measure our progress and drive meaningful change.

We've set ourselves ambitious goals, and change must be leader-led. So, we've created an international DEI Council, which includes some of our most senior leaders, who drive change, focus on outcomes, deliver our goals and proactively support our people networks.

In addition to our international DEI Council, we have introduced the UK Culture & Inclusion Forum, linking our employee networks and UK leadership team, as part of leading our business in an inclusive way and strive towards a workplace and culture where everyone feels that they belong, that their voice counts and that they can thrive in their career.

This year we've reduced our gender pay gap compared to 2022, with more women moving into higher-paid roles. We've also reduced our ethnicity pay gap, partly due to ethnic minority employees securing permanent roles through our trainee programme.

This report shows our commitment to transparency, diversity, equity and inclusion in the UK. This is the seventh year we've published a report on our UK gender pay gap, and the fourth year for our UK ethnicity pay gap. We continue to disclose more than we are required to, including the pay gap for our partners, and the ethnicity pay and bonus gap.



Liam Cowell

Our commitment

At DLA Piper, diversity, equity and inclusion is about creating a sense of belonging. We're building a workplace and culture where everyone feels that they belong, that their voice counts and that they can prosper in their career. We achieve this through leader-led sponsorship and role modelling, by amplifying the voices of our people, and by engaging our clients and communities. Our international approach to diversity, equity and inclusion has three strategic pillars:



Our people

Building on our inclusive and psychologically safe culture so all our people feel they belong and can flourish.



Our purpose

To act as a responsible business by collaborating with our clients, communities and suppliers to promote inclusion and belonging.



Our processes

Levelling the playing field so all our people can achieve their potential, ensure our workforce is fully diverse, while focusing on opportunities and equitable outcomes for all.

Our goals:

Diversity, equity and inclusion is a business imperative. It allows our business and our people to thrive, future-proofs our talent pipeline and influences positive change with our clients and our communities.

Our international goals focus on diverse representation in our partnership.



For at least 30% of our partnership to be women by 2025 and 40% by 2030.



At least half of future internal partner promotions to come from underrepresented groups. This may include but not be limited to gender, ethnicity, disability, sexual orientation, and socioeconomic status.



Tracking our business services team to ensure it remains inclusive and representative.

Progress against our goals*



Our aim is to ensure our people, systems and processes support our ambition of levelling the playing field by actively tackling barriers in the employee lifecycle. We know systematic change takes time, but with the steps, interventions and programmatic changes we're focused on, we're confident we can redress the imbalance.

^{*}Data as of July 2023

People Networks

People Networks play a vital role in strengthening inclusivity, driving diversity and supporting people across our firm. They provide a community where our people can learn from one another, share lived experiences and discuss topics that are important to them. Our People Networks are represented in our DEI Council, which is made up of senior leaders in our firm and act as a catalyst for meaningful change. Our People Networks include:

- LAW Gender
- Iris LGBTQ+
- Mosaic Race, ethnicity, and cultural diversity
- PACT Families and carers
- Enabled Disability, neurodiversity
- Horizons Social mobility

Recruitment

We have embedded inclusive recruitment practices. We engage with our recruitment partners on our diversity, equity and inclusion strategy, and benchmark ourselves against our peers.

Early careers:

We're committed to securing a diverse representation of talent at the entry-level. In 2017, we established a partnership with Rare Recruitment and introduced contextualised recruitment software. In 2019, we removed minimum academic grade requirements and in 2021, we deployed strengths-based recruitment enabling us to assess future potential rather than past performance. We have also introduced CV blind interviewing.

Lateral Hiring:

We're engaging with recruitment specialists who focus on underrepresented legal talent. Our external recruiters provide us with long and shortlists that are gender balanced. In 2022, we launched a formal partnership with <u>Diverse Talent Networks</u> in the UK to expand our diverse talent pool from less traditional backgrounds and pathways. The network also aims to support our business leaders in building diverse professional networks.

Apprenticeships:

In 2021, we launched a Solicitor Apprenticeship programme. The objective was to broaden access to the profession and diversify the routes to qualify as a solicitor. In 2023, we became a member of City Century (a Solicitor Apprenticeship initiative in the City of London).

Internal Investment Programmes:

Our international development programmes support our people at each stage of their career at DLA Piper.

Momentum: A leadership programme for high potential lead lawyers from underrepresented groups with the potential to progress.

Elevate: A sponsorship programme for high potential senior lead lawyers from underrepresented groups with the potential to make partner. Since the programme launched in 2021, 51 individuals have participated in it. Of those, 27 (53%) have been promoted to partner.

Gender pay gap:

We've decreased our employee gender pay gap since last year. Both median and mean employee gender pay gaps have improved compared to 2022. We saw more women move into higher-paid roles, reducing the gender pay gap. This reduction is also influenced by our commitment to inclusion and culture, including the programmes designed to remove barriers and invest in and support female talent.

