



Capsticks Gender and Ethnicity Pay Gap Report 2024

Introduction

We're a people first business and that's at the heart of our Motivated Teams strategy which aims to give everyone the opportunity to thrive and succeed. One of the key elements of Motivated Teams is Fair Deal, where we have three priorities:

- applying a fair and consistent approach to pay and reward across all levels;
- benchmarking appropriately; and
- ensuring that everyone has access to at least one bonus scheme.

This is our sixth gender pay gap report and our fourth ethnicity pay gap report. The information provided in this report is based on a snapshot of data on the **05 April 2023**. It compares data on the same date in 2021 and 2022. Once again we have included pay (profit share) data about our equity partner group to provide maximum transparency.

Understanding the pay gap by gender

The gender pay gap measures the difference in the average hourly earnings of all men and women across a workforce. It is different from equal pay, which means that women and men in the same employment performing equal work must receive equal pay as per the Equality Act 2010.

The pay gap exists because, although we pay equal salaries for equivalent roles, there are more women in the lower pay quartiles in, for example, business support services, and a higher number of men in senior, higher-paid roles.

We are pleased to see that:

- since we started our gender pay gap reporting in 2018 our "mean" pay gap has reduced by 5.4% and our "median" pay gap has reduced by 2.42%;
- the number of women employed by the firm is currently 75% and female representation has increased at all levels; the percentage of women in higher paying roles has increased by 4% year on year since 2020/21, and
- we have a pay gap that favours women in 6 out of 11 job grades.



But we know we have more to do.

In the data below a positive percentage figure represents where there is a gap which favours men and a negative percentage figure is one that favours women. As a reminder, the definition of “Mean” is the average of the set of data, and the definition of “Median” is the middle number in the set of data.

Pay data excluding Equity Partners

	2021	2022	2023
Mean	16.53%	17.05%	16.01%
Median	15.96%	15.94%	16.45%

Our pay gap data above, includes Salaried Partner data (as employees of our firm) but excludes Equity Partners. When our Equity Partner reward data is included, the results are shown below.

Pay data including Equity Partners

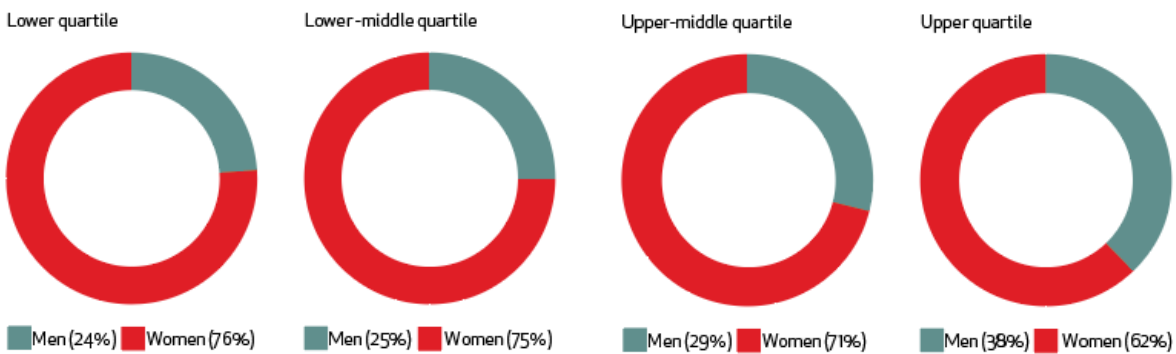
	2021	2022	2023
Mean	52.11%	51.36%	54.09%
Median	16.88%	17.21%	22.62%



