



Bates Wells Equity pay report 2022



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Useful definitions:

The mean statistic shows the average and the median shows the middle value.



The mean gender pay gap is the difference between the average hourly earnings of male and female employees within a company.



The median gender pay gap is the difference between the midpoints in the ranges of hourly earnings of male and female employees. It takes all the salaries in the sample, lines them up from the lowest to highest, and uses the middle salary.

Introduction

At Bates Wells we aim to create a strong sense of belonging through our culture, which enables everyone across the firm to reach their full potential. We also strive to create a positive impact on our profession and wider society.

The increasing diversity of our people brings different skills, experiences and perspectives throughout the firm and it is this talent that will help us achieve our future growth.

As a B Corp, transparency is fundamental and this year we have gone above the statutory requirement and have included our ethnicity pay gap data. While this is the first time we have published our ethnicity results externally, we have been reporting internally for the last two years, so have three years of comparable data to monitor ourselves against. By holding ourselves accountable through this reporting, we can really focus on driving positive change.

Our most recent diversity survey was completed by 82% of our employees giving us a greater opportunity to understand who works at Bates Wells and challenge the way we attract, develop, and retain our talent.

Our equity pay report enables us to see the impact of our actions so far, but also clearly highlights where we still need to do more. We are committed to continuing to build a sustainable pipeline of diverse talent as well as to nurture and progress our employees within the firm.

Throughout the report the data used relates to 5 April 2022.



Martin Bunch
Managing Partner



Scott Sullivan
HR Director



Karli Hiscock
Partner & Gender Board Sponsor

What have we achieved?

Diversity Benchmark and Engagement Survey

We have continued to build our diversity data across the firm and this year our annual diversity survey included five engagement questions. 2022 saw participation increase to 82% from 75% in 2021.

The transparency and accountability that our diversity metrics bring, including our pay gap data, is fundamental in driving equity and fairness across our firm. It helps us see where we've made progress and where we still need to improve.

Upward Mentoring

Following the success of our first programme, we extended our Upward Mentoring to all of our diversity groups. Our mentors facilitated open dialogue and safe spaces with senior colleagues to encourage greater understanding between colleagues with different life and professional experiences, helping to create a more inclusive culture. 78% of the mentors were female and 69% ethnic minorities and covered topics such as mental health, disability, gender and race. We

received positive feedback from the pairs including how *"privileged I feel to have been given the insight"* and *"what an impact understanding these perspectives"* had on our mentees.

Targets

Our gender target is a 40:60 split either way and in this reporting period our split was 43:57 in favour of men. Our only Senior Partner election and all three of our partner elections were women and 50% of our lateral hires across the firm were women.

28% of the firm are from an ethnic minority background and representation is still very limited at the most senior level (13% of partners and directors). We need to focus on increasing this representation in our leadership roles and will be considering targets for ethnicity in our commitments detailed below.



Graduate Recruitment

We diversified our recruitment efforts in 2022, and specifically targeted milk rounds/campus events which would help us reach more diverse talent. For the first time, we participated in AspireLaw, a law fair organised by Target Jobs exclusively for students of Black Heritage.

We also attended several AllAboutLaw fairs to talk to students from diverse and underrepresented backgrounds from a broad range of universities, including those with a high intake of students from social mobility cold spots (areas of low progression into higher education).

We gave talks to students at these events to demystify the process of securing a training contract, supporting them to feel confident and motivated no matter what background they come from.

Our Recruitment & Retention subgroup reviewed how the firm is presented to potential training contract applicants on our website, to ensure we attract the very best talent into the firm and present our inclusive culture through the website.

Lateral Recruitment

Our partnership with the Reignite Academy supports our Gender Equality ambitions through offering access to “career returners” who traditionally have been working mums who have taken time away from law to raise a family. More recently the team have been working with individuals who have undertaken entrepreneurial endeavours too.

The academy not only helps us find talent but also provides extra coaching and support for career returners to transition back to work. We made our first hire in 2022 and are looking forward to developing this affiliation.

We’ve also signed up to the corporate membership of the Black Solicitors Network, giving us access to an extensive programme of initiatives and events. We have helped run workshops for their annual grassroots campaign to contribute to the change of the legal profession.

Gender

Employee gender pay gap

Proportionately we have more senior men in our fee earning roles and in 2022, we have seen a slight increase in our employee gender pay gap from 1.5% to 2.6%. However, we accept that we will experience fluctuations in our pay gap data, and our overall trend from 2020 – 2022 is a reduced pay gap.

