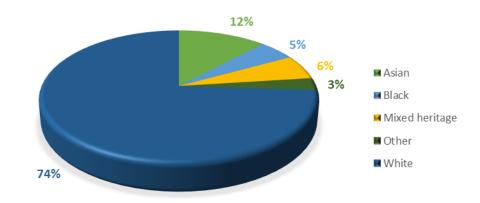




(Categories based on SRA diversity reporting requirements)

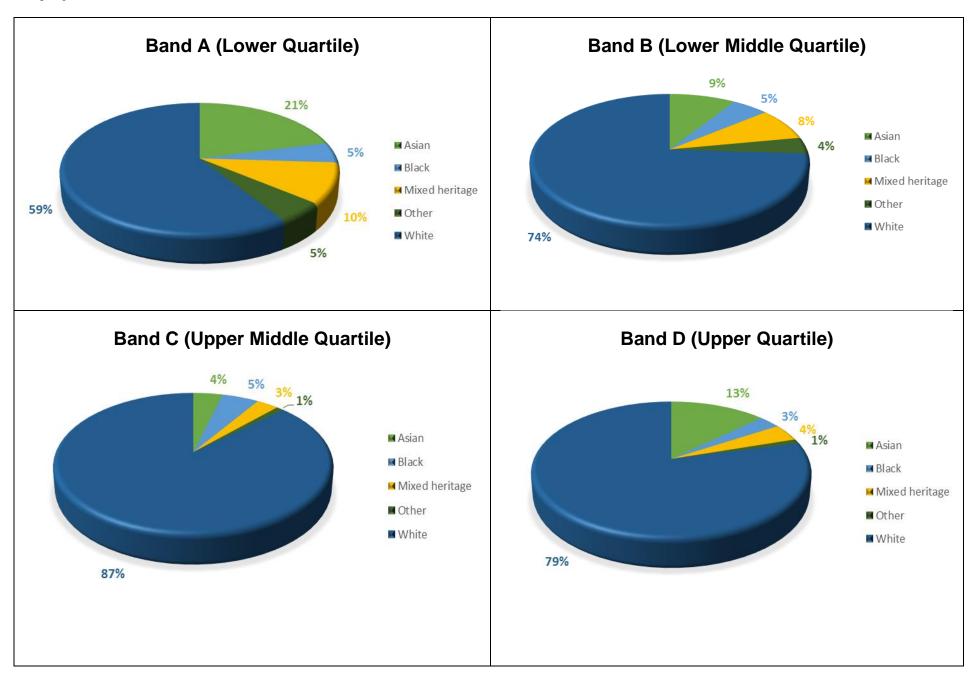
All Salaried Staff



Mean and median ethnicity pay gap

| Category | Total population | % staff population | Mean % pay gap | Median % pay gap | Mean Hourly pay | Median Hourly pay |
|----------------|------------------|--------------------|-------------------|---------------------|--------------------|----------------------|
| White | 225 | 74.5% | N/A | N/A | £24.58 | £22.01 |
| BAME | 77 | 25.5% | 13.95 | 25.35 | £21.15 | £16.43 |
| Asian | 36 | 11.92% | 8.69 | 28.26 | £22.45 | £15.79 |
| Black | 14 | 4.63% | 14.83 | 16.04 | £20.94 | £18.48 |
| Mixed heritage | 18 | 5.96% | 18.12 | 20.99 | £20.13 | £17.39 |
| Other | 9 | 2.98% | 25.26 | 29.99 | £18.37 | £15.41 |

Pay quartiles



Why now?

Leigh Day recognises the importance of ensuring a fair and equal workplace. We also understand that it is vital that we analyse and publish our race pay data, along similar lines to our gender pay data. In publishing this information, we commit to a regular review of our recruitment, retention and progression practices within the firm to ensure that we aim to provide equality of opportunity for BAME staff and job applicants.

We have been informally reviewing this information over the last few years and in order to move towards a more formalised publication of our race pay gap. We feel that this year we have sufficient data to publish the information. We commit to doing the same on an annual basis, where possible. We recognise that not all staff wish to disclose their ethnicity information, and we will consider what barriers may discourage staff to do so.

Where we are:

Our offices are based in London and Manchester and these statistics include all salaried employees (including salaried partners) from both offices. We employ 74.5% white employees, 11.92% Asian employees, 4.63% black employees, 5.96% mixed heritage employees and 2.98% who self-identify as other.