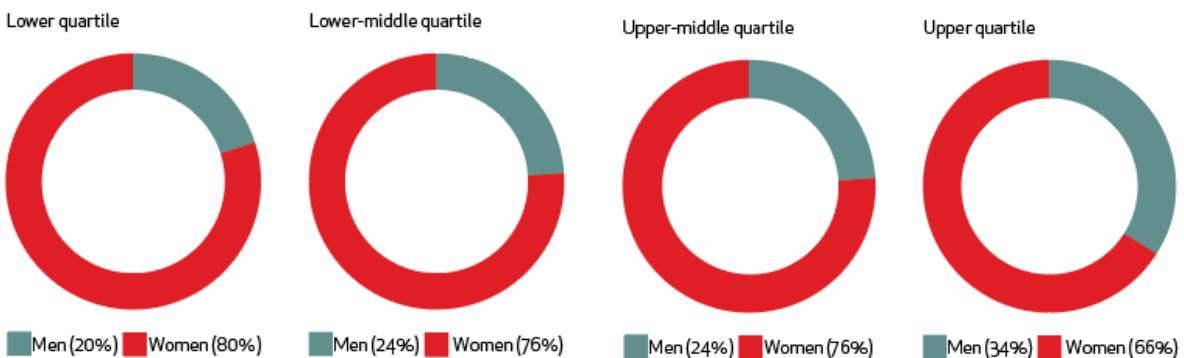
Proportion of men and women in each pay quartile

The number of women in upper quartile roles has risen by 8% over the past three years showing that the initiative in our Equity, Diversity & Inclusion strategy 2021 – 2025, to develop more women into leadership positions, is starting to have a positive impact. The upper quartile includes our Salaried Partners and Business Service Directors.

2020-2021

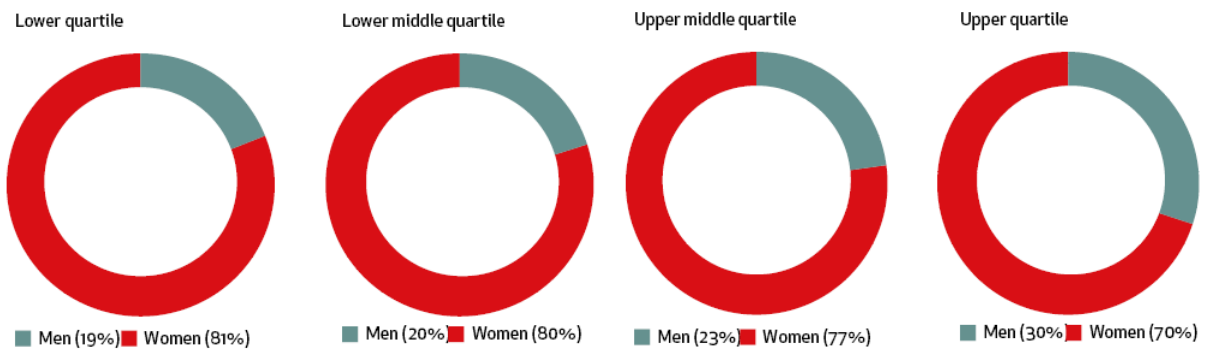


2021-2022





2022-2023





Gender Pay Gap analysis by job grade for periods 2021, 2022 and 2023

Grade	2021		2022		2023	
	Mean	Median	Mean	Median	Mean	Median
Equity Partner	0.72%	4.93%	8.34%	19.48%	11.49%	19.19%
Salaried Partner / Business Services Director	8.06%	2.83%	7.41%	4.55%	7.63%	5.15%
Legal Director	-2.96%	-7.81%	-4.35%	-8.93%	-11.09%	-7.95%
Principal Associate	5.89%	5.19%	2.16%	-0.90%	-10.59%	-17.23%
Senior Associate	-3.32%	-0.81%	-2.17%	-3.25%	1.48%	0.38%
Associate	-1.01%	-12.92%	-2.65%	-14.75%	-5.25%	-14.06%
Trainee Solicitor	-10.22%	0.00%	-8.05%	-21.15%	-6.21%	-18.97%
Paralegal	1.50%	0.00%	7.76%	1.20%	6.33%	3.75%
HRA	-8.76%	-4.29%	8.74%	21.38%	All women	All women
Business Services	6.28%	16.82%	8.94%	17.92%	13.78%	22.05%
PA / Legal Admin	-28.06%	-28.38%	-52.73%	-65.24%	-30.76%	-76.52%



Bonus

Gender Bonus Pay Gap analysis by grade for 2021, 2022 and 2023.

Please note that Equity Partners do not receive a bonus so are excluded from this data.

We ensure that everyone has access to at least one bonus scheme and are pleased to see that the percentage of people receiving a bonus has increased for both women and men over the past two years.

