Advancing DEI Strategy with Actionable Law Firm Diversity Data

AN IN-HOUSE LEGAL RESOURCE







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Introduction

As the ACC Foundation continues to build its Diversity, Equity & Inclusion (DEI) thought leadership within the inhouse legal community and beyond, we have partnered with Justice Bid and their Operation Empowering Change (OEC) initiative to produce a first-of-its-kind industry resource. While there are existing DEI industry reports in the marketplace, the ACC Foundation didn't want to create just another report. We knew that if we were going to publish a DEI resource, it had to be different, and it had to provide tangible value with actionable guidance.

This report shares leading practices for in-house legal departments (whether early or advanced in their DEI journey) on how to engage their outside counsel most effectively with respect to setting DEI standards and promoting equitable opportunities for all law firm lawyers on client matters. The report also showcases leading law firm diversity data based on 50,000+ lawyers among 224 self-reporting law firms (and growing) to provide a current snapshot of the state of law firm diversity.

Without an agreed-upon standard for collecting, analyzing, and acting upon DEI data, many legal departments have taken matters into their own hands by running their own standalone DEI surveys, all asking for similar information in slightly different ways. Unfortunately, this has resulted in an increasing workload for law firms as the number of survey requests skyrockets. Justice Bid has reimagined the approach to diversity data by solving for intersectionality (of five diverse attributes), and has introduced time-based variables, such as years in role, that shine a new light on career paths. This distinguishing factor caught the attention of the Association of Corporate Counsel as a better approach to data collection and resulted in the decision for the ACC Foundation to collaborate with Justice Bid and empower the ACC Research division to analyze the data and produce this report.

To achieve a better result for all parties, legal departments need new tools that introduce fresh actionable insights. That's why the ACC Foundation first introduced the DEI Maturity Model, which is a qualitative model that provides legal departments with a snapshot of how their department compares against the maturity continuum across 14 functional areas. We then partnered with Ethisphere to develop a quantitative assessment tool based on the DEI Maturity Model, helping departments to benchmark their practices against a larger pool of companies and provide a roadmap for continuous improvement. We are now partnering with Justice Bid to help provide legal departments with guidance on how to drive greater DEI within their law firms as well as to provide access to extensive law firm diversity data to give a better understanding of the state of diversity with the industry.

We would like to thank all of the law firms who have shared their diversity data as part of Justice Bid's Operation Empowering Change Initiative. By embracing transparency and leading from the front, these firms are helping to create a more diverse and inclusive industry. We would also like to thank the law departments that agreed to be highlighted in this report and for the work they are doing to lead the charge on DEI within their own companies as well as in their law firm relationships.

The ACC Foundation would like to thank the members of the working group who supported the development of the Foundation's Diversity, Equity, and Inclusion Maturity Model:

Diana Barlow, Voya Financial Mary Burelle, McDonald's Corp. Elizabeth Campbell, Campbell Soup Company Earnest DeLoach, Balfour Betty U.S. Sneha Desai, BASF Andre Green, Freddie Mac Kristen Jones, McDonald's Corp. Christine Juhasz, MassMutual Bobbie Jo Kalamaras, Freddie Mac Jennifer Lagunas, AbbVie Eric Mahler, Meritor Jim Michalowicz, TE Connectivity Alison Nelson, Ford Motor Co. Sam Ranganathan, AbbVie John Seward, Intel Adonica-Jo Wada, Facebook David White, Accenture

Operation Empowering Change

What do we mean by diversity?

Diversity can be defined in numerous ways by different organizations and in various countries. For the purposes of this report, we are focused on the United States and diversity is defined pursuant to the following "Diversity Categories Summary" table:



DIVERSITY CATEGORIES SUMMARY – DEFINING URG AND NURG

DIVERSITY CATEGORY	UNDERREPRESENTED GROUP (URG)	NOT UNDERREPRESENTED GROUP (NURG)
GENDER	Female Gender neutral	Male
ETHNICITY	African American/Black Alaska Native/American Indian Asian Hispanic/Latin Multiracial Native Hawaiian/ Other Pacific Islander	White (non-Hispanic)
LGBTQ+	LGBTQ+	Not LGBTQ+
VETERAN	Veteran	Not veteran
DIFFERENTLY ABLED	Differently abled	Not differently abled

Why is inclusion important in this context?

Struggles with increasing access and opportunities to achieve greater inclusion for URGs have long plagued the legal industry even as other professional services sectors have seen greater success. The reality is, without a data-driven understanding of where we are, we will never know with certainty that progress is being made. Unfortunately, the data collected historically has not met clients' needs, has become stale, or has been overly summarized, resulting in the industry missing important trends. As a result, many firms created their own diversity reports to highlight their achievements. The problem with this is it requires a significant amount of effort for law departments to compare each unique report in an "apples to apples" way. This ACC Foundation report serves as a more effective and inclusive baseline and a road map for progress, highlighting the populations that need the most focus to close the opportunity gap and recognizing that as progress is made, certain groups that are currently among URGs may no longer need to be classified as such.



HOW IS THIS DIVERSITY DATA DIFFERENT?

First and foremost, the level of granularity is unparalleled to anything previously available in the legal ecosystem focused on Inclusion, Diversity, Equity, and Access (IDEA). By disaggregating anonymized data across all attributes, roles, and leadership, it tells a story that considers every dimension of a person and their unique experiences, which allows for a more accurate diagnosis of issues. For example, a black female LGBTQ+ attorney will have a different experience than a black male straight attorney. Both groups will face their own set of inequities, however they will experience them differently.

The time-based nature of this data unlocks new perspectives. It is often said that it is easy to hire URG attorneys but hard to retain them. If that is true, is that because they move on to better opportunities? Or, for some other reason? If we have data that addresses intersectionality and we can more clearly understand what happens from a career progression standpoint, it enables the next level of identifying the underlying issues so solutions can be implemented. The charts in the "Law Firm Diversity Data Overview" section of this report explore this topic and as more data becomes available (through more law firms submitting their data), the picture should become clearer. Ultimately, the data itself does not solve the problem – that is where you come in.