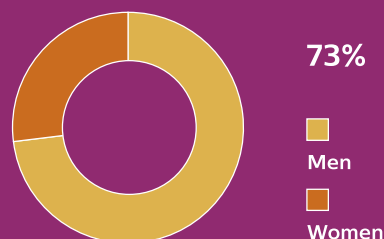
Year	Mean gender pay gap %	Median gender pay gap %
2022	2.6	13.9
2021	1.5	9.9
2020	10.8	32.2
Difference	↓ -8.2	↓ -18.3

Employee bonus* gap

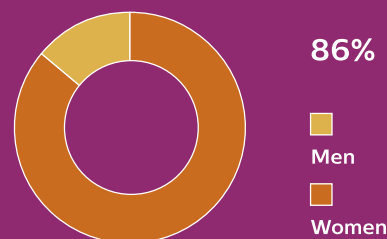
In 2022, our bonus gap has reduced considerably from 61.8% to 0.7%. There are three factors influencing this decrease: 1) the bonus gap last year (2021) was very high; 2) there are high numbers of senior female talent within the business teams who are eligible for bonus; and 3) The performance bonus considered in this reporting period, is our ‘COVID Thank You’ bonus which was a flat 13% of salary. This was a one-off bonus which helped reduce the bonus gap data from last year but which will also have skewed our results in comparison to our usual position on bonuses.

Year	Mean gender bonus gap %	Median gender bonus gap %
2022	0.7	27.5
2021	61.8	48.0
2020	21.5	0
Difference	↓ -20.8	→ 27.5

% of our male employees received a bonus payment in 2022



% of our female employees received a bonus payment in 2022

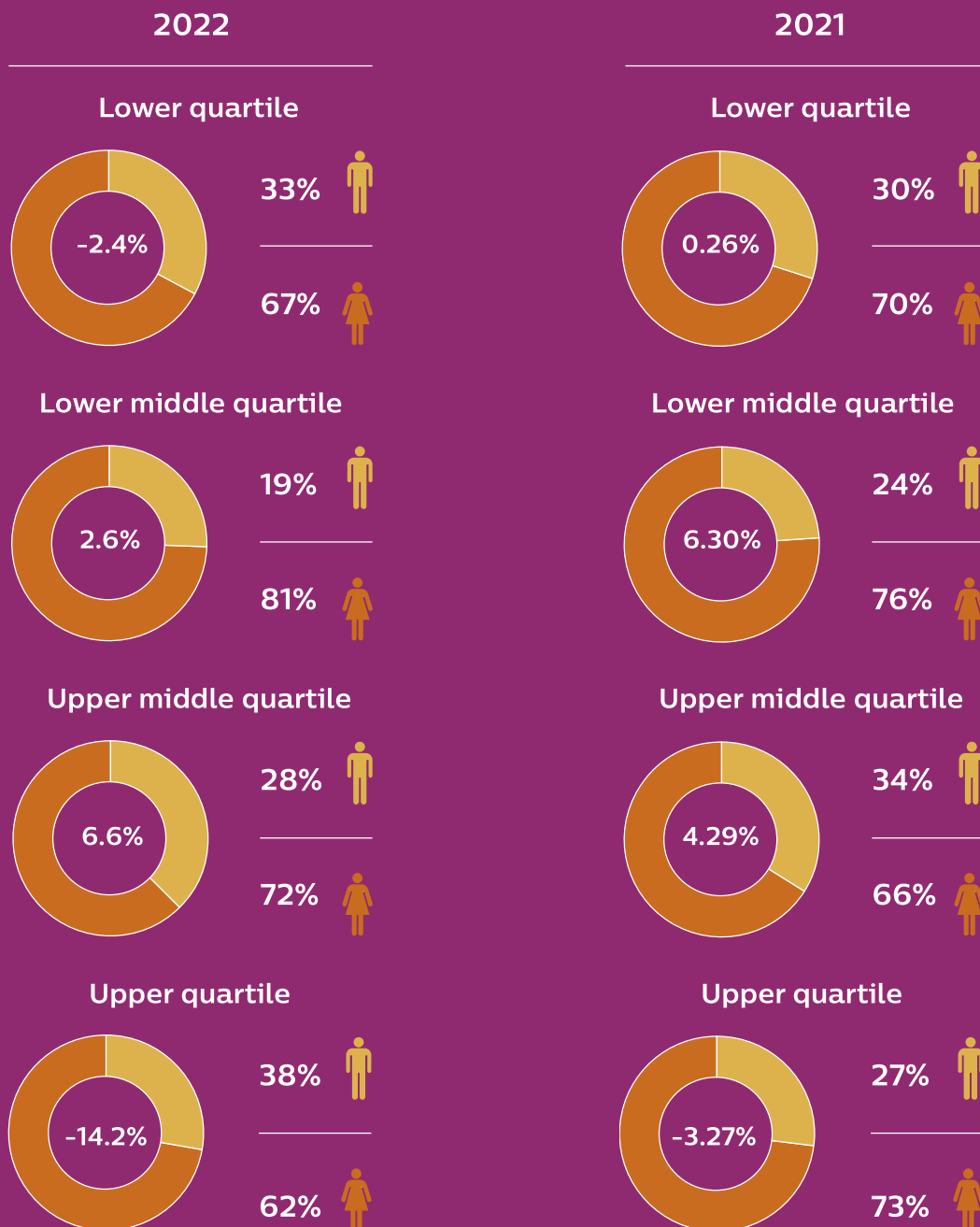


* Bonuses such as introducer, first aid/fire warden, other and length of service are included.