Of 355 employees asked to complete their ethnicity data, 308 responded. 2% of those preferred not to say.

NB. The figures and statistics provided in this report relate to staff considered 'full pay relevant employees' under the pay gap methodology, and who responded to a monitoring question about their ethnicity. Following the snapshot date used for gender pay gap reporting, our data is accurate as at 5th April 2019.

The SRA's own diversity statistics of the profession suggests that in London, 4% of solicitors responding to data questionnaires identify as black. Our percentage of black solicitors is currently just below the London average with 3.5% of our solicitors identifying as black in London.

In relation to Asian solicitors (which groups large sections of people together, including those with Chinese, Indian, Pakistani and Bangladeshi), the SRA states that 15% of solicitors in London identify as Asian, whereas in our London office approximately 9.5% of solicitors identify as Asian which is below the London average.

Our statistics in relation to the ethnicity of all other non-legal qualified staff are also available on our website.

Within the legal sector, there are clearly barriers to diversity and the Leigh Day data also shows where we may have some barriers to diversity. Our focus for the future will be to ensure that we are nurturing a diverse and representative pool that will progress upwards into the higher quartiles.

While we recognise that there are barriers, we do not have clear or easy answers as to what those barriers might be and they will be different for different groups.

One barrier across the legal sector is different ethnicities having different educational outcomes, something resulting from complex factors which may include institutional racism. The <u>government's statistics</u> show that in 2017/8, 12.9% of all students aged 16-18 received 3 A or better grades when taking their A Levels. On breaking the statistic down by ethnicity, only 3.5% of black Caribbean students and 5.6% of black African students achieved 3 A or better grades at A Level.

Chinese and Indian students were the group with the highest numbers of A grades. The statistics also showed that Irish Traveller students were the highest performers, but the numbers were too small to be statistically significant.

So from the outset, getting into some universities (Russell Group for example) is less likely to be achievable for black students based on A Level outcomes. The stats also show that 30.9% of white undergraduates achieved a First, whereas the figure was around 14% for black undergraduates.

On completing a degree, therefore, there is not an equal playing field when competing for jobs as black graduates are less likely than other ethnic groups to have received better A Level grades and degrees.

Educational barriers should therefore be taken into consideration by Leigh Day as part of recruitment planning.

Asian employees

We appear to have good representation of Asian employees across most levels at the firm, however there is still a significant reduction in numbers in the upper middle quartile which we believe leads to the pay gap reported for Asian employees. We are also aware that not all employees grouped as "Asian" have similar outcomes, with those from Chinese or Indian heritage doing better in education and career than those from Bangladeshi or Pakistani heritage. However, due to ensuring confidentiality is maintained, it is not possible to break down "Asian" into its constituent parts as part of this report at this time.

Black employees

The data highlights that there are more black employees in lower levels of the firm. We also note that black employees constitute 5% of each pay quartile, apart from the highest quartile (Band D) where it is only 3%. However, these statistics exclude equity partners, those on sabbatical or family leave.

White employees

White employees make up the majority of staff at Leigh Day.

Mixed heritage employees

As with black staff, the data highlights that there are more mixed heritage employees in the lower quartiles.