Employees who received a bonus in 2021



Men (60%)

Employees who received a bonus in 2022



Women (61%)



Men (73%)



Women (72%)

Employees who received a bonus in 2023



Men (79%)



Women (73%)



In accordance with the publication regulations, we have calculated our gender bonus gap using actual bonuses paid to colleagues. As a far greater proportion of women at Capsticks work part-time than men, this significantly impacts the figures below, however we are very pleased to see that since 2021 both the mean and the median bonus gap between has reduced by 9% and 20% respectively.

Bonus data all relevant colleagues

	2021	2022	2023
Mean	39.10%	34.71%	30.90%
Median	50.00%	51.37%	31.27%



A full breakdown of the data by job grade can be found below.

Gender Bonus Gap analysis by job grade for 2021, 2022 and 2023

Grade	2021		2022		2023	
	Mean	Median	Mean	Median	Mean	Median
Salaried Partner / Business Services Director	12.97%	33.87%	32.13%	27.76%	5.55%	28.56%
Legal Director	-10.36%	-24.82%	-45.48%	31.89%	30.29%	59.99%
Principal Associate	32.97%	40.97%	6.80%	-23.70%	23.50%	-13.00%
Senior Associate	36.25%	-5.27%	9.63%	-9.35%	16.87%	6.53%
Associate	-81.63%	-72.19%	-31.87%	23.05%	14.90%	-3.93%
Trainee Solicitor	-65.60%	8.41%	30.14%	42.20%	36.89%	22.91%
Paralegal	70.59%	61.74%	64.00%	89.76%	10.62%	4.60%
HRA	-53.43%	14.40%	38.86%	69.30%	All women	All women
Business Services	24.84%	23.00%	26.45%	8.29%	25.62%	22.57%
PA / Legal Admin	-120.11%	-101.20%	-36.15%	-27.70%	-53.27%	-44.23%



Gender Pay and Bonus Gap: In Conclusion

Below is a summary of our reporting statistics for the six years from 2018 to 2023. This shows that the longer-term trend in our pay is towards narrowing the gender gap. Our gender bonus gap has narrowed since our last report by 20%, however, it is still a significant gap. We believe that a contributing factor in our reported bonus gap is that we are required to report against actual as opposed to pro-rated payments and we have a high percentage of women who work part-time.

	Gender Pay		Gender Bonus	
	Mean	Median	Mean	Median
2018	21.41%	18.87%	31.23%	30.72%
2019	21.67%	10.22%	35.62%	32.77%
2020	18.18%	14.26%	26.48%	38.56%
2021	16.53%	15.96%	39.10%	50.00%
2022	17.05%	15.94%	34.71%	51.37%
2023	16.01%	16.45%	30.90%	31.27%

Ethnicity Pay Gap data for 2021, 2022 and 2023

Although not mandatory, for the last four years we have analysed our ethnicity pay gap and are reporting on this also. For the second time we are also reporting on our ethnicity bonus gap data. The data below relates to 94% of our colleagues and partners who have declared their ethnicity and shows the percentage pay and bonus gap between those who identify as White and those who identify as Black, Asian and Minoritised Ethnic. This compares to 100% of colleagues who have declared their gender.



Understanding the ethnicity pay gap

The ethnicity pay gap is calculated in the same way as the gender pay gap but instead of comparing the pay of women and men, compares the pay of those who identify as Black, Asian or Minoritised Ethnic and those who identify as White. As with the gender pay it is also different from equal pay as defined in the Equality Act 2010, which means that anyone in the same employment performing equal work must receive equal pay.

Pay data including Equity Partners

	2021	2022	2023
Mean	33.18%	26.61%	26.45%
Median	12.75%	-0.79%	15.11%

Pay data excluding Equity Partners

	2021	2022	2023
Mean	10.65%	5.04%	13.20%
Median	9.55%	-7.24%	15.69%

It is disappointing to see that there has been a widening in the overall ethnicity pay gap and we recognise that more work still is needed to improve this and ethnic diversity within the firm, particularly in leadership positions. This is why in our EDI strategy and plan, we have set positive action targets by reference to ethnicity as well as by reference to gender, to improve our diversity at partner level between now and 2025. The firm's first Reciprocal Mentoring Programme, which has recently concluded, is also aimed at improving recruitment, retention and career progression for global majority colleagues.



