



Capsticks Gender and Ethnicity Pay Gap Report 2023

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 fifth gender pay gap report and our third ethnicity pay gap report. It covers the periods 01 May 2020 to 30 April 2021 and 01 May 2021 to 30 April 2022. The information provided in this report is based on snapshot dates of 05 April 2021 and 05 April 2022.

The "population" we are measuring has significantly grown during this period with a 23% increase in headcount. The number of women employed by the firm is now 73.91%, an increase of 1.5% since the last report. Once again we have included pay (profit share) data about our equity partner group to provide maximum transparency.

Since we started our gender pay gap reporting in 2018, we are pleased to see that our "mean" pay gap has reduced by 4.36% and our "median" pay gap has reduced by 2.93%.

Whilst female representation has increased at all levels, the disparity between women in lower paying roles and higher paying roles has increased causing our gap to widen slightly this year from 16.53% to 17.05%. Since we started our gender pay gap reporting in 2018, our "mean" pay gap has reduced by 4.36% and our "median" pay gap has reduced by 2.93%.

We are pleased that the percentage of women in higher paying roles has increased by 4% YOY and we have a pay gap that favours women in 9 out of 11 job grades. This is particularly significant for women moving into more senior roles, including into our partnership, which we have been keen to address as part of the positive action initiative in our Equity, Diversity and Inclusion Strategy and Plan to 2025.

Please note that for 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

Pay data excluding Equity Partners

	2021	2022
Mean	16.53%	17.05%
Median	15.96%	15.94%

Our pay gap data above, includes Salaried Partner data (as employees of our firm) but excludes Equity Partners. However, we believe that it is important to be transparent, which is why we are also publishing our Equity Partner reward data, shown below. Whilst it is disappointing to see a larger gap for this year, on average our pay gap has decreased over the past two years and we are taking steps to address this further, including doubling the number of women in the Equity Partner group over the same period.

Pay data including Equity Partners

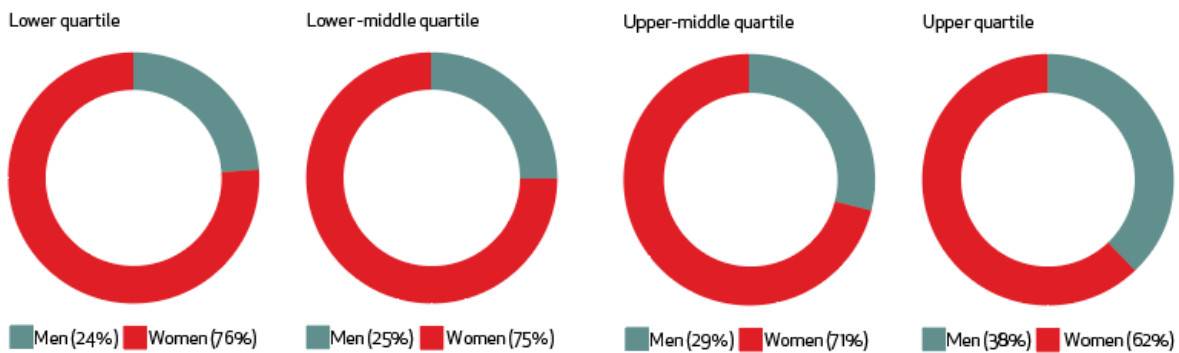
	2021	2022
Mean	52.11%	51.36%
Median	16.88%	17.21%