ABOUT THE DATA

Justice Bid's firmwide data is self-reported by law firms only after the firm has deidentified and encoded it. On the platform, each firm's data is made available graphically to law departments, upon request, in an aggregated dashboard (the underlying data is not shared). As for the data the ACC Foundation reviewed for this report, Justice Bid aggregated all such data before providing it to the ACC Foundation and removed all references to specific law firms (i.e., no underlying data was provided to the ACC Foundation).

This same firmwide data is used to help law departments understand the diversity of the hours, fees, and compensation credit associated with their matters, following the same attorney-privacy-first approach.

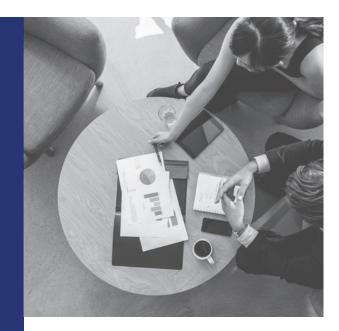
What also makes Justice Bid's data unique is that it balances an unparalleled depth and completeness of data while respecting the privacy of the represented attorneys. All attorneys are pseudonymized to protect their identity and allow freedom of disclosure. This same approach is utilized when collecting the diversity of hours and fees for attorneys who did work on a client's matters.

Once again, a big thank you to the more than 260 firms that have participated in OEC, as of the date of publication of this report.

MOVING BEYOND DATA COLLECTION

One of the common complaints from law firms after they expend considerable time and effort to submit diversity data to a client, is that they never hear anything back. Oftentimes, it is because the clients do not know what to do with the data or because they are collecting it only to begin establishing a baseline. However, the majority of the time, no follow up occurs because clients struggle with survey creation, distribution, data collection, analysis, visualization, comparative scoring, etc. Regardless of which of these it is, the key is communication with the law firms before, during, and after data collection exercises.

Law departments that collect data and fail to review, follow up, and communicate with their law firms about information collected are engaging in a worst practice that will ultimately undermine the credibility of the company's DEI program.





the key is communication

justice bid. DIVERSITY DASHBOARD

FREE AND OPEN TO ALL LAW DEPARTMENTS

To help advance diversity in the legal industry, Justice Bid has made their firmwide dashboards available to all corporate law departments. Learn more about the diversity of your law firms like never before. To gain access, **click on the button below** or send an email to <u>operationempoweringchange@JusticeBid.com</u> with the names and email addresses of those on your team who would like access. Justice Bid will get you set up quickly!

GET DASHBOARD ACCESS!

Similarly, the ACC Foundation has made its <u>DEI Maturity Model</u> and <u>Assessment Tool</u> (powered by Ethisphere) available for free and open to all. We believe that to advance progress as far and as fast as possible, firewalls must come down!



Leading **Practices:** How to Engage Effectively with Outside **Counsel on DEI**

Justice Bid's technology and phased approach follows the ACC Foundation's DEI Maturity Model to take law departments' DEI journey from Early to Advanced.



INTERMEDIATE STAGE

systems in place to track,

ADVANCED STAGE

- O Dashboard performance data
- Track performance trends across the program and law firms using scorecards
- Include DEI data in QBR's to drive action
- OEI performance considered in leadership compensation
- Measurement of DEI data in global regions is determined and data collection plan is developed

YEAR 3: TRACK PROGRESS

Source: Based on the ACC Foundation's DEI Maturity Model.

EARLY STAGE

- ⊘ Buy-in from leadership
- ⊘ Define types of metrics
- ⊘ Address privacy & security
- ⊘ Begin collecting data

Prior to launching any outside counsel diversity initiative, there are certain prerequisites that must be in place before doing so. First, you must get internal buy-in from the GC/CLO to be committed to driving the conversation, and approving necessary resources, to communicate across the law department and throughout the entire organization. Once the tone is set from the top, it will permeate to the rest of department and beyond. Establishing an IDEA committee will be of great importance as you will need people leading the charge. Legal operations will also play a leading role, as much diversity work is change management-oriented, which requires processes, structure, and data. These are core skill sets of many legal operations professionals that they can bring to the table to effectuate the overarching goals of the law department.



Gain firms' commitment at the right time

A strategy that companies are using with great success to get their firms on board with their diversity initiatives is to gain commitment during the panel creation, refresh, or consolidation RFP process. Many clients using the Justice Bid RFP technology dedicate a section of the RFP to capturing the firms' diversity data (if not already in the OEC database) and to gain their commitment to collaborate on improving URG attorney representation on their matters. Clients understand that they have values and that they want to ensure their law firm shares in those values, chief of which is transparency around data. The panel RFP is a great place to start to get firms' commitment and buy-in on the work that would be done over the coming years. This does not happen overnight. Therefore, it is critical to use the panel process to ensure you have a firm's long-term commitment.

STARBUCKS

To get buy in from their law firms, Starbucks had their general counsel send a letter to their firms informing them of their goals, values, and participation in Justice Bid. For firms that had questions, Starbucks took the time to meet with every single firm and answer their questions. Having the tone set from the GC is where any data collection exercise should begin. Law firms need to understand that leadership in the law department are committed to the company's inclusion and diversity efforts, and with the GC being to one to initiate communication, it makes sure the firms understand how serious inclusion and diversity is to the organization as a client. Starbucks also created a role which included Manager of inclusion and diversity responsibilities. This individual is spearheading the inclusion and diversity work with outside counsel.

To learn more about Starbucks inclusion and diversity commitments, visit <u>here</u>.



WORKDAY, INC.

Workday established a "Vibe" committee to lead their charge on DEI. In order to get buy-in and awareness from everyone in the law department, GC Rich Sauer and Director of Legal Operations, Greg Bennett, ensured their internal Law Department Summit included a session on DEI. They invited Don Smith, Chief Talent and Inclusion Officer at one of their firms, Crowell & Moring, and Omar Sweiss, CEO of Justice Bid, their diversity analytics partner, to spearhead a conversation around the challenges being faced advancing their internal DEI, the work all three parties are doing together, and how every member of the law department is expected to contribute.





