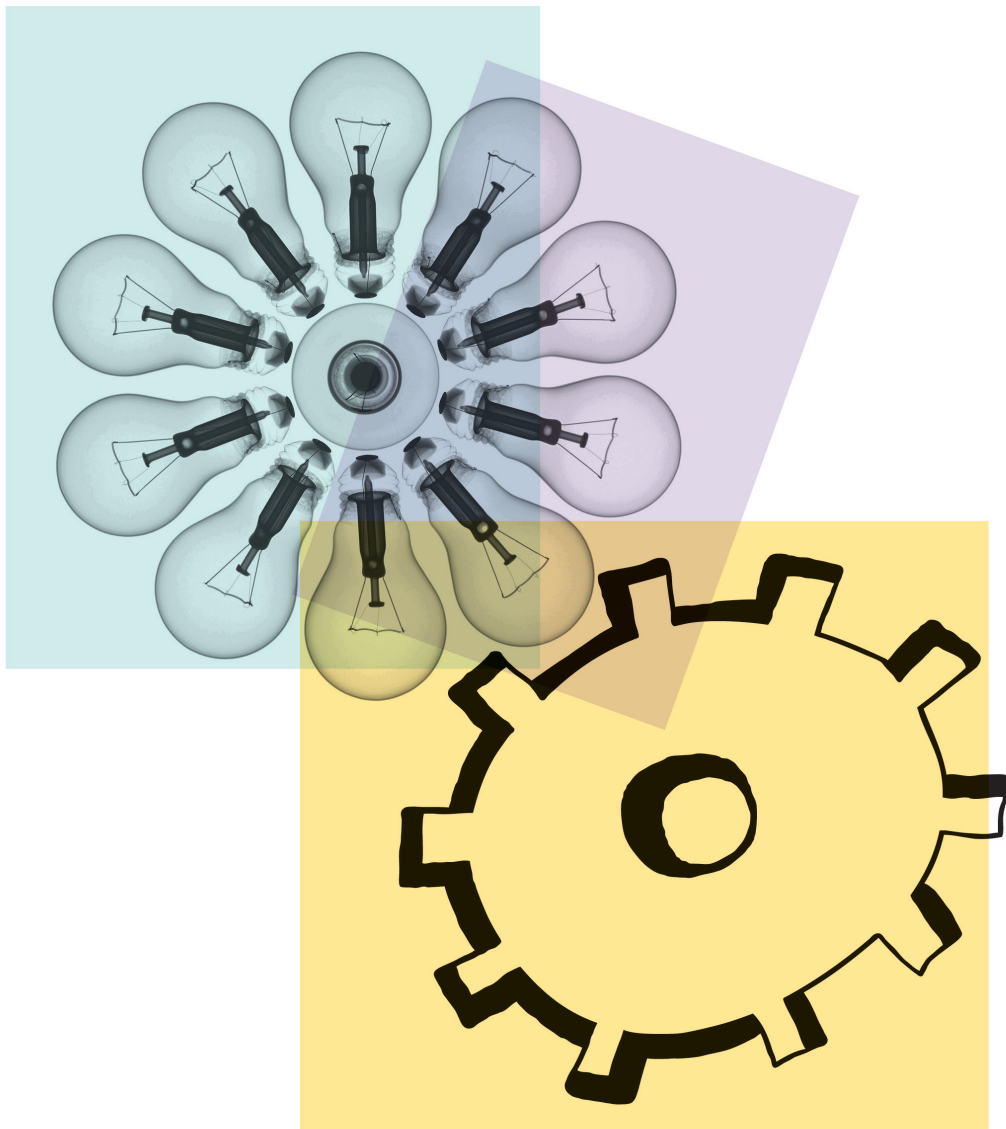


Gender and ethnicity pay gap report 2021



This is our fourth gender pay gap report and our second ethnicity pay gap report. Our report covers the 12 months to end March 2020.

Gender pay gap report

We are pleased to see continuous improvements across a number of measures. Our analysis demonstrates that our focus on progression for women particularly into more senior roles, including partnership, is having a positive impact in reducing our gender pay gap.