We continue to have a higher proportion of men in the partnership. However, the proportion of senior roles held by men has decreased, resulting in a slightly reduced pay gap. One of our strategic priorities is to reduce the gender pay gap by investing in and retaining our female talent.

Parental coaching:

Returning to work after parental leave can be a big adjustment for returners, and we support our employees during such life events. We take a bespoke approach to provide our returners with individualised support shaped at a team level so each employee can get the support and guidance they need. In February 2024, we launched our first UK-based returners programme, enabling female lawyers to relaunch their careers following a career break.

Menopause at work:

Many women will experience the menopause, and for some, it may affect their working lives. This year we revised our UK menopause policy, to ensure our people understand how they can be better supported and how they can support others. Our employee network LAW hosted a keynote talk with Dr Nighat Arif a GP specialising in women's health and family planning with over 15 years of experience in the NHS and private practice. She helped us understand the symptoms of the menopause and highlight ways to support those experiencing it.

LAW:

LAW is DLA Piper's International gender balance network. The group supports gender balance at all levels by strengthening the influence, leadership and voice of women in our firm.

FTSE Women Leaders:

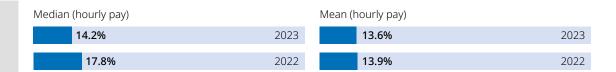
DLA Piper has been ranked as the fifth highest performing organisation in the 'Top 50 Private Companies' category of women on Boards in the 2024 FTSE Women Leaders Review. The FTSE Women Leaders Review is an independent, business-led framework supported by the UK Government, that sets recommendations to improve the representation of women on the Boards and Leadership teams of the FTSE 350 and 50 of the UK's largest private companies.

Gender Pay Gap data 2023:

All staff (excluding Partners)

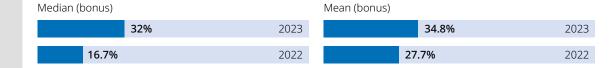
Gender pay gap in hourly pay

Our gender pay gap is based on UK employee hourly pay as of 5 April 2023. Our data includes lawyers and business services professionals.



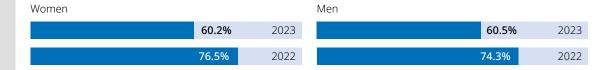
Gender bonus gap

Our bonus gender pay gap is based on all bonuses received between 6 April 2022 and 5 April 2023.



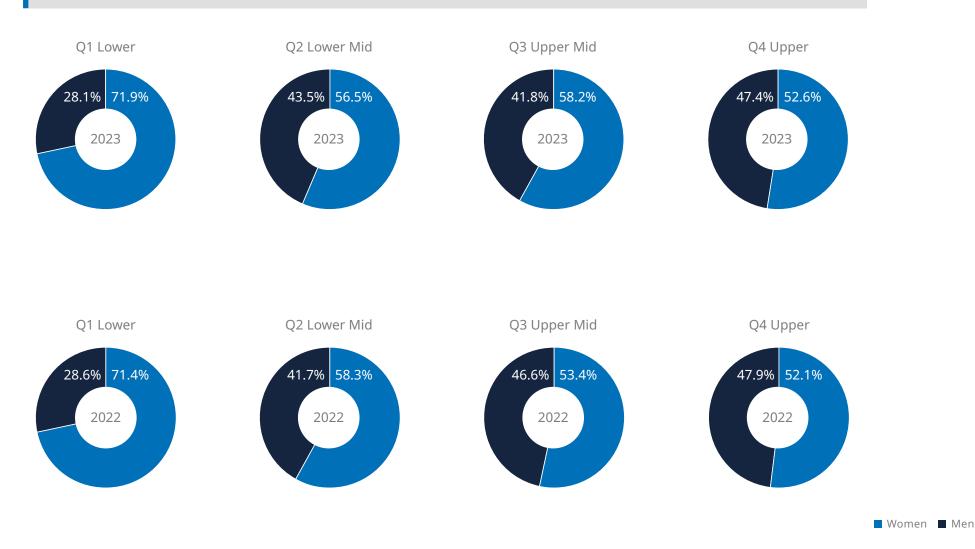
Proportion of women and men receiving a bonus payment

These figures show the percentage of women and men who received a bonus between 6 April 2021 and 5 April 2022.



Pay quartiles

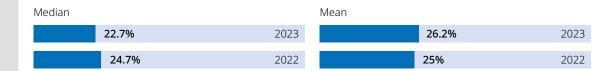
The pay quartiles are calculated by sorting the entire population of employees from highest to lowest hourly pay rate and dividing that list into four equal parts.