Addressing privacy & security concerns

Many law firms have embraced disclosure of their attorney diversity data. There are, however, firms who actively push back for various reasons. Some firms claim privacy. Some firms say policy. Meanwhile, you are able to scroll through their website where they publicly post pictures of their named attorneys, with bio, email, and phone number. What they do not post are these attorney demographics, and with good reason. When you request this data in e-billing, it can make the attorney feel like it's posted for the world to see. When diversity data is presented in aggregate, even if it is one attorney, because you cannot tell how an attorney identifies by looking at a picture, you cannot be certain who the attorney is. Obviously, there is an exception if it is a one-attorney firm, as the individual is easily identifiable. But one-attorney diverse firms tend to own it, are proud of it, and do not shrink from disclosing how they are diverse. That said, it is important to take steps up front to gain firms' buy-in and support for your initiative – it will pay dividends when it comes time for collaboration.

- \odot Involve firms in the process from the beginning.
- ⊘ Meet first with the relationship partner and garner support before formally setting up DEI initiatives.
- Get your law department's Managing Counsel (internal teams) onboard and set clear expectations.
- ⊘ Communication should start with GCs.
- Panel creations, refreshes, and consolidation RFPs are a great way to get firms to understand your goals and to agree to collaborate with you in achieving your goals.
- ⊘ Establish quarterly business reviews (QBRs) and use this diversity data as part of your scorecards.

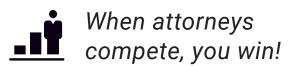
INTERMEDIATE STAGE

- ⊘ Wide-scale data is harvested
- Data management systems in place to track, measure, analyze, and report on metrics
- KPIs and performance targets are determined
- Ø Benchmarking



Data helps diagnose what's happening in order to fix it.

You can now move beyond the data collection exercise and begin having conversations with law firms about how your matters can impact the career progression of underrepresented attorneys. It will not happen overnight, but you now have tools to take action and track progress in the years to come - and you can take part regardless of the size of your law department.



By taking active steps to ensure underrepresented attorneys have the opportunity to demonstrate their skills on career enhancing work, your company will be the client of choice. Studies have repeatedly demonstrated the benefits of having diverse teams. Having multiple URG attorneys vying to represent your company, you get the double benefit of getting the best of the best plus achieving a diverse team. It just makes sense, and this is when you begin to extract even more value from your IDEA efforts.



Set goals and put them into action.

Pursuant to the ACC Foundation DEI maturity model, after understanding your baseline diversity data, you then can begin the goal setting process. Many companies use baseline data as a guide to identify data that jumps out as an opportunity to improve. Some organizations prefer to set goals around the variances as compared to their enterprise level commitments. Many companies begin to set goals that reflect what society, or their evolving customer base looks like or even the pipeline of law schools. Key to goal setting is understanding that change will not happen overnight but it will not happen at all without undertaking the effort to change the status quo.

This work requires monitoring progress over time, and clearly communicating with your law firms on that progress or lack thereof. Tying goals to the corporate law departments' team members' performance is also key. Some organizations tie it to compensation, others to performance reviews. Regardless, you must have accountability attached to goals otherwise they are nothing more than words on paper.

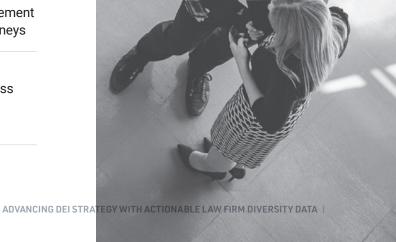
EQUITABLE

Equitable believes its power is in its people. Equitable's vision is to inspire, lead, and serve as a model of the financial industry as it should be: inclusive, diverse, empowering and equitable for all. Equitable made a commitment to be a force for good, and in that journey, it seeks to combat systemic racism and embrace the diversity of all individuals. In doing so, Equitable is committed to creating a more inclusive, understanding, and equitable society.

Equitable's Law Department implemented a Diversity, Equity and Inclusion Strategy aligned with these principles and incorporates the department's mission of upholding the highest standards while forging collaborative relations. It is ultimately an embodiment of how it meets Equitable's commitment and is fundamental to its success in serving as Equitable's trusted counsel.

To achieve this goal, Equitable is driving significant improvements for its department in several areas focused on three core areas:

- \odot Attracting, retaining, and advancing diverse talent
- Creating and upholding an inclusive culture that its partnering law firms and 3rd party legal service providers share
- Implementing policies to drive changes and offer advancement opportunities within its law firm partners for diverse attorneys
- Leveraging opportunities offered within the company or organizations to which department employees have access while also being active civic partners in its community in support of diversity



EQUITABLE'S ADVICE:

- Leverage data to establish goals and objectives by baselining your current state for each core area and determine
- Set a multi-year goal with annual incremental goals
- Hold all team members and 3rd party vendors accountable for the DEI goals. The goals should be incorporated into their goals and day-to-day activities
- Partner with your external vendors to establish the policies and help them understand the intent and goals of the strategy

EXAMPLE

The Equitable Law Department established a first-ofits-kind policy for retaining outside counsel by focusing on whether diverse outside counsel are receiving credit for obtaining Equitable work. Credit for new work is the most important metric in its outside law firms. Equitable recognized that if it is serious about diversity, equity and inclusion in its outside law firms, it must focus on the metric that is most important to them.

Many diversity programs focus on the overall diversity of the law firms they retain and the overall diversity of the attorneys staffed on their matters. This focus is an excellent way to improve overall diversity at law firms, and can be an excellent way to improve the diversity of timekeeper staffing. But too often these overall diversity programs do not promote the professional advancement or equity enjoyed by particular diverse outside counsel.

Equitable has chosen, instead, to focus on the diversity of the particular attorneys who will get the money and credit for bringing Equitable's work to their firms. Equitable's policy requires — for every new matter, that they interview and equally consider for the engagement an attorney or law firm with leading counsel who is diverse. A "leading counsel" is an attorney who will receive substantial economic or reputational credit for the matter at their law firm.



Operationalize DEI – embed in the day-to-day

A tactical opportunity to drive diversity on a regular basis is to include diversity as part of **matter-specific RFPs**. When you ask for the proposed team, in addition to their role on the team and experience, include an indicator to capture their diversity. Some clients capture specific data points, such as race and gender, but many use a general indicator if the attorney identifies as diverse across any of the five common diversity attributes. This helps you make an informed decision, especially with respect to ensuring qualified URG attorneys get the types of meaningful work necessary to advance their career.