Employee quartiles

We continue to have a large proportion of women across all pay quartiles, with an overall female population of 71% in the month of April 2022.

The graphics below show the proportion of men and women within each quartile, and the corresponding mean pay gap at each quartile. A negative figure represents a gap in favour of women.



Partner remuneration gap

The partner mean remuneration gap has decreased substantially from 20.9% in 2021 to 9.9%; the median gap has also decreased from 40.1% to 6.5%. In 2022, 100% of the elections into the partnership were women and the only election into the senior partnership was a woman.

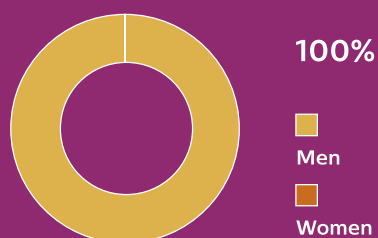
Year	Mean partner REM gap %	Median partner REM gap %
2022	9.9	6.5
2021	20.9	40.1%
2020	11.7	21.0
Difference	↓ -1.8	↓ -14.5

Partner bonus gap

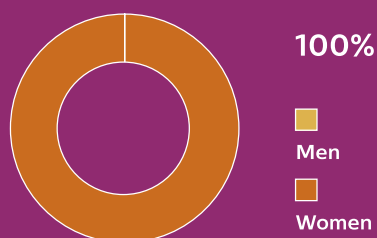
Over last 3 years the demographic of our partnership continues to change resulting in the mean bonus score increasing however, we're encouraged to see the median is moving in the right direction.

Year	Mean bonus gap %	Median bonus gap %
2022	14.7	12.6
2021	10.8	13.5
2020	12.1	15.0
Difference	↑ 2.6	↓ -2.4