The population we are measuring has remained relatively steady with a 5% firm growth over the 12 month period. The number of women in total employed by the firm is at 71.5%. For the third year in a row we have included pay (profit share) data about our equity partner group to provide maximum transparency.

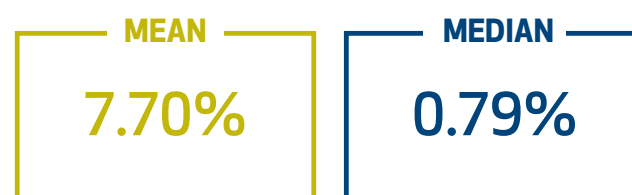
Our hourly pay data

Our pay gap this year has reduced by 4% for both the mean and median pay gap. When we remove our business services group from the calculation (as the population is predominantly women) our pay gap for both calculations reduces even further. In particular, in London across all qualified grades up to legal director, there is a small negative pay gap. This shows that our efforts to reduce the gap are taking effect in our fourth year of reporting.

Difference in hourly rate of pay (all staff)



Difference in hourly rate of pay (excluding business services)



Proportion of men and women in each pay quartile

	Lower quartile	Lower-middle quartile	Upper-middle quartile	Upper quartile
MALE	26.00%	28.00%	31.00%	40.00%
FEMALE	74.00%	72.00%	69.00%	60.00%

Fee-earner pay gap by grade and by location

	MEAN		MEDIAN	
	London	Outside London	London	Outside London
Solicitor*	-0.30%	-1.19%	0.00%	-2.16%
Senior Solicitor*	-0.94%	2.67%	0.97%	6.00%
Associate and Legal Director*	-0.88%	7.56%	0.34%	15.44%

*or equivalent

Our partners

Our published pay gap, as set out on the previous page, includes salaried partner data (as employees of our firm). We believe that it is important to be transparent, which is why we are also publishing our equity partner reward data. When we look at the gap within the equity partnership itself we have a very minimal pay gap. However, when our equity partner reward data is included for the firm as a whole, the gender pay gap increases.

Gender pay gap amongst equity partners



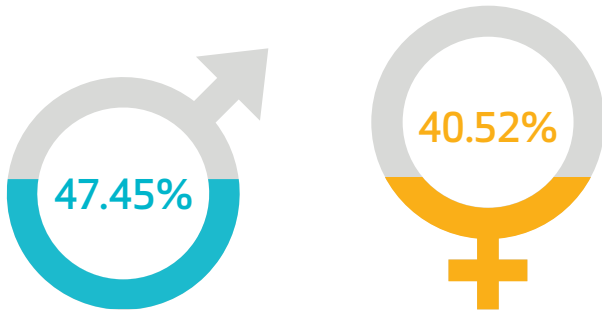
Gender pay gap for all staff (including equity partners)



Bonus gap

Once again, we are pleased to see a greater proportion of our people receiving a bonus this year when compared to the previous year. The number of women receiving a bonus increased last year, however the percentage of the pool reduced because of the overall increase in the number of women joining the firm.

Employees who received a bonus

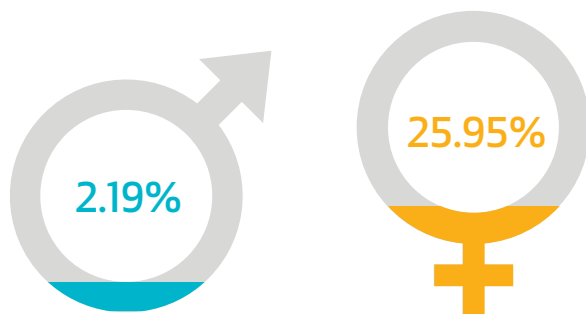


In accordance with the publication regulations, we have calculated our gender bonus gap using actual bonuses paid to employees. This creates a pronounced gap when a greater proportion of women work part time than men. The impact of that will be reflected in the figures below. The discretionary bonus was awarded to 10% of our fee earners and 70% of this group were women. This has had a positive effect on the median and we would expect to see the mean bonus gap reduce in the future also.

