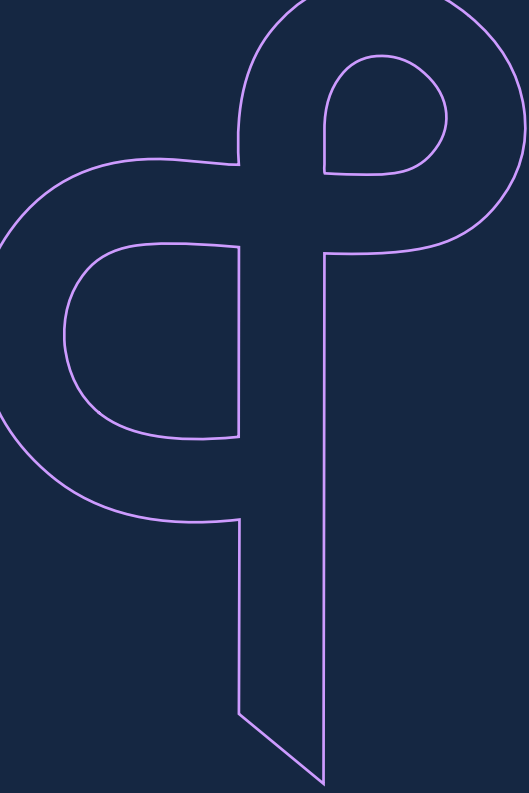




General Counsel for Diversity & Inclusion



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Message from the Board

In September 2020, GCD&I published proposed Metrics and KPIs relating to Gender. See [here](#). When these were published, we highlighted that achieving consistent Metrics and KPIs across the profession with uniformity of requests to law firms was, in our view, key to measuring progress and driving accountability both within law firms and in-house teams.

We also highlighted that whilst the Metrics and KPIs related primarily to gender, we were committed to developing broader D&I measures and our goal was to actively work with Signatories and others in the sector to identify the right Metrics and KPIs for wider under-represented groups.

Since then, we have put in place a Metrics and KPIs Taskforce which is populated by members of the General Counsel Signatory teams alongside representatives from our Lead Partner firms each of whom sit on one of the GCD&I Communities (Ability, Ethnicity, Gender and LGBTQ+).

This Taskforce has spent time sharing and identifying best practice with a view to defining five key Metrics which work for both the Signatories and their law firms.

The resulting Metrics are intended to replace the original Gender Metrics and we actively encourage Signatories and law firms to use these with a view to achieving uniformity of requests across the GCD&I community and as a tool to facilitate dialogue between law firms and in-house teams.

We should also highlight that these Metrics and KPIs are intended to form a platform for wider discussion about D&I and, to be truly effective, we encourage Signatories and their law firms to commit to the programme of engagement to understand the data and wider D&I programmes.

To support this engagement the Taskforce has provided several questions which Signatories might wish to discuss with their law firms.

We also recognise that many firms are committed to the anonymisation of personal data and that this can result in data not being shared when numbers become small enough to make people identifiable. This principle is one we understand and respect.

We are keen to hear your feedback and insights as you roll out these Metrics. As indicated by the Taskforce, this feedback will be used to iterate and enhance these Metrics and develop KPIs over time. We would also encourage Signatories to think about the data you track concerning your own teams, and how you would respond to the qualitative questions and dialogue points that are being rolled-out to law firms.

We would like to express our thanks to the members of the Taskforce who worked on this and to all those who have been involved in this important initiative.

Many thanks for your continued support.

Donny Ching,
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Royal Dutch Shell

Caroline Cox,
Chief Legal, Governance & External Affairs Officer,
BHP

Tom Shropshire,
General Counsel and Company Secretary,
Diageo

Rosemary Martin,
General Counsel and Company Secretary,
Vodafone

Richard Price,
General Counsel & Company Secretary,
Anglo American

Nassib Abou Khalil,
Chief Legal Officer,
Nokia

Message from the Metrics and KPIs Taskforce

We are pleased to release our Law Firm Metrics and KPIs; a set of standardised enquiries that Signatories can use to obtain data from their law firms about D&I performance and use as a basis for more meaningful conversations about D&I.

These Metrics are the output of many months of engagement between Signatories and law firms, which highlighted several issues with the current unstructured approach to data collection, most notably, the volume of data requests hitting law firms, the lack of clarity as to purpose of data requests, and often the absence of any follow-up or feedback once data is provided.

Against this backdrop, we hope that these Metrics and KPIs can enable the community to realize the following benefits:

Benefits for all

- Providing a measurable, data driven foundation which Signatories and law firms can use to shape their dialogue around D&I and drive effective positive change for under-represented diverse groups within the legal profession.
- The qualitative questions, coupled with the data, will encourage an exchange of lessons and ideas, enabling Signatories and law firms to learn from each other and the wider community.