Proportion of men and women in each pay quartile

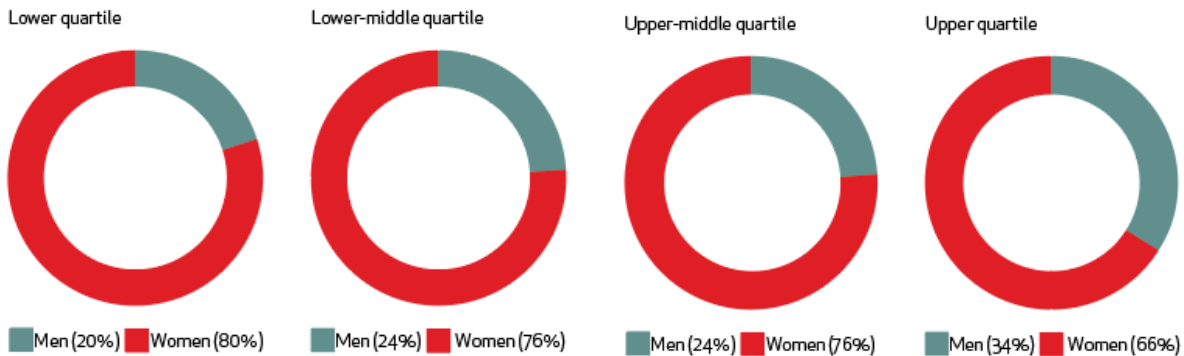
It is promising to see that the number of women in upper quartile roles has risen from 60.00% in 2020 to 65.69% in 2022, showing that our EDI initiative to develop more women into senior positions is starting to have a positive impact.



20 -21



21 -22



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



Gender Pay Gap analysis by job grade for period 01 May 2020 to 30 April 2022

Grade	2021		2022	
	Mean	Median	Mean	Median
Equity Partner	0.72%	4.93%	8.34%	19.48%
Salaried Partner / Business Services Director	8.06%	2.83%	7.41%	4.55%
Legal Director	-2.96%	-7.81%	-4.35%	-8.93%
Principal Associate	5.89%	5.19%	2.16%	-0.90%
Senior Associate	-3.32%	-0.81%	-2.17%	-3.25%
Associate	-1.01%	-12.92%	-2.65%	-14.75%
Trainee Solicitor	-10.22%	0.00%	-8.05%	-21.15%
Paralegal	1.50%	0.00%	7.76%	1.20%
HRA	-8.76%	-4.29%	8.74%	21.38%
Business Services	6.28%	16.82%	8.94%	17.92%
PA / Legal Admin	-28.06%	-28.38%	-52.73%	-65.24%



Bonus

Gender Bonus Pay Gap analysis by grade for periods 01 May 2020 to 30 April 2021 and 01 May 2021 to 30 April 2022.

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 significantly for both women and men over the past two years and that the gap has narrowed.

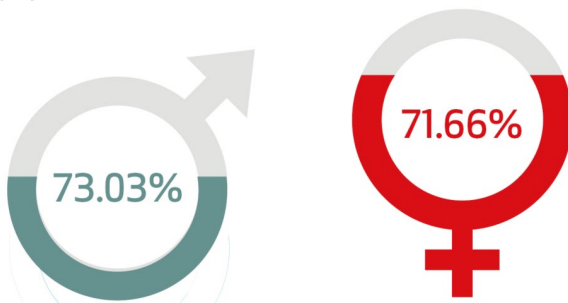
Employees who received a bonus in 2020



Employees who received a bonus in 2021



Employees who received a bonus in 2022



In accordance with the publication regulations, we have calculated our gender bonus gap using actual bonuses paid to employees. A far greater proportion of women (77 women in total) work part time than men (1). The impact of this significant difference is reflected in the figures below. If we look at a calculation where all bonuses were on a full time equivalent basis then these figures decrease by 3.80%.



Bonus data all relevant employees

	2021	2022
Mean	39.10%	34.71%
Median	50.00%	51.37%

For our Legal Directors and Associates the Mean gap favours women, but in many areas the data shows us that men are receiving higher bonuses than women. We will be reviewing our Fee earner bonus structure to further understand what is behind this so we can narrow the gap and ensure that our bonus schemes are fair to all.