ADVANCED STAGE

- ⊘ Dashboard performance data
- Track performance trends across the program and law firms using scorecards
- Include DEI data in QBR's to drive action
- DEI performance considered in leadership compensation
- Measurement of DEI data in global regions is determined and data collection plan is developed

Once you set baseline data, establish key metrics, and set goals, the natural next question is how do you use the data effectively to take action? One of the most effective ways to prevent firms from feeling as if it's a check-the-box exercise is to provide them with feedback. Diversity progress should be included in your annual reviews and guarterly business reviews. Many companies have developed report cards to show firms their progress quarter over quarter, but also to show them how they are doing against their peers on the panel. It is important to provide clear guidelines and reinforcement on the things that are going well and define a collaboration plan on the areas that need improvement over the upcoming quarters. Look for ways to partner on initiatives that will drive the numbers in the right direction. The key is to proactively work with the law firm to ensure progress is made.

FORTUNE 500 COMPANY



Continuous DEI improvement

Fortune 500 Company firmly believes that inclusion is everyone's responsibility and has taken steps to ensure that they have the processes, structures, and data in place so all can do their part. Getting buy-in from the general counsel was one thing, but they also understood that a budget was needed to be successful and that change management was going to play an important role. So, they implemented cultural competence, emotional IQ, and courageous conversations training throughout the department. The legal operations team played a pivotal role in this entire process. Fortune 500 Company ensures that every person on the legal operations team understands the company's commitment to DEI and plays a role in supporting that commitment. The Fortune 500 Company also takes the time to have one-on-one, evolving conversations with the law firms, as they see them as key partners in this work.



TARGET

Target created a program called STAR that further elevates Target's longstanding commitment to DE&I within the Law Department. The difference between this program and many other supplier diversity initiatives is that Target goes beyond simply requiring their preferred network firms to meet their goals, but instead actively invests in and partners with the firms to achieve the goals together.

The **STAR** Program consists of four components for firms in the Target Preferred Network Program (TPNP):

- Set Goals and Engage in Ongoing Dialogue
- Identify, Develop and Retain Diverse and Female Firm Talent to help meet Supplier Diversity goals
- Orive Accountability
- Reward Performance

Internally, Target educates all Target attorneys and paralegals on the program with the goal of helping provide URG and female talent meaningful opportunities and experience on Target matters. Target establishes Target Relationship Leads who meet with each firm once or twice a year to discuss Target's annual goals and the firm's quarterly results. Target tasks these Target Relationship Leads to identify and discuss development opportunities for URG and female talent (Target-sponsored and firm-sponsored). Target created a menu of options for the leads to share with their firms to provide a framework to choose from based on each firm's needs. (e.g., Assign a Target mentor; Stretch assignment for associate talent, Opportunity to present a CLE or hot topic to Target, etc.). Firms that are not meeting or making meaningful progress toward interim STAR program goals may be removed from Target's preferred network and are no longer eligible for new work at Target. Firms that meet/ exceed all Supplier Diversity goals are designated as STAR Champion firms for the following fiscal year. These firms receive preference for new work and benefit from a more streamlined matter award process.

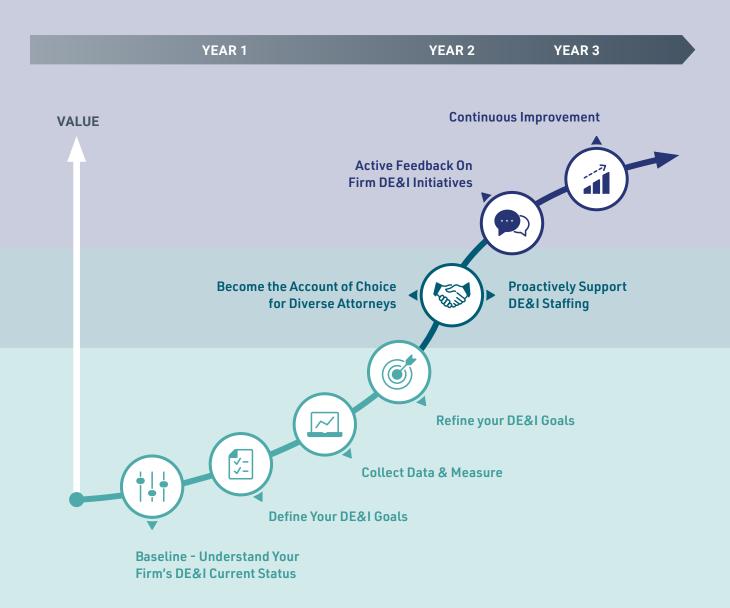
ABBOTT LABORATORIES

For many years, Abbott's outside counsel diversity program has looked for ways to go beyond tracking data and scorecards in order to have a greater impact on the careers of attorneys working on Abbott matters. This year, Abbott launched its Outside Counsel Exchange program, a creative approach to building stronger relationships with underrepresented members of its outside counsel teams. The inaugural Exchange brought a diverse cohort of firm associates (each selected to participate in the program by an Abbott in-house attorney) to Abbott's headquarters for a one-day program. Attendees networked with Abbott's GC and other Legal leaders, participated in business presentations, and engaged in career development sessions. This unique event was the first step in the ongoing engagement between Abbott Legal and firm attendees as part of the Exchange program. Abbott is excited to be working with Justice Bid to develop creative ways to track the impact of its Exchange program on the career advancement and professional success of this initial cohort of attendees. The Exchange will become an ongoing part of Abbott's outside counsel diversity programming and Abbott expects to expand the program over time.



Maturity Progression

The chart below summarizes the maturity progression visually. It all begins by capturing baseline data, followed by establishing key metrics and setting appropriate goals, and progresses toward tracking progress over time to allow for continuous improvement.



Additional ways to advance DEI



Identify opportunities to involve mentorship programs between firms and the corporate legal department. Relationships with in-house attorneys are key for law firm attorneys. When their orbits may not intersect directly at work or outside of it, take the initiative to foster relationships with underrepresented groups. \bigcirc

Some companies have found success with using smaller firms to take on bigger matters with support from a larger law firm. This exposes the smaller diverse firm to expertise in areas they may not have directly or readily available and sets them up to perform this type of work independently in the future.



Work with bar associations, professional associations, and industry associations to stay on top of leading practices. The ACC Foundation offers a number of programs throughout the year. See <u>acc-foundation.com/foundation-IDEAL</u>. Many organizations also offer opportunities for recognition as well as speaking and networking opportunities. This often leads to a rich exchange of ideas and can help you continuously optimize your department's own practices.