In April 2020 (i.e. just after the snapshot date for this report) we introduced a new bonus scheme for which all business services staff are eligible. Given that the significant majority of our business services staff are women, we are confident that the introduction of this scheme has had a positive impact on further reducing our bonus gap.

As equity partner reward is made by way of profit share only, equity partners do not receive bonuses. Our bonus gap figures are

Employees with a formal flexible working arrangement



There has been an increase in the number of women working flexibly on a formal basis. Agile working is now more embedded across the whole firm.

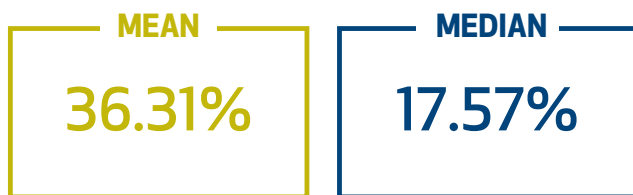
Gender bonus gap



Ethnicity pay gap report

For the second time, we have analysed our ethnicity pay gap and the results are outlined below.

Ethnicity pay gap (including equity partners)



Ethnicity pay gap (excluding equity partners)



The data relates to 86% of our employees and partners who have declared their ethnicity. Of those who declared their ethnicity 81% are from a white background and 19% from a non-white background.

It is very encouraging to see a significant improvement in the fee earner and management group, with a reduction of 7.5% in the mean and 10.84% in the median. We recognise that more diversity at EP level is desirable and this has impacted our overall ethnicity pay gap results. We are confident that our new EDI strategy will address this gap over the next 12 months.

Ethnicity pay gap (fee-earners and management)



Summary

Diversity is central to the firm's strategy to "do the right thing by our people" and the senior management team is committed to supporting and progressing EDI initiatives. A new Talent & Diversity Business Partner has recently been appointed; a new role implemented to develop the firm's talent development offering, as well as lead and strengthen our EDI initiatives and strategies across all areas of the firm. This individual will work closely with the Managing Partner, partners, and HR team to achieve this. New initiatives will be introduced will include reverse mentoring and sponsorship to attract and retain a more diverse range of employees.

The firm's Managing Partner and Senior Partner lead the following current EDI initiatives:

- Corporate signatories to Business in the Community's Race at Work Charter.
- Corporate partners of the Black Solicitors Network: a partner in our employment division is a director of the BSN, and was awarded Chamber and Partners Minority Lawyer of Year 2019.
- Corporate diversity champions of Stonewall.
- Corporate signatories to the Mindful Business Charter. We also have a dedicated mental health first aid programme, with 15 mental health first aiders who are all MHFA England trained and accredited and are all available to support colleagues experiencing a mental health episode.
- Capsticks Connections: a programme of internal webinars during COVID-19 lockdown in which external speakers join us to share best practice and encourage debate in the firm on various EDI topics such as mental wellbeing, racial justice, and transgender rights. Such events will continue to embed EDI initiatives and discourse within the firm's culture and goals.

All new joiners to the firm are required to undertake mandatory diversity training to ensure compliance and familiarity with the firm's equality and diversity policy and requirements. In addition, all employees of Capsticks are expected to engage with and complete, as requested, any ad hoc or additional diversity and inclusion training which the firm believes is relevant and necessary.