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

Gender Bonus Gap analysis by job grade for period 01 May 2021 to 30 April 2022

Grade	2021		2022	
	Mean	Median	Mean	Median
Salaried Partner/ Business Services Director	12.97%	33.87%	32.13%	27.76%
Legal Director	-10.36%	-24.82%	-45.48%	31.89%
Principal Associate	32.97%	40.97%	6.80%	-23.70%
Senior Associate	36.25%	-5.27%	9.63%	-9.35%



Associate	-81.63%	-72.19%	-31.87%	23.05%
Trainee Solicitor	-65.60%	8.41%	30.14%	42.20%
Paralegal	70.59%	61.74%	64.00%	89.76%
HRA	-53.43%	14.40%	38.86%	69.30%
Business Services	24.84%	23.00%	26.45%	8.29%
PA / Legal Admin	-120.11%	-101.20%	-36.15%	-27.70%

Gender Pay and Bonus Gap: In Conclusion

Below is a summary of our reporting statistics for the five years from 2018 to 2022. This shows that the trend in our pay is towards narrowing the gender gap. The same cannot be said of our gender bonus gap, which has increased over the same five-year period. As explained above, 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.

	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%



Ethnicity Pay Gap data for Period 01 May 2020 to 30 April 2021 and 01 May 2021 to 30 April 2022

Although not mandatory, for the last four years we have analysed our ethnicity pay gap and are reporting on this also. For the first time we are also reporting on our ethnicity bonus gap data. The data below relates to 89% of our employees 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.

Pay data including Equity Partners

	2021	2022
Mean	33.18%	26.61%
Median	12.75%	-0.79%

Pay data excluding Equity Partners

	2021	2022
Mean	10.65%	5.04%
Median	9.55%	-7.24%

It is encouraging to see that, overall, since we started reporting in 2019, we have seen an improvement in the overall ethnicity pay gap using the mean calculation and that there is now a median gap in favour of Black, Asian and Minoritised Ethnic employees. We recognise, however, that more work still is needed to improve ethnic diversity, 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.



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 employees and those who identify as Asian, Black and Mixed Multiple Ethnic.

Ethnicity Pay Gap (including EPs)

	Mean 2021	Mean 2022	Median 2021	Median 2022
Asian/ Asian British	26.06%	18.34%	11.41%	-2.72%
Black/ Black British	42.82%	34.03%	31.32%	9.87%
Mixed Multiple Ethnic Group	44.53%	41.34%	12.25%	8.23%

Ethnicity Pay Gap (excluding EPs)

	Mean 2021	Mean 2022	Median 2021	Median 2022
Asian/ Asian British	5.14%	-0.77%	8.86%	-7.24%
Black/ Black British	16.94%	7.41%	28.81%	4.11%
Mixed Multiple Ethnic Group	19.42%	17.67%	9.04%	2.35%

Ethnicity Bonus Gap (excluding EPs)

	Mean 2021	Mean 2022	Median 2021	Median 2022
Asian/ Asian British	30.61%	17.96%	29.88%	-19.40%
Black/ Black British	41.76%	22.81%	17.12%	16.82%
Mixed Multiple Ethnic Group	36.63%	26.83%	-40.16%	12.71%



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 become as inclusive a business as we can. Since the snapshot data detailed in this report was taken in April 2022, we have begun a number of further initiatives to reduce further both our gender and our ethnicity pay gaps. The steps we have taken include:

With effect from May 2022 we introduced full funding for our graduate trainees, allowing for a more accessible path to a career in law and in time a more diverse firm. At the same time we increased by 10% the basic salary of the majority of our paralegal and trainee group. The majority of those positively benefiting from this measure are in our lower salary quartile which is 80% female.

In June 2022, we awarded a one-off cost-of-living bonus of £300 net for those earning £30,000 (FTE) or less. This is also of benefit mostly to colleagues in our lower salary quartile.

For our financial year 2022 – 2023 onwards, we also increased our enhanced maternity pay to 16 weeks' pay (previously 12), and removed the qualifying period for our Paternity entitlements. We now partner with Blue Sky wearebluesky.co.uk to provide consistent mentoring and coaching for those on and returning from maternity leave.

The number of women at Equity Partner level has doubled over the past two years since our last report. This is a positive change and in the longer term will further address the reward gap at this level.

Our EDI Strategy and Plan 2021 to 2025 recognises the importance of positive action by reference to gender and ethnicity. Our targets are to achieve by 2025:

- By gender: 50:50 representation in our full partnership group and at least 30% women in our equity group
- By ethnicity: 15% and 10% representation of our Black, Asian and Minoritised Ethnic colleagues in the full partner group and in the equity group, respectively.

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