Partners

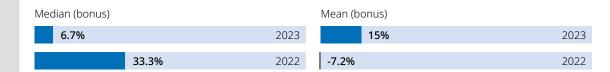
Gender pay gap in hourly pay

Our partner gender pay gap is based on UK partner profit share and bonus awarded under the 2023 partner remuneration review.



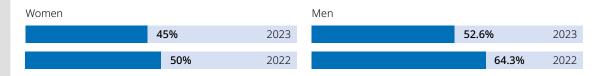
Gender bonus gap

Our UK partner bonus gender pay gap is based on partner bonuses received in the 2023 partner remuneration review.



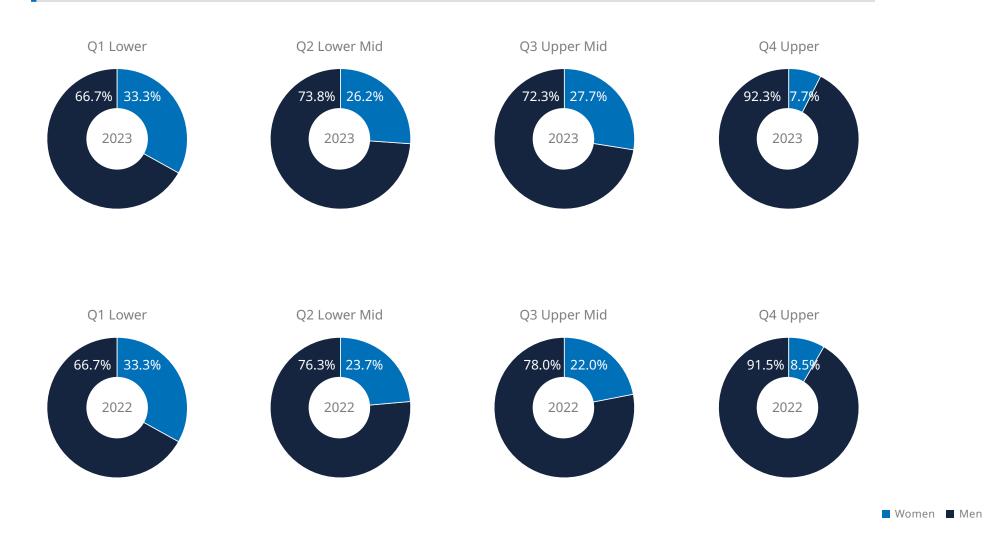
Proportion of women and men receiving a bonus payment

The figures show the percentage of female and male partners who received a bonus in the 2023 partner remuneration review.



Pay quartiles

The pay quartiles are calculated by sorting the entire population of employees from highest to lowest hourly pay rate and dividing that list into four equal parts.



Ethnicity Pay Gap

In the spirit of transparency and continuous improvement, we voluntarily disclose our ethnicity pay gap.

Our employee bonus and ethnicity pay gaps have narrowed since 2022. The ethnicity pay gap was positively affected by employees from ethnic minorities securing permanent roles through our trainee programme. And a proportion of newly hired employees from minority ethnic backgrounds joined the business in mid to senior roles.

Our DEI strategy is focused on improving ethnic diversity in our firm by taking a proportional approach to recruitment through to retention and progression. It also helps build an inclusive culture that reflects all our people and wider society. Some of the actions we've already taken include:

It's important to recognise that different areas of the legal sector present different challenges for women and other underrepresented groups. These external barriers can exacerbate challenges within our firm, and we continue to address these with a range of programmes and measures.



SPONSORSHIP OF THE 1% EXTENSE STUDY:

DLA Piper is dedicated to addressing inequity in the sector and as part of this commitment sponsored the 1% Extense research, conducted by Julian Richard, Managing Director of Extense. The study aimed at understanding the experience of Black partners in the UK highlights that there is an underrepresentation of Black Talent in Senior Legal roles. As part of our sponsorship, the firm hosted a roundtable with Julian and a group of our senior leaders to discuss the evidence-based actions law firms can take to attract, retain, and progress Black talent. The recommendations from the 1% report have informed our UK DEI strategy.



INVESTING IN ETHNICITY:

Inclusive work environments lead to better retention of diverse talent. We're pleased to have joined <u>Investing in Ethnicity</u> – a national organisation focused on improving ethnic diversity. As part of the membership, we participated in the Maturity matrix, a tool backed by the UK government that assesses and streamlines our actions on race equity, holding ourselves to account.



PARKER REVIEW:

This year, we participated in <u>The Parker Review</u>, which calls on companies to declare their board ethnicity data to improve the ethnic and cultural diversity of UK boards.



MOSAIC:

Our UK race and ethnic diversity network – Mosaic – promotes racial equality and creates a culture of inclusion and belonging. To empower change, the network is sponsored by senior partners.