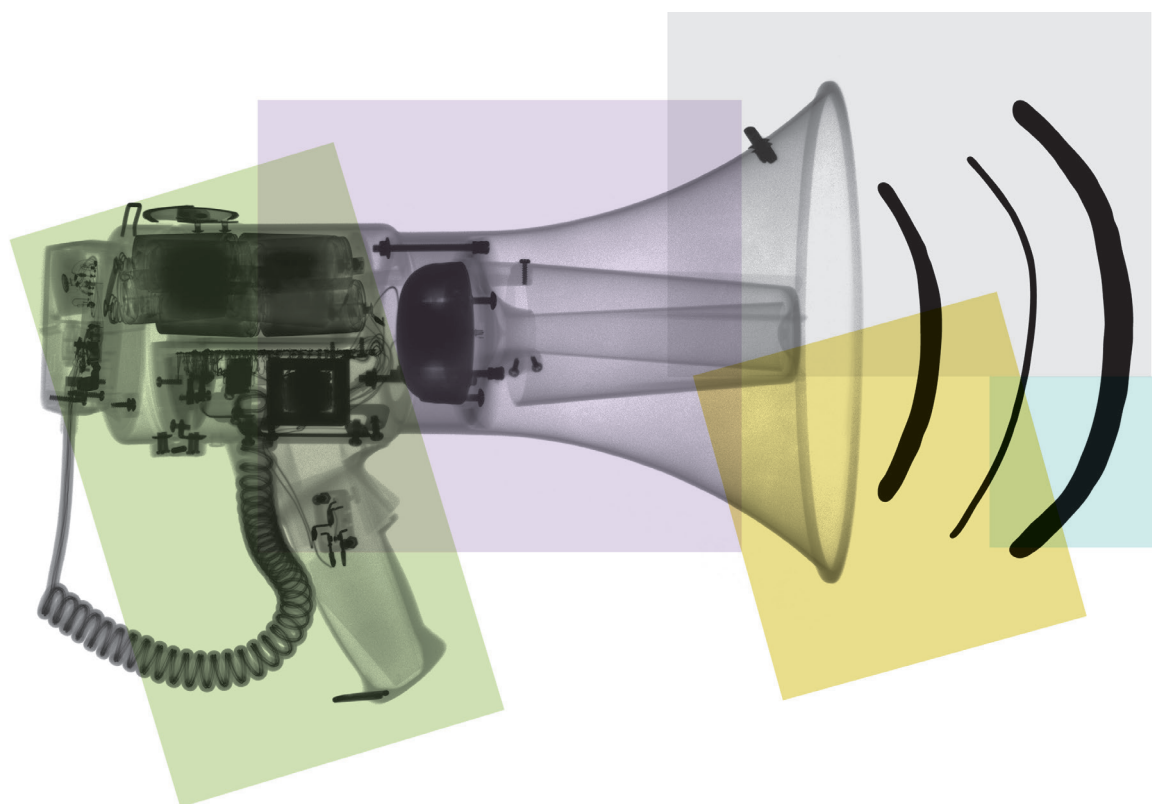
The firm operates Yammer as an internal social network and employees have created their own social groups aligned to EDI issues. Topics can be discussed and news shared within those groups.

Capsticks monitors the diversity makeup of its workforce on a continuous basis and all employees of the firm are encouraged to record their diversity data via the HR self-service system. All diversity data is kept strictly confidential.

Promotion processes and applications have been reviewed and the firm is proud as a result that in the last five years, 64% of people promoted to partner have been women.

Trainee solicitor applications now include EDI monitoring. This will enable the firm to establish the effectiveness of its EDI strategies in its trainee solicitor recruitment processes and help us to identify ways in which we can ensure greater diversity within this talent pool.

The firm has become a sponsor of the British Inter University Commercial Awareness Competition, to support students from non-Russell Group universities gain better access into the legal sector. Alongside this is a recruitment drive to ensure a more diverse application pool of students from different universities. The firm also established an apprenticeship programme for non-legally qualified employees to gain a different route to legal qualifications that supports social mobility.



By way of summary of our progress to date we also set out below a four-year comparison of our gender pay gap data.

	Gender pay gap		Gender pay gap (excluding PAs)		Gender bonus gap	
	MEAN	MEDIAN	MEAN	MEDIAN	MEAN	MEDIAN
2018	21.41%	18.87%	18.90%	7.84%	31.23%	30.72%
2019	21.67%	10.22%	16.06%	5.98%	35.62%	32.77%
2020	18.18%	14.26%	14.22%	2.97%	26.48%	38.56%
2021	14.11%	10.38%	7.70%	0.79%	31.54%	23.04%

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

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