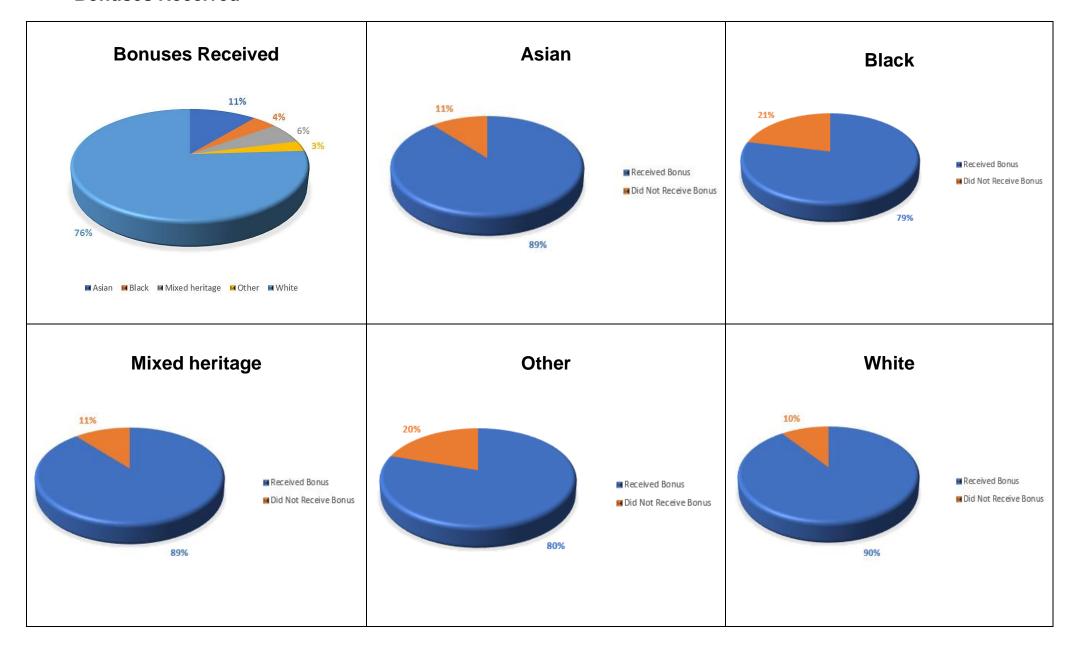
Other employees

The group titled "other" includes those who identify as having Arab ethnicity to ensure the combined data is significant enough to be measured, while suppressing data which may identify individuals. The mean and median percentage gaps for this group are among the highest, and this is demonstrated in the low number of employees per quartile. This group is be made up of employees from different ethnic backgrounds.

Bonus Pay Gap

| Category | Total population | % staff population | Mean % bonus pay gap | Median % bonus pay gap | Mean Bonus Pay | Median Bonus Pay |
|----------------|------------------|--------------------|----------------------------|------------------------------|-------------------|---------------------|
| White | 231 | 74.76% | N/A | N/A | £1,720 | £2,000 |
| BAME | 78 | 25.91% | 10.11% | 35.7% | £1,546.10 | £1,286 |
| Asian | 36 | 11.65% | -2.02% | 25.7% | £1,754.78 | £1,486 |
| Black | 14 | 4.53% | 29.4% | 50% | £1,214.29 | £1,000 |
| Mixed heritage | 18 | 5.83% | 24.34% | 25% | £1,301.33 | £1,500 |
| Other | 10 | 3.24% | 1.16% | 25% | £1,700 | £1,500 |

Bonuses Received



Bonus gap

The number of employees who have received a bonus follows the trend of the employee population, with the largest group of recipients being white employees, followed by Asian employees. Each group has the majority of employees receiving a bonus, with white employees having the highest majority (90%). Black employees were the least likely to receive a bonus. However, it is important to note that bonuses at Leigh Day are generally tied to length of service and those who did not receive one will in most cases be new joiners.

The mean bonus payment is the highest for Asian employees, closely followed by white employees. The mean bonus payment for the group titled "other" is also considerably high. From this, we can infer that these employees have been employed by the firm for a significant period of time in order to obtain high bonus payments. White employees hold the highest median bonus payments, followed by mixed ethnicity and other ethnicity groups.

What actions will we take next?

We are voluntarily publishing our race pay data in order that we can be transparent about diversity and inclusion within the firm. We are committed to equality and inclusion and will use positive action measures to assist with recruitment, promotion and retention of under-represented groups within the firm. The firm continues to work with our BAME Network to address inequality.

We have already used positive action measures as part of our initiative to introduce solicitor apprenticeships to the firm. We will continue to review our internal processes for the development of our staff, with a view to minimising the pay gaps.

As part of our trainee recruitment process, we have integrated a Contextual Recruitment System (CRS) with our application system to help level the academic playing field. This enables us to identify those applicants who have demonstrated the potential to achieve a higher academic outcome than they managed to realise but had been impeded by educational, economic, social and/or personal barriers. We are also considering whether a contextualised application process would be beneficial for other early career stage recruitment within the firm, where there may be more emphasis on academics and potential than on proven experience and ability.

The firm is considering implementing a secure online application system for all non-trainee recruitment to make it feasible to collect ethnicity data at all recruitment levels and to understand whether we are recruiting from a sufficiently wide pool of candidates and where there may be barriers in our own selection processes.

We are also considering whether to introduce training sessions to assist under-represented groups within the firm with applications for new roles or promotion.

Finally, we hope that in publishing this data, we can encourage more of our staff to complete their ethnicity information to give us a better picture of Leigh Day's ethnicity pay gap.

We will also recruit a specialist diversity manager to assist the firm to work towards the aims agreed with the BAME Network.