Do not be shy about applying for recognition of your DEI program and results achieved because other companies can learn from your experiences and journey.



Tools to Help Your Legal Department Turn Diversity, Equity, and Inclusion (DEI) Into a Competitive Advantage



The ACC Foundation DEI Maturity Model is a qualitative model designed for use by legal departments around the world to benchmark maturity of their DEI efforts across a wide range of functional areas that have been proven relevant for optimization of DEI impact and results. The DEI Maturity Model outlines clear descriptions for three levels of maturity for each DEI function – early, intermediate, and advanced – providing leaders with a critical snapshot of where their department compares against the maturity continuum and offering a roadmap of how to achieve next-level goals.

DOWNLOAD THE DEI MATURITY MODEL

2

The ACC Foundation Maturity Model Assessment Tool (powered by Ethisphere) builds on the DEI Maturity Model by providing quantitative benchmarks on the maturity of legal department DEI practices across three subject area categories and 14 sub-categories. The tool offers an efficient way for legal teams to understand where they currently stand with DEI, benchmark against peers, and leverage resources and guidance to map improvements.

TAKE THE ASSESSMENT NOW

GET

DASHBOARD

ACCESS

3

Building on the Maturity Model and The Assessment Tool, Justice Bid actively collects and makes available anonymized law firm diversity data through comprehensive data dashboards. Representing 55,000+ lawyers among 260 law firms (and growing), Justice Bid has made their firmwide dashboards available to corporate law departments. Take the initiative to determine how the firms you retain are doing and if your firm is not reporting, ask them to start doing so.

How Are We Doing: Law Firm Diversity Data Overview

This section presents the current state of diversity within law firms based on Justice Bid's law firm diversity database, which, at the time of the analysis, contained diversity data for 224 law firms and 52,329 attorneys. Since the analysis, additional firms have joined the Justice Bid platform and the data now includes 260+ law firms and 55,000+ attorneys. We first present an overview of five diverse categories as well as the demographic segments around which the data is organized (see tables below) among the total law firm pool. We then spotlight the ethnic diversity data to show examples of the level of granularity that can be examined by accessing the diversity data dashboard. And while for purposes of this report, our example focuses on race/ethnic diversity, the data is available for all URGs.



A NOTE ON TERMINOLOGY

In this report and in the law firm diversity dataset, we use the terms "Underrepresented Group (URG)" and "Not Underrepresented Group (NURG)" as opposed to terms such as "Diverse" and "Not Diverse" to be more inclusive towards the many forms of diversity (beyond those reflected in the dataset) and towards groups that may not be historically underrepresented. We recognize that groups considered to be underrepresented change based on context and situation. Although the data captured here defines underrepresentation based on US society at large, we want to be more inclusive in our language when referring to diverse groups.

INTERSECTIONALITY

One key feature of this dataset, which sets it apart from others, is that the data was collected to capture intersectionality. In other words, the data identifies the extent to which diverse categories are overlapping and treats these as distinct groupings. For example, most datasets will capture the percentage of respondents that are female or the percentage that are Asian, but they do not capture the percentage that are both female and Asian, a distinct group that will likely have very different experiences than women as a whole. The Justice Bid <u>diversity</u> <u>dashboard</u> will allow you to examine the data through an intersectional lens.

DIVERSITY CATEGORIES SUMMARY – DEFINING URG AND NURG

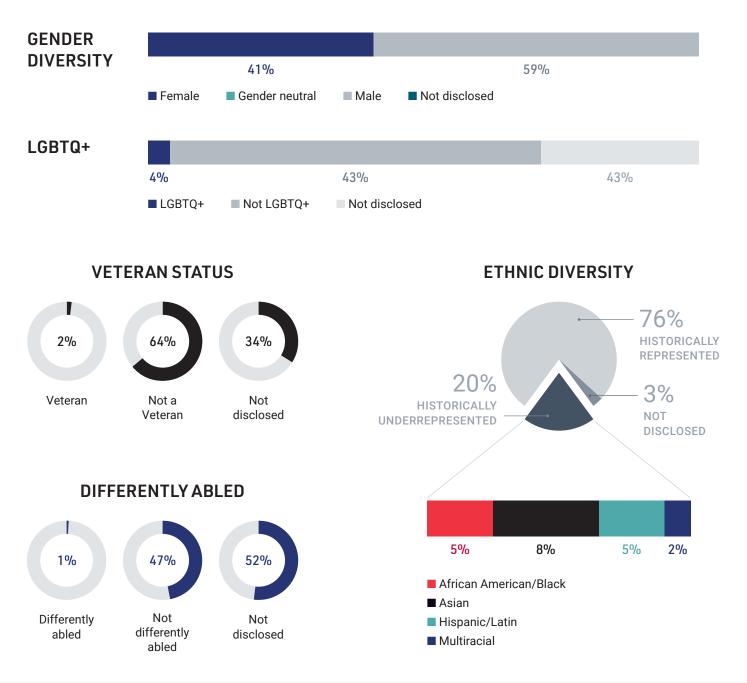
DIVERSITY CATEGORY	UNDERREPRESENTED GROUP (URG)	NOT UNDERREPRESENTED GROUP (NURG)
GENDER	Female Gender neutral	Male
ETHNICITY	African American/Black Alaska Native/American Indian Asian Hispanic/Latin Multiracial Native Hawaiian/ Other Pacific Islander	White (non-Hispanic)
LGBTQ+	LGBTQ+	Not LGBTQ+
VETERAN	Veteran	Not veteran
DIFFERENTLY ABLED	Differently abled	Not differently abled

DEMOGRAPHIC CATEGORIES SUMMARY

DEMOGRAPHIC CATEGORY	CATEGORY VALUES
LAW FIRM SIZE	1 to 25 lawyers, 26 to 100, 101 to 250, 251 to 500, 500 or more
JOB TITLE	Equity partner, non-equity partner, counsel, associate, other attorneys
PRACTICE AREA	Antitrust; appellate litigation; banking/financial services; bankruptcy restructuring; clean technology; emerging companies/venture capital; energy, oil, gas; environmental law; family law; general corporate; health law; insurance; intellectual property; international; labor employment; litigation; media, entertainment, sports; mergers and acquisitions; privacy/data security; private equity; products liability; project finance; real estate; securities; securities litigation; tax; trusts/estates;
LAW FIRM LEADERSHIP ROLE	Yes, no, leadership position does not exist
PROMOTED AMONG THOSE ELIGIBLE	Promoted, not promoted
HIRING PERIOD	Decade (1970s – 2000s), year (2010 – 2022)
AVERAGE TIME IN ROLE	Years
GEOGRAPHICAL LOCATION	U.S. states, Canada, UK