Benefits for Law Firms

- Increasing efficiency: minimising multiple and duplicative requests for data.
- Setting expectations: of what data will be requested.
- Clarity of purpose: seeing data help drive dialogue and collaboration.

Benefits for General Counsel and Signatories

- Setting the standard: establishing the benchmark for Signatories who want data from their law firms.
- Measuring tool: helping to identify best practice and facilitate focused collaboration.
- Accountability: by asking for data, Signatories commit to action the data enabling both law firms and Signatories to demonstrate and track their commitment to D&I.

Better data is just the start...

The numbers are the beginning, not the end. Better data alone will not improve D&I, but it can help improve collaboration between law firms and Signatories. These Metrics and KPIs are intended to largely replace, not add to, the current data requests issued by clients, and Signatories are encouraged to minimise additional data requests and engage with internal stakeholders (for example the procurement team) to align on their use.

In recommending these Metrics and KPIs we have tried to keep it simple: less time preparing requests and responses means more time engaging in rich and productive dialogue. That said, we acknowledge the challenges and complexities of this area. These Metrics and KPIs will not be a perfect “one size fits all”, but how they ought to be applied by each law firm will be part of the dialogue with their clients.

We will be keen to hear from Signatories and their law firms their feedback on what has worked well and what has not worked well. As a community, we can use this feedback to iterate and enhance these Metrics and KPIs over time.

Thank you for your support,
The Metrics and KPIs Taskforce.

Proposed Metrics and KPIs

The Metrics and KPIs are centred on five key questions. A template Excel Spreadsheet is also available to Signatories to facilitate and standardise the return of data. At the outset, Signatories and law firms will need to align upon the scope of application and the definitions to be used by the law firm.

The timetable for return of data and follow-up meetings to discuss the submissions should be scheduled well in advance with appropriate representation from both Signatories and law firms in attendance. The suggested follow up commitment together with a suggested list of questions for discussion are included later in this document.

Five key questions

1. What percentage of **Lawyers/Attorneys** at the firm are **Diverse**, at each level or role?
2. What percentage of **Diverse Lawyers/Attorneys** worked on [Client] matters at each level or role?
3. What percentage of the hours billed for [Client] are billed by **Diverse Lawyers/Attorneys**?
4. What percentage of **non-billable / written-off** hours were attributed to **Diverse Lawyers/Attorneys**, at each level or role for (a) the whole firm and (b) the [Client]?
5. What percentage of origination credit was attributed to **Diverse Lawyers/Attorneys** as a percentage of the total **origination credit** (a) for the whole firm and (b) on [Client] matters?

As part of the above data collection exercise from your law firms you might also wish to ask some qualitative questions, for example:

- What are Relationship Partners doing to foster more D&I in teams assigned to client matters?
- Please describe two to three significant initiatives you are undertaking to create a more diverse and inclusive culture at your firm.
- How can we as clients help to support progressing D&I in your firm?

Supporting definitions

Acknowledging different approaches in gathering data, we recommend that definitions are agreed in advance in dialogue between Signatories and law firms. Annex 1 to this document and Tab 2 of the supporting Excel Spreadsheet includes suggested definitions (for the words highlighted in bold above).

Further guidance

The Taskforce has provided a suggested **Template Excel Spreadsheet** to facilitate the collection and return of data in a standardized way and recommend that data is returned in this format, and where appropriate, accompanied by brief guidance notes to help explain the data provided.

The five questions focus on four primary diversity characteristics (see Annex 1 to this document and Tab 2 of the Template Excel Spreadsheet). As part of the dialogue with law firms you may choose to modify these diverse characteristics to accommodate specific jurisdictions or markets where, for example, it might be prohibited to collect information pertaining to any of these primary diverse characteristics under local laws.

Each law firm will have its own way to measure its D&I performance and may have observations on the five questions, for example: some law firms do not record origination credits, some treat equity and non-equity partners the same, and each law firm may have a different view on what it defines as management roles. It is therefore important to engage in discussions with each law firm early on to align expectations on the available data.

Understanding the challenges with data will be important in making the data made available the best it can be and while helping to avoid wasted effort or misaligned expectations. Specific elements which may need to be agreed in advance include:

- Geographic scope: whether you are requesting global data or data for their HQ or specific offices only
- Data privacy and labour laws: may limit the data that can be shared in some jurisdictions or the extent to which firms can “zoom-in” on specific matters
- Cultural and social norms and individual willingness to disclose personal data
- Wider D&I initiatives: the data is intended for use specifically in the client / law firm context. If other data is available it could be used to drive efficiencies in the provision of responses and enrich dialogue.