We have further broken down the data for those who have declared their ethnicity and this gives us a clearer picture of where we need to focus our efforts in this area. The table below shows the gap between White colleagues and those colleagues who identify as Asian, Black and Mixed Multiple Ethnic. As with the gender pay gap, in the data below a positive percentage figure represents where there is a gap which favours white colleagues and a negative percentage figure is one that favours global majority colleagues. It also needs to be borne in mind that our ethnicity pay gap data is incomplete (at 94% compared to 100% by gender) and that statistical differences in smaller data sets can change by higher percentages from year to year.

Ethnicity Pay Gap (including EPs)

	Mean 2021	Median 2021	Mean 2022	Median 2022	Mean 2023	Median 2023
Asian/ Asian British	26.06%	11.41%	18.34%	-2.72%	31.51%	34.49%
Black/ Black British	42.82%	31.32%	34.03%	9.87%	40.60%	34.39%
Mixed Multiple Ethnic	44.53%	12.25%	41.34%	8.23%	-13.19%	5.42%

Ethnicity Pay Gap (excluding EPs)

	Mean 2021	Median 2021	Mean 2022	Median 2022	Mean 2023	Median 2023
Asian/ Asian British	5.14%	8.86%	-0.77%	-7.24%	15.16%	31.37%
Black/ Black British	16.94%	28.81%	7.41%	4.11%	15.93%	30.29%
Mixed Multiple Ethnic	19.42%	9.04%	17.67%	2.35%	4.00%	6.86%

Ethnicity Bonus Gap (excluding EPs)

	Mean 2021	Median 2021	Mean 2022	Median 2022	Mean 2023	Median 2023
Asian/ Asian British	30.61%	29.88%	17.96%	-19.40%	-0.48%	18.35%
Black/ Black British	41.76%	17.12%	22.81%	16.82%	42.36%	21.96%
Mixed Multiple Ethnic	36.63%	-40.16%	26.83%	12.71%	-4.13%	15.82%



Our strategy to continue to narrow our Gender and Ethnicity pay gaps

It has been encouraging to see that in many areas of our reward we have a narrow pay gap but we know we have more to do.

We are committed to increasing the diversity of our firm and to becoming as inclusive a business as we can. Since the snapshot data detailed in this report was taken in April 2023, we have begun a number of further initiatives, with one of the strategic aims being to reduce further both our gender and our ethnicity pay gaps.

An important aspect of the firm's EDI strategy is our commitment to improving representation in the full partnership (legal Partners and our CBS Directors) and the equity group. Our targets, to be achieved by May 2025, are:

Gender

- Full partnership: 50 : 50 women : men
- Equity: 30% women, 70% men

Ethnicity

- Full partnership: 15% global majority partners
- Equity: 10% global majority equity partners

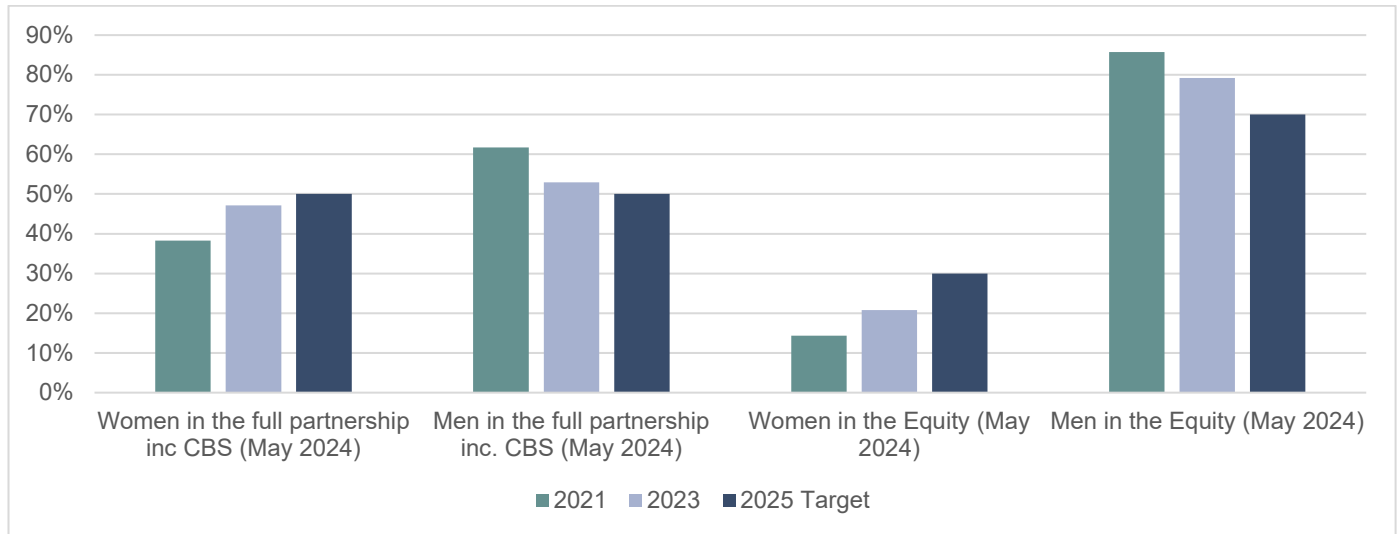
Set out below are some statistics showing how we are progressing by reference to our 2025 diversity targets. These figures take into account this year's round of May promotions, in-year promotions and lateral hires at partnership level since May 2023, and also include confirmed new joiners at partner level in the next few months. These statistics in summary tell us that:

- *by gender in the full partnership*, we're close to achieving our target of 50:50 women:men
- *by gender in the equity group*, 20% of equity partners are women
- *by ethnicity in the full partnership*, just under 13% of the group are global majority colleagues
- *by ethnicity in the equity group*, just over 8% of the group are global majority colleagues.

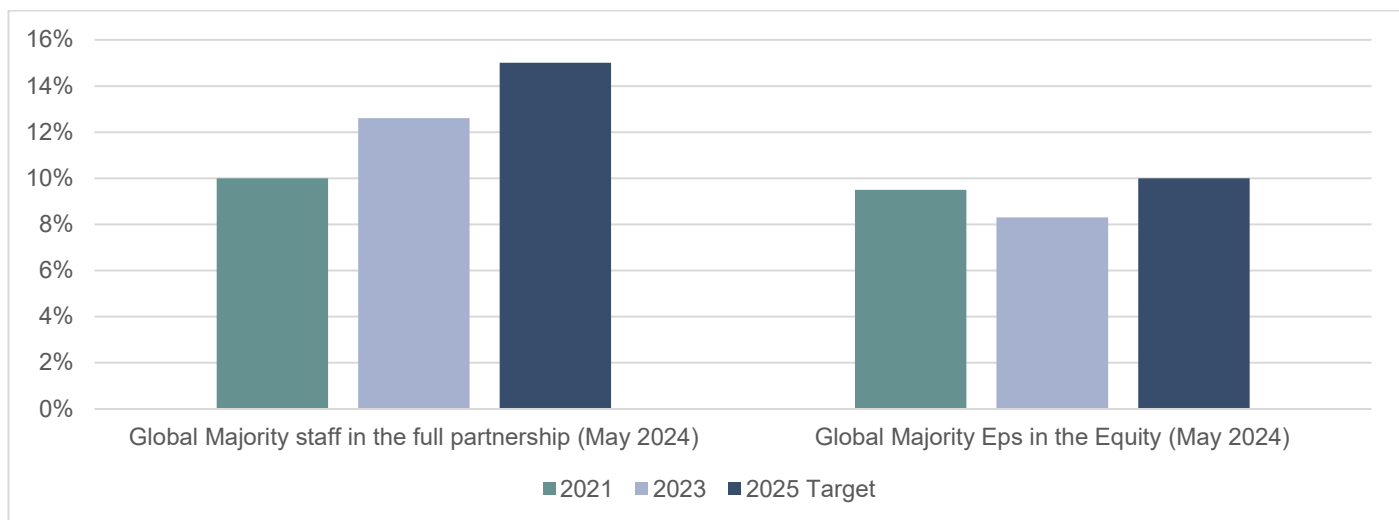
This tells us that we continue overall to make good progress in the remaining year of the current EDI strategy and plan, while recognising that more work remains to be done.



Gender



Ethnicity



We confirm that the data reporting here is accurate and meets the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.