Diversity Percentage Composition Overall

PERCENTAGE OF DIVERSE LAWYERS BY DIVERSITY TYPE

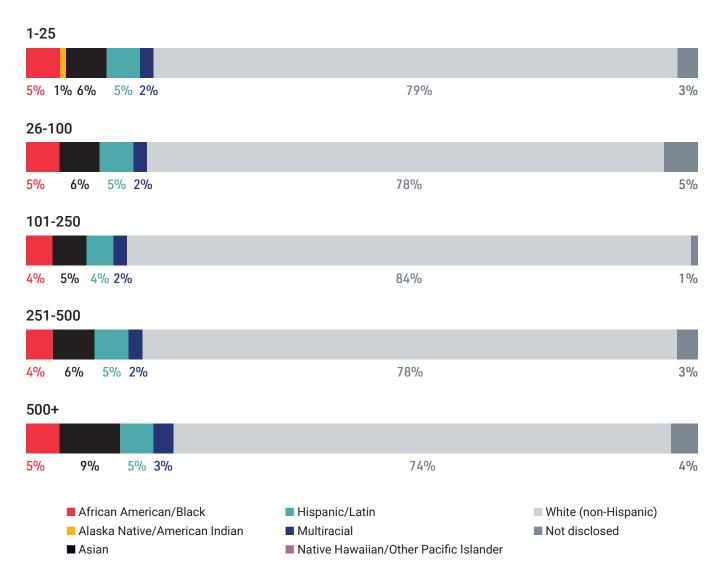


Among the total sample of 224 law firms, fifty-four percent of attorneys are diverse based on either gender, ethnicity, LGBTQ+, veteran status, or being differently abled, or combining two or more of these diversity types. Gender diversity is the most common form of diversity in the sample, with 41 percent of individuals being either female or gender neutral, followed by ethnic diversity with one in five attorneys having a non-white ethnic background. Four percent are LGTBQ+, two percent are veterans, and one percent are differently abled.

Spotlighting Ethnic Diversity

Often when we think about diversity, we refer to ethnic diversity. We thus present some key insights about Justice Bid's data to better understand the attorney population diversity in terms of ethnicity.

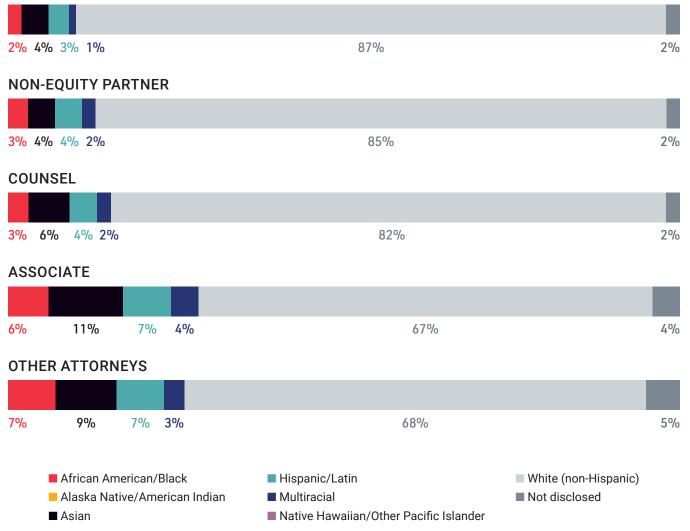
About four in five attorneys in law firms with up to 500 attorneys are white, while the number is 74 percent among those in larger firms with more than 500 lawyers. In this firm size category, nine percent of attorneys are Asian, five percent are African American or Black, another five percent are Hispanic or Latin, and three percent identified as multiracial.