Ethnicity Pay Gap data 2023:

All staff (excluding Partners)

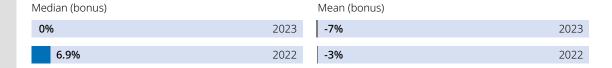
Ethnicity pay gap in hourly pay

Our ethnicity pay gap is based on UK employee hourly pay as of 5 April 2023. Our data includes lawyers and business services professionals.

| Median (hourly pay) | | Mean (hourly pay) | |
|---------------------|------|-------------------|------|
| 2.1% | 2023 | 0.5% | 2023 |
| 11.3% | 2022 | -0.8% | 2022 |

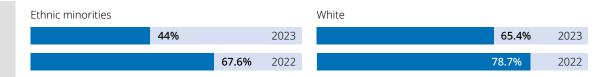
Ethnicity bonus gap

Our bonus ethnicity pay gap is based on all bonuses received between 6 April 2022 and 5 April 2023.



Proportion of ethnic minorities and white employees receiving a bonus payment

These figures show the percentage of ethnic minorities and white employees who received a bonus between 6 April 2022 and 5 April 2023.



Pay quartiles

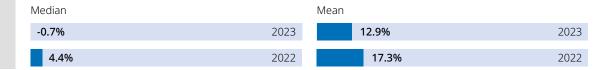
The pay quartiles are calculated by sorting the entire population of employees from highest to lowest hourly pay rate and dividing that list into four equal parts.



Partners

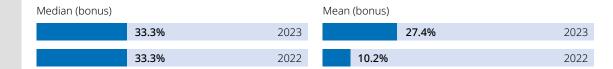
Ethnicity pay gap in hourly pay

Our partner ethnicity pay gap is based on UK partner profit share and bonus awarded under the 2023 partner remuneration review.



Ethnicity bonus gap

Our UK partner bonus ethnicity pay gap is based on partner bonuses received in the 2023 partner remuneration review.



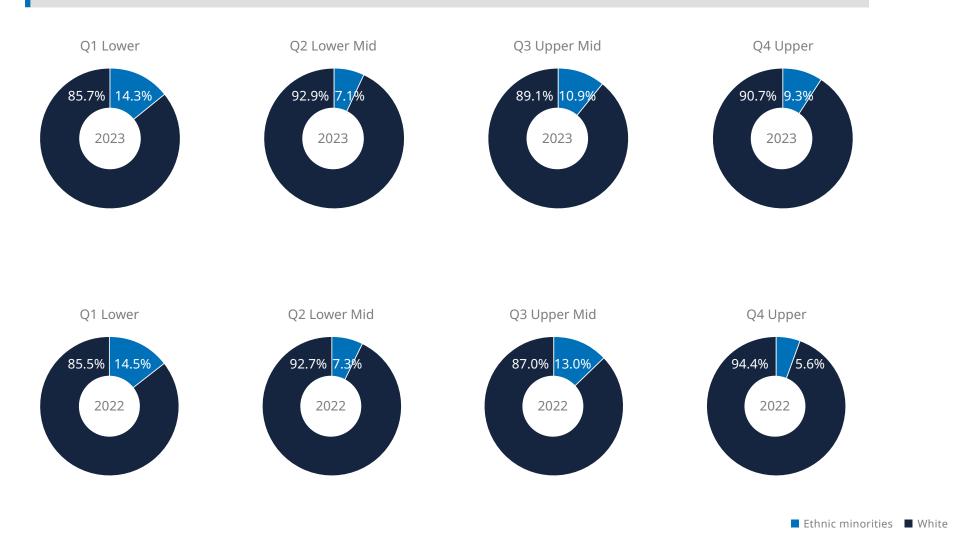
Proportion of ethnic minority and white partners receiving a bonus payment

The figures show the percentage of ethnic minority and white partners who received a bonus in the 2023 partner remuneration review.



Pay quartiles

The pay quartiles are calculated by sorting the entire population of partners from highest to lowest profit share and bonus and dividing that list into four equal parts.



Looking ahead

This year we've seen improvements in our Gender and Ethnicity pay gaps. But there's more we as a firm – and the legal sector – can do.

In January 2023, we launched a new programme (Momentum) as a precursor to our existing programme, Elevate. Momentum aims to support developing, progressing, and retaining diverse senior lead lawyers. Our objective for Momentum is to create a diverse workforce for the long term.

In 2024 DLA Piper launched its first return-to-work programme in the UK, in collaboration with the <u>Reignite Academy</u>, an organisation focused on supporting lawyers return to the profession after a career break. The bespoke programme offers a six-month paid work placement to lawyers who've taken an extended break. It also provides training to enable them to progress their careers.

We'll continue to listen to our people, hold ourselves accountable and take informed steps. You can read more about our Diversity, Equity, and Inclusion approach <u>here</u>.