% bonus proportions received – men

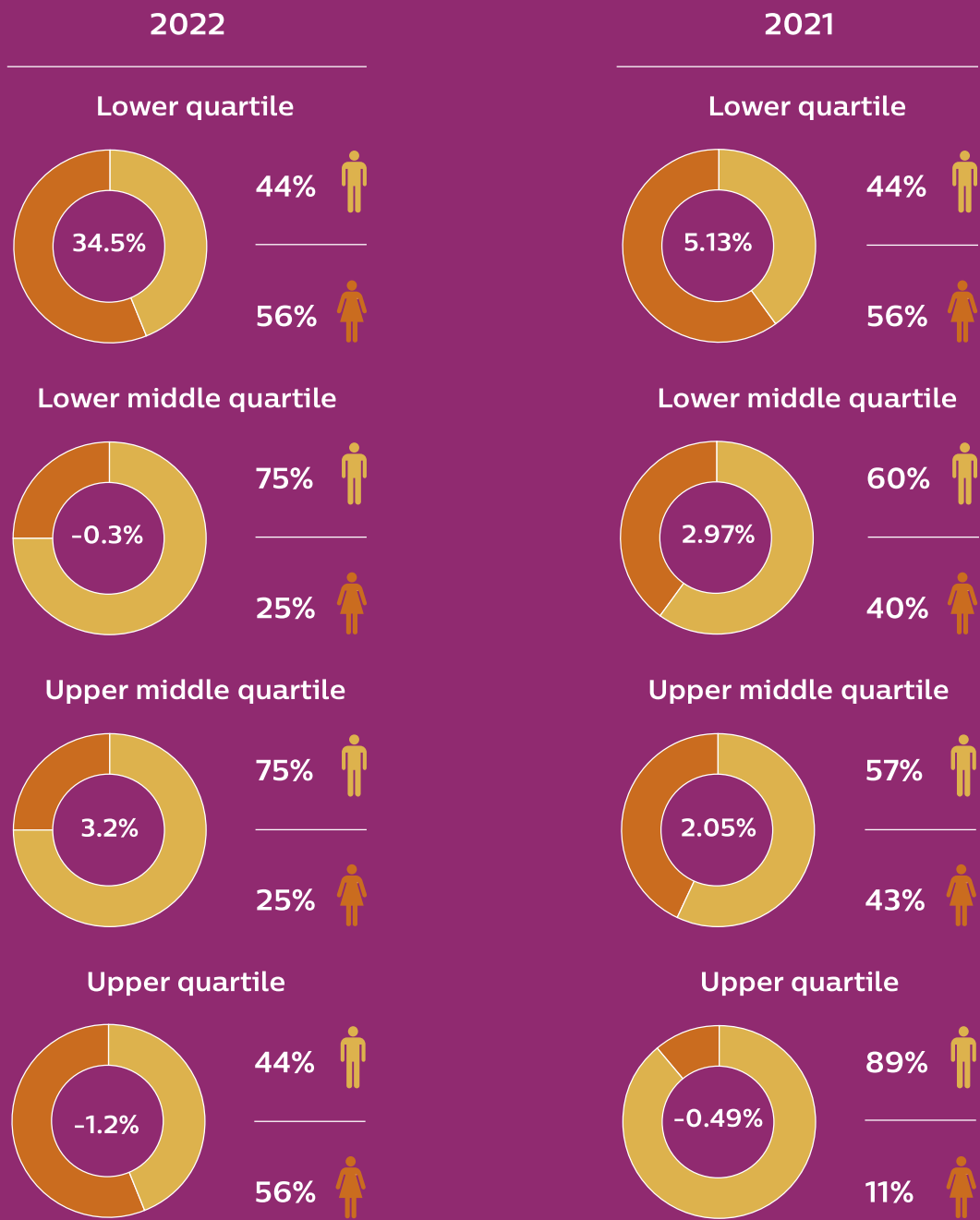


% bonus proportions received – women



Partner quartiles

The graphics below show the gender distribution at Bates Wells across four equally sized pay quartiles with the corresponding mean gender remuneration gap highlighted for each quartile.



Ethnicity

Employee pay gap

We are pleased to report our overall employee mean ethnicity pay gap has reduced to 3.6% (down from 10.1%). Our median gap has had a greater swing, to -12.5%, in favour of our ethnic minority colleagues (from 8.4%).

Our fee earner population represents a mean gap of 2.2% and while the business team gap is down 3% on last year, it is much higher than we would like at 20%. This is due to an underrepresentation of ethnic minority staff in senior roles within those teams.

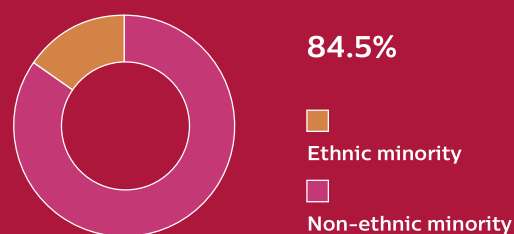
Year	Mean pay gap %	Median pay gap %
2022	3.6	-12.5
2021	10.1	8.4
2020	13.8	10.9
Difference	↓ -10.2	↓ -23.4

Employee bonus* gap

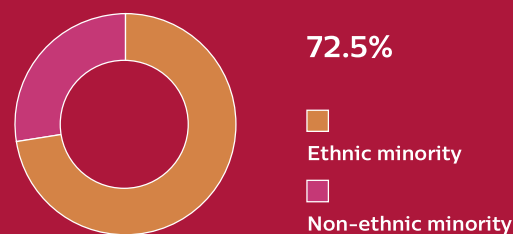
Our ethnicity bonus gap has reduced from 68.8% to 22.2%, with the median gap at 7.5%. We have made great efforts with our recruitment to bring in more racially diverse people to the firm with 47% of new hires being from an ethnic minority background. However, a number of these people were still in their probation at the time when bonuses were paid, and therefore not eligible for bonuses, which has contributed to a higher mean than we would like.

Year	Mean bonus gap %	Median bonus gap %
2022	22.2	7.5
2021	68.8	55.5
2020	9.9	0
Difference	↑ 12.3	→ 7.5