ETHNIC DIVERSITY BY FIRM SIZE

ETHNIC DIVERSITY BY TITLE

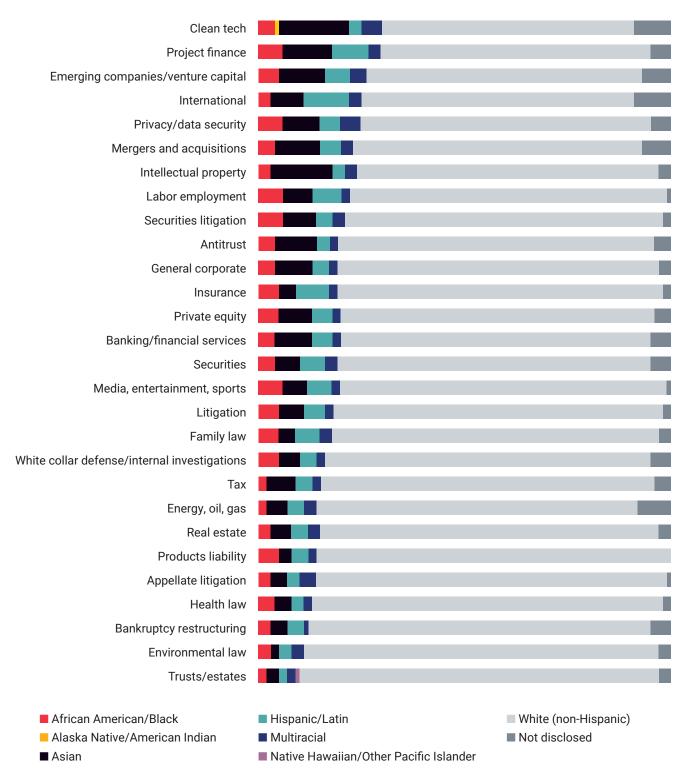
EQUITY PARTNER





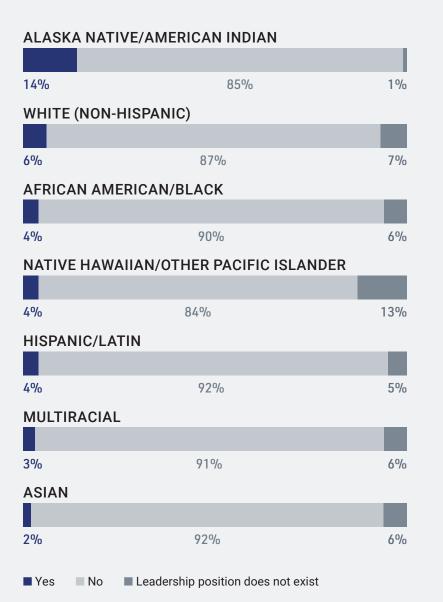
There is a stronger relationship between job position and ethnicity. Eighty-seven percent of equity partners are white and just 11 percent are URG. Non-equity partners are 85 percent white, as are 82 percent of attorneys with the counsel title. The number of white attorneys drops significantly among associates (67 percent), with 11 percent being Asian, seven percent Hispanic or Latin, six percent African American or Black, and four percent multiracial. Ethnic diversity composition varies widely across practice areas. The chart orders practice areas by the percentage of ethnically diverse (i.e., non-white) attorneys, from highest to lowest. URG attorneys account for almost 30 percent of the population in clean technology (with 17 percent of Asian attorneys) and project finance, and about 25 percent of URG attorneys focus on emerging companies and venture capital, and international law (with 11 percent Hispanic or Latin). The least ethnically diverse areas are health law, bankruptcy restructuring, environmental law, and trusts/estates.

ETHNIC DIVERSITY BY PRACTICE AREA



Among the total population, six percent of white non-hispanic attorneys are in a leadership position or role in their law firm, which is higher than the percentage observed in any other group, except for Alaska Native and American Indian attorneys (14 percent), due to a relatively small population. Four percent of African American or Black attorneys are in a leadership position at work, the same percentage for Native Hawaiian and other Pacific Islanders, and Hispanic attorneys. Three percent of those who identify as multiracial are in leadership roles at their firm, and just two percent of Asian lawyers are in such leadership positions.

ETHNIC DIVERSITY BY FIRM LEADERSHIP ROLE

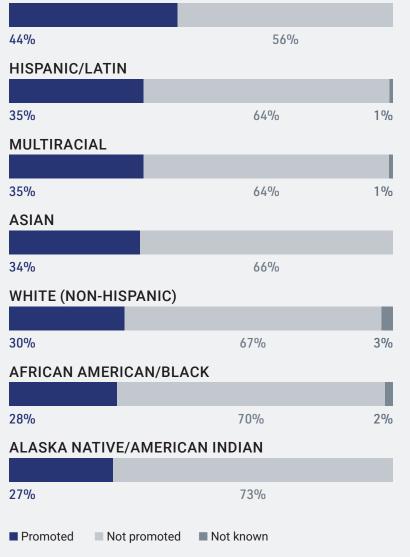




Unlike the edge observed in terms of holding a leadership position, non-hispanic white attorneys do not seem to be in a better position to be promoted than those of certain other ethnic backgrounds. Among those who were eligible for a promotion, 44 percent of Native Hawaiian and Pacific Islanders were promoted, as were 35 percent of Hispanics, 35 percent of those identifying as multiracial, and 34 percent of Asians. Thirty percent of white attorneys that were up for a promotion were promoted. Slightly lower promotion rates were observed among African American and Black attorneys (28 percent), and Alaska Native and American Indian lawyers (27 percent).

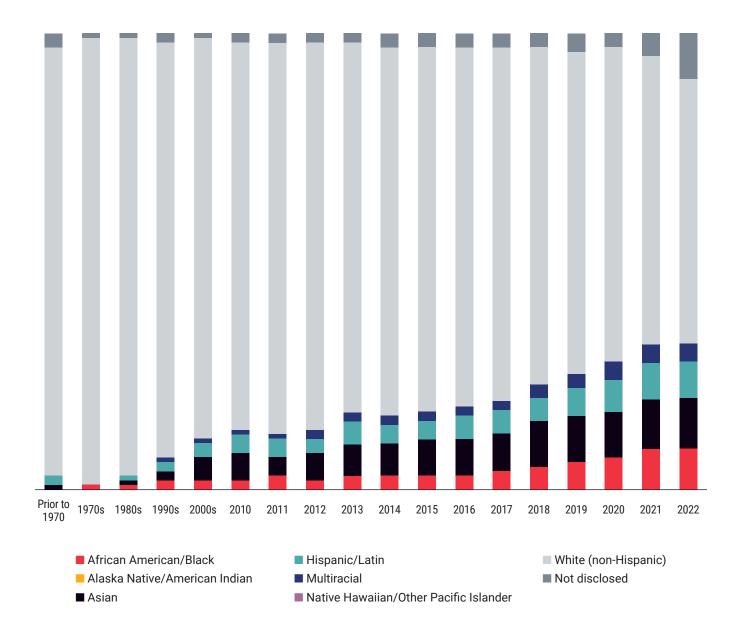
PERCENTAGE OF PROMOTIONS AMONG THOSE ELIGIBLE BY ETHNICITY