Where quantitative data is limited, we strongly recommend you use the follow-up conversation as an opportunity to ask more qualitative questions aimed at understanding the law firm’s culture of inclusion or what they are doing to support greater representation of under-represented groups in their location.

You may wish to track the data to see how your law firms have improved over time but at this point this is a decision for each Signatory to make.



Follow up commitment

The value of the data is in how it enhances dialogue and collaboration as law firms and clients work together to achieve their D&I aspirations.

In this context it is important to be able to show what is happening to the data that has been provided.

It is strongly recommended that the Signatories commit to follow up with the law firms, including meeting with each law firm to discuss the data provided by that law firm. Law firms can use this meeting to explain the data and how it drives their D&I agenda.

Some helpful questions to support this dialogue might include:

- What diversity characteristics do you track and what are the strategic priority areas for improvement?
- How does this impact the firm's D&I education and awareness programme or wider participation in initiatives in the D&I space?
- What are the under-represented groups working on specific client matters? How does this compare to the makeup of the firm, and what are the reasons for these differences?
- What are relationship partners doing to foster more D&I in teams assigned to client matters?*
- Are under-represented groups getting meaningful engagement on client matters?
- Are under-represented groups getting meaningful engagement with the client at a relationship level?
- What can the client do to support the firm to realise its D&I objectives?
- Are there examples of good and not so good behaviour from the client's in-house team when it comes to supporting D&I at the firm?
- What are two significant initiatives the firm is undertaking in order to create a more diverse and inclusive culture at the firm?*
- What initiatives or measures are in place to incentivise the fee earners (other than those from under-represented groups) to participate and contribute to D&I initiatives?

Suggested timetable

- It is recommended that data should be returned by law firms annually (unless an alternative is agreed between law firm and client).
- Law firms have an annual business and reporting cycle and it is worth clarifying with each law firm individually the best time to seek this information from them on an annual basis.
- Where there is no specific preference it is suggested that:
 - The calendar year is used as the reporting period.
 - Data is provided in respect of the previous calendar year by the end of February in the following year.
 - Where data is provided in February the follow up meeting takes place between March and the end of June.

*These questions are also included as a suggested qualitative metrics question that may be asked as part of the data collection exercise.

Annex 1: Supporting definitions

Acknowledging different approaches in gathering data, we recommend that definitions are agreed in advance in dialogue between Signatories and law firms.

It is suggested that the data will be requested in the first instance in respect of the following categories:

- (i) Gender
- (ii) LGBTQ+
- (iii) Ethnicity
- (iv) Disability.

We recognise that definitions of diverse characteristics vary. Below are some suggested definitions that may be helpful for reference, but we suggest that you invite your law firms to share the data based on their own internal definitions of each category requested (agreed in advance) and provide any context around this as is helpful.



Gender: Male, Female; Prefer to Self-Describe or undisclosed.



LGBTQ+: an acronym for lesbian, gay, bisexual, transgender and queer or questioning. These terms are used to describe a person's sexual orientation or gender identity.



Racial/Ethnic Minority: a reference to a particular ethnic group, i.e. a group of people with a shared culture, tradition, language, history, etc. which differs from the majority ethnic group in the country in which they live.



Disability is a term to include persons who have or have had an impairment, activity limitation or participation restriction, including physical, mental, intellectual or sensory, which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others.

Each level or role

The suggested categories are: (i) Trainees; (ii) Associate; (iii) Senior Associate; (iv) Counsel; (v) Non-Equity Partner; (vi) Equity Partner; and (vii) Managing relationship roles for client accounts.

Non-billable/written off hours

Time spent on client investment, pro bono work, internal firm investment and non-client administration.

Origination credit

The Partner or lawyer who is credited with being the main point of introduction to the client; not all firms use this as a concept and the definition and approach that the firm takes to capturing this type of information will need to be agreed in advance.



Annex 2: Taskforce

Signatory Representatives



Philile Mhlongo,
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Anglo American (Taskforce Joint Lead)



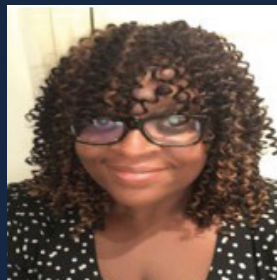
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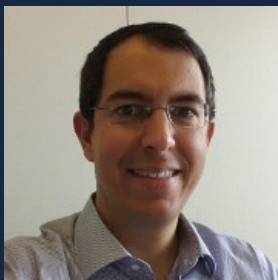
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Tiernan Brady,
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General Counsel for
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