% bonus proportions received non-ethnic minority



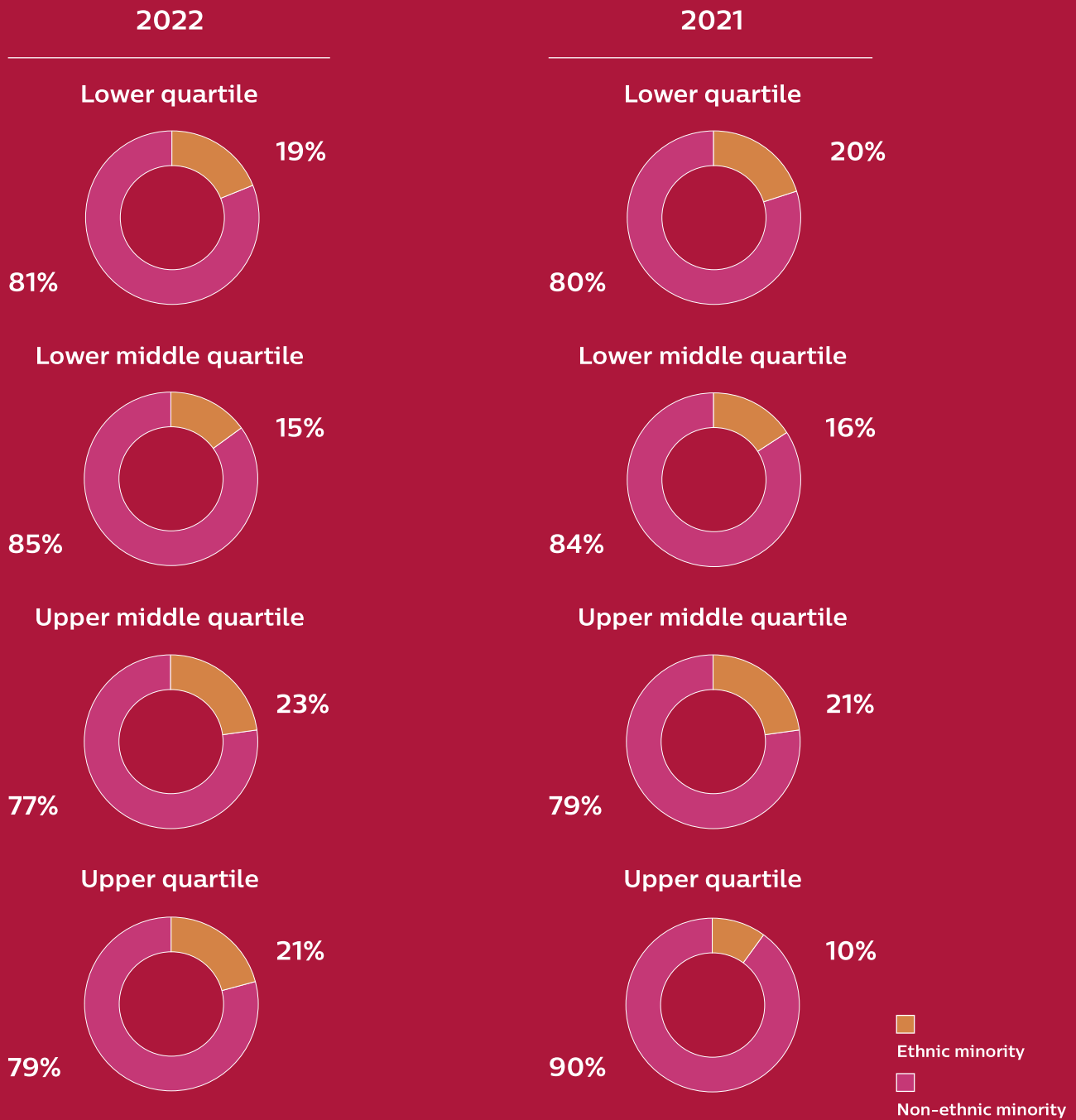
% bonus proportions received ethnic minority



* Bonuses such as introducer, first aid/fire warden, other and length of service are included.

Employee quartiles

The graphics below show the ethnicity distribution at Bates Wells across four equally sized pay quartiles split by those from an ethnic minority (EM) and White background. We have more to do to increase representation at all levels of the firm.



Partner ethnicity gap

Our mean partner gap is 22.9% (down from 27.8%) as is the median at 14.9% (from 28.4%). The gap is due to the make-up of our partnership, where only 12% of our partners are from an ethnic minority background. However, we are encouraged by our recent partner and senior partner elections with 33% of the elections into the partnership and the only election into the senior partnership, being individuals from an ethnic minority background.

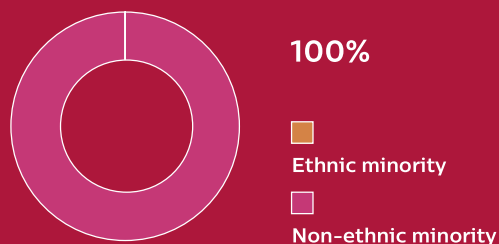
Year	Mean pay gap %	Median pay gap %
2022	22.9	14.9
2021	27.8	28.4
2020	22.6	24.9
Difference	↑ 0.3	↓ -10.0

The bonus gap for partners stands at 18% which is up on last year.

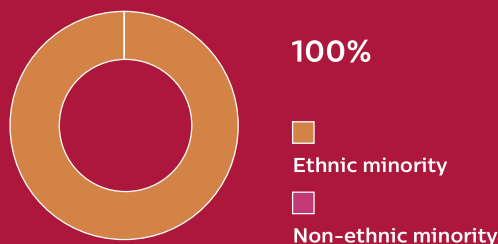
Partner ethnicity bonus gap

Year	Mean pay gap %	Median pay gap %
2022	18.0	1.4
2021	4.3	28.8
2020	17.9	20.0
Difference	↑ 0.1	↓ -18.6

% bonus proportions received non-ethnic minority

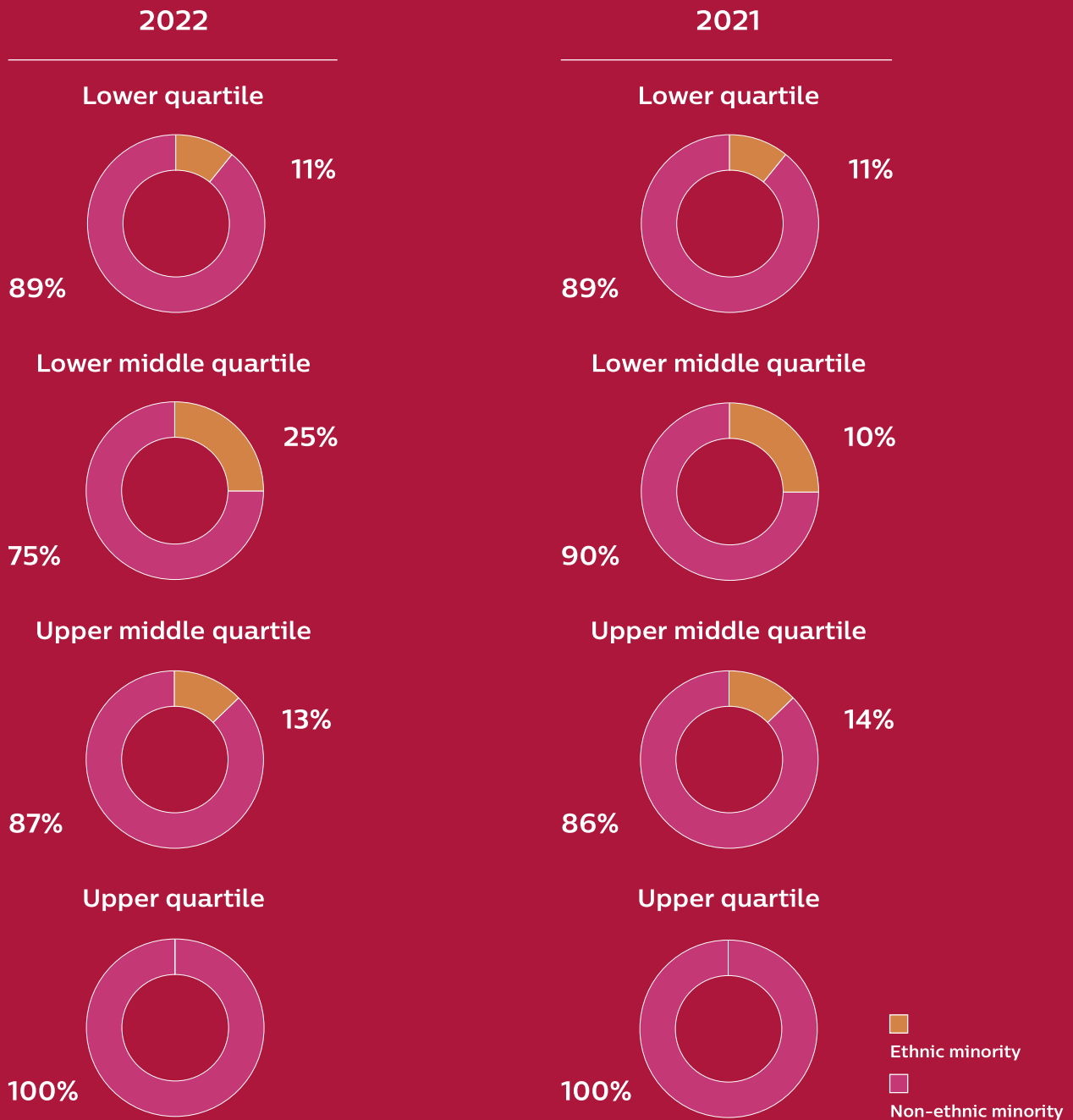


% bonus proportions received ethnic minority



Partner quartiles

The graphics below show the ethnicity distribution at Bates Wells across four equally sized pay quartiles with the corresponding mean ethnicity gap highlighted for each quartile.



Our commitments for 2023

Whilst we have made progress with making Bates Wells a more inclusive employer, there are still many things that we can and should be doing. We have committed to achieve the following four core projects in the coming 12 months:

#1

Continue to implement inclusion training

We have an external consultant ready to deliver 'conscious inclusion' training across the firm. We will start with the DIF Ambassadors in April, followed by line managers in June before rolling out to the rest of the firm. We are also providing bespoke graduate interviewer training to help reduce bias and ensure we are consistent in our interviewing approach. The outcomes of our inclusion training will be regularly monitored, reported to the Board and implemented into our EDI strategy.

#2

EDI objectives for all Partners

Following the successful implementation of the EDI objectives for our Heads of Departments and Directors last year, we will be supporting all our partners to set EDI objectives for the new performance year. This will ensure all leaders are contributing to driving change across the firm.

#3

Continue to progress work allocation

We have made a commitment to look at work allocation practices across the firm. Our Gender Equality group initiated the project and has handed it over to our Practice Management Team, who will take a holistic approach. The aim is to ensure that all our people have equal access and opportunities to client work, and to reduce any bias within the allocation process.

In addition, as part of our commitment to the Mindful Business Charter, we have included a renewed delegation checklist for our supervisors, which includes elements intended to ensure equal access to opportunities.

#4

Diversity Targets

Representation of ethnic minorities across the firm, particularly at the senior end, is an area of focus for us. We will consult with Reach (our Race, Ethnicity & Cultural Heritage group) and RISE (our group supporting our Black colleagues), as well as our partners, on developing an achievable target to help hold us to account and demonstrate our commitment in this area.



Bates Wells Strategy and activity survey



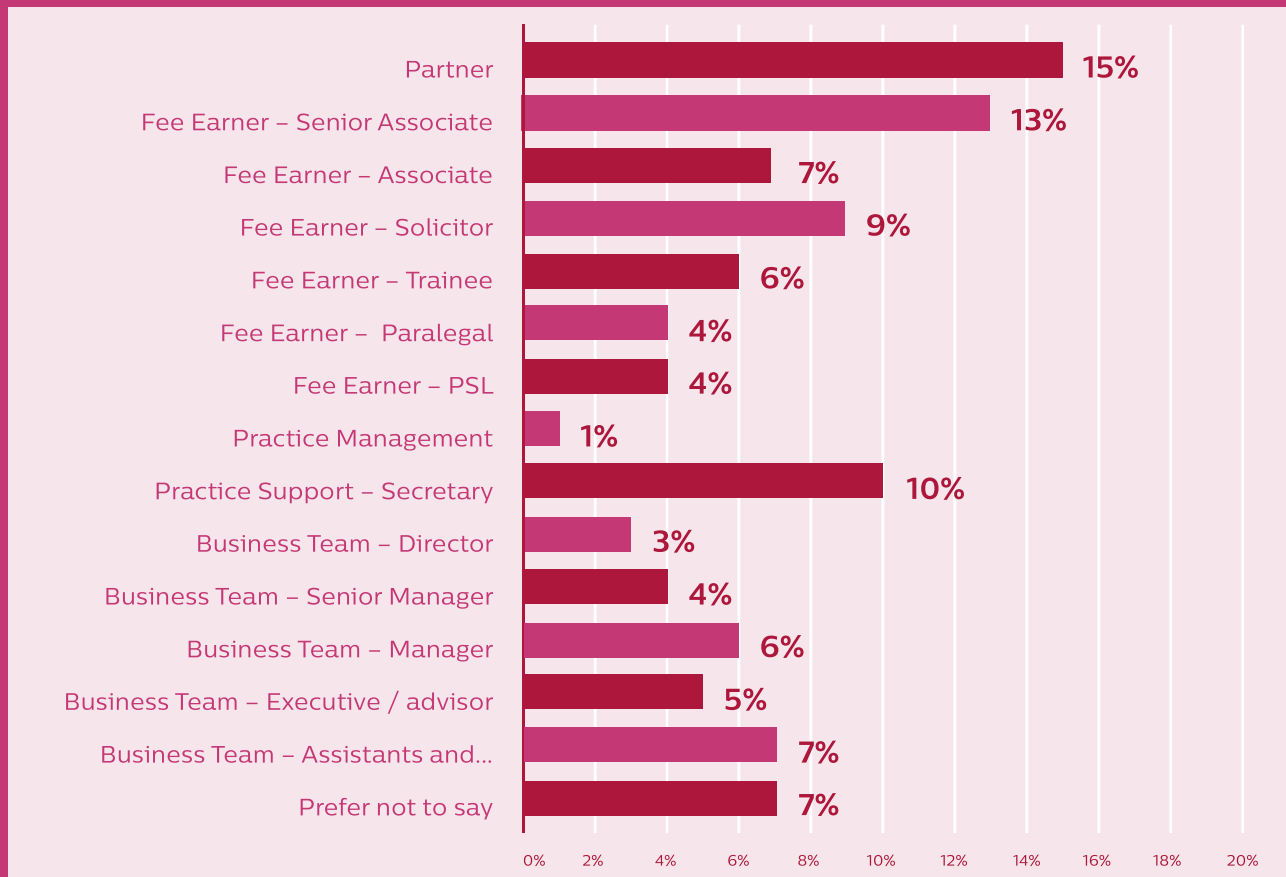
Introduction

At Bates Wells, everyone is encouraged to develop, innovate, and participate in promoting a truly equal, diverse and inclusive environment.

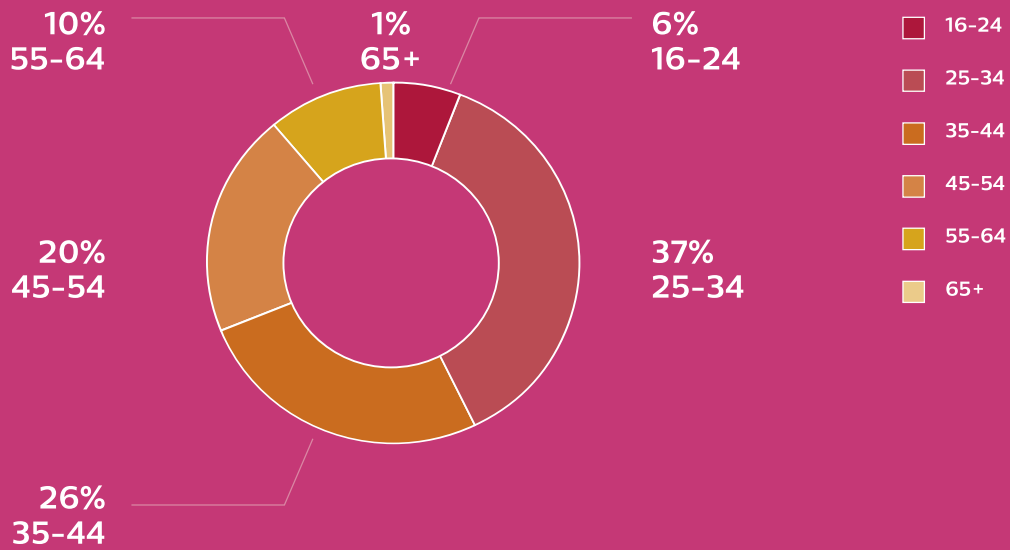
The strategy and activity we are taking are underpinned by accountability, measurement, and planning working as an iterative cycle which we need to build into our processes and reports. Data and benchmarking enable us to document an effective benchmark which will help inform our current and future planning, and to effectively observe the efficacy of and direct the work done across the firm.

For this reporting, we had 192 responses out of a possible 234, which is approximately an 82% response rate. Whilst the data is not representative of the entire firm, we can be confident that it provides a good indication it provides a fair sample.

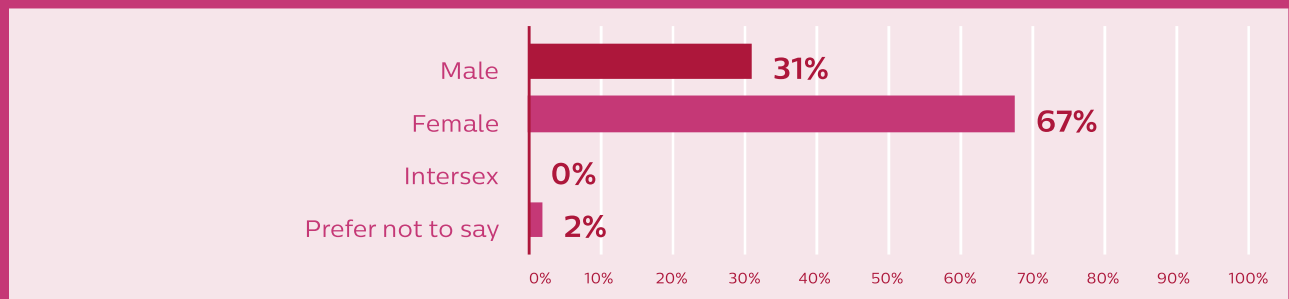
Which best describes your role within the firm?



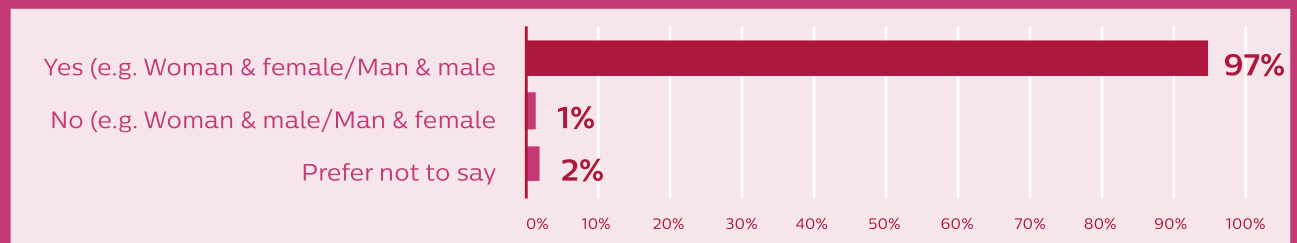
Which age category are you in?



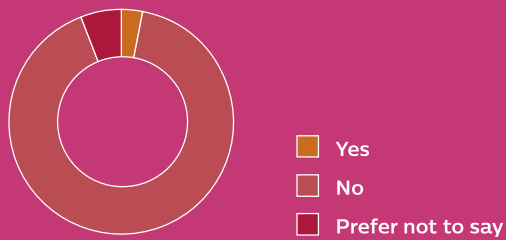
What is your biological sex?



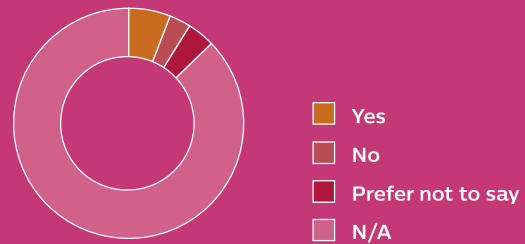
Does your gender identity match your biological sex?