NATIVE HAWAIIAN/OTHER PACIFIC ISLANDER



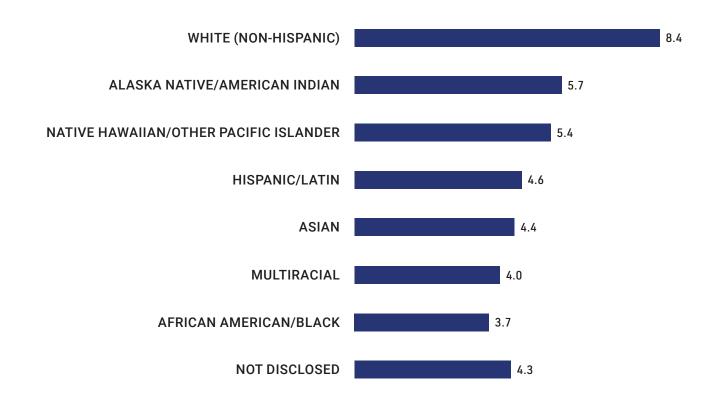


ETHNIC DIVERSITY BY PERIOD OF HIRE



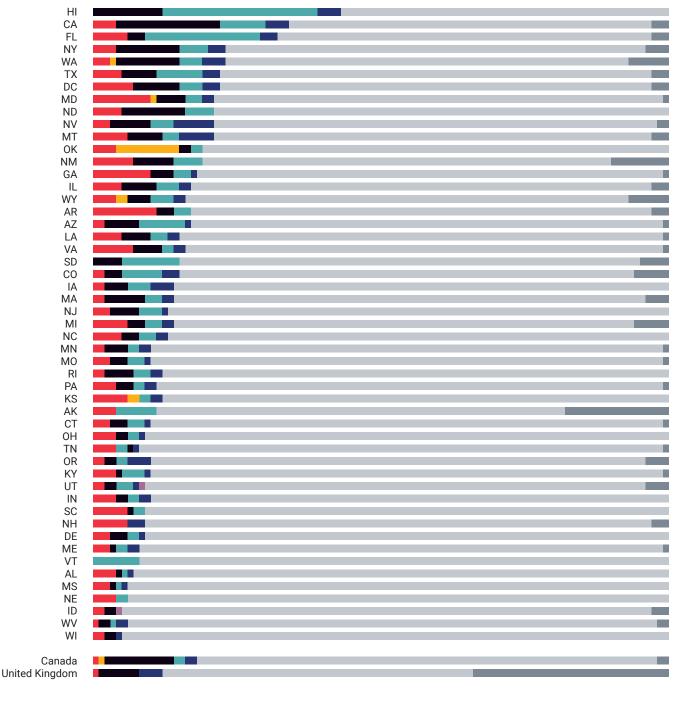
This time series distribution represents attorneys of all roles who are still with the firm (retained) and the year in which they were hired by ethnicity. We see that in more recent years there is a higher composition of URG attorneys. Legal is known for an up or out model, where many attorneys begin at a firm and only a selection are promoted through to the partner ranks over time. If you look at URG composition over a 10 year period, for example, attorneys hired and with the firm in 2022 vs. 2012, the representation of URG attorneys declines by more than 50 percent.

AVERAGE TIME IN ROLE (IN YEARS) BY ETHNICITY





In terms of tenure, white attorneys have been at their jobs for an average time of 8.4 years, while attorneys from all other ethnicities have on average, shorter tenures. Alaska Native and American Indian, and Native Hawaiian and other Pacific Islander attorneys have an average tenure ranging between five and six years, that of Hispanic, Asian, and multiracial attorneys range between four and five, and that of African American or Black attorneys is below four years. Justice Bid's data can also be broken down by geographic location. Looking at the ethnic diversity distribution of attorneys across US states should consider that the ethnic composition of the population as a whole also varies widely from one state to another. Based on the data available, Hawaii, California, and Florida are the states with the highest percentage of ethnically diverse attorneys (more than 30 percent), while Idaho, West Virginia, and Wisconsin have the lowest percentages of ethnically attorneys in Justice Bid's data.



ETHNIC DIVERSITY BY US STATE (GEOGRAPHICAL LOCATION)

African American/Black

Asian

- Alaska Native/American Indian Multiracial
 - Native Hawaiian/Other Pacific Islander

Hispanic/Latin

White (non-Hispanic)Not disclosed



Conclusion

It is well known that the legal industry has struggled with increasing access and opportunities to achieve greater inclusion for URGs. The ACC Foundation and Justice Bid are committed to promoting greater inclusion, diversity, equity, and access within this profession. Yet, without a data-driven understanding of where we are, we cannot know whether progress is being made.

We see that many in-house legal departments want to support inclusive opportunities for URGs among the law firms they retain (as well as within their own teams) but face an uphill battle. Therefore, this report shares leading practices from corporate legal departments that have had significant success in advancing their DEI programs. Some of these examples provide actionable guidance and some provide unique and creative approaches that can serve to stimulate ideas for your own department. This report also shares a high-level overview of Justice Bid's law firm diversity data, with the goal of showing a snapshot of how diversity varies across key segments like law firm size, practice area, job position, and location, and providing legal departments with access to the online interactive diversity dashboard. Having access to granular diversity data among your own law firms can help you to set appropriate expectations around DEI standards.

We would like to thank all of the law firms who have shared (and continue to share) their lawyer diversity data with Justice Bid, the corporate legal departments that provided leading DEI practices, and the working group that helped the ACC Foundation to develop the DEI Maturity Model. We believe that the Maturity Model, the quantitative assessment tool (powered by Ethisphere), and this report along with access to Justice Bid's diversity dashboard, collectively provide a strong foundation from which to build or advance an in-house legal department's DEI program and strengthen DEI within the legal profession.

ABOUT ACC AND THE ACC FOUNDATION

The Association of Corporate Counsel (ACC) is a global legal association that promotes the common professional and business interests of in-house counsel who work for corporations, associations and other organizations through information, education, networking opportunities and advocacy initiatives. With more than 45,000 members employed by over 10,000 organizations in 85 countries, the ACC Foundation connects its members to the people and resources necessary for both personal and professional growth. By in-house counsel, for in-house counsel.® To learn more about ACC Research & Insights, please contact ACC Research at +1 202.293.4103 or visit: acc.com/surveys.

The ACC Foundation – a 501(c)(3) non-profit organization – supports the efforts of the Association of Corporate Counsel, serving the needs of the in-house bar through the dissemination of research and surveys, leadership and professional development opportunities, and support of diversity and pro-bono initiatives.

The ACC Foundation partners with corporations, law firms, legal service providers and bar associations to assist in the furtherance of these goals.

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ABOUT JUSTICE BID

Justice Bid, headquartered in Chicago, is a minority-owned diversity analytics and RFP/e-auction company that increases the transparency, value, and impact of outside counsel selection. Corporate legal departments rely on Justice Bid for all types of outside counsel selection scenarios - panel refreshes, AFAs (e.g., time-based, fixed-fees, etc.), consolidations, rate reviews, matter-level RFPs, etc. Justice Bid's platform is powered by data-driven insights that bring the selection of outside counsel into the fold of procurement bestpractices, thereby ensuring corporate legal departments obtain better matter outcomes, increase diversity on their matters, control costs, and simplify processes.

To learn more about Justice Bid, please contact info@justicebid.com or visit www.justicebid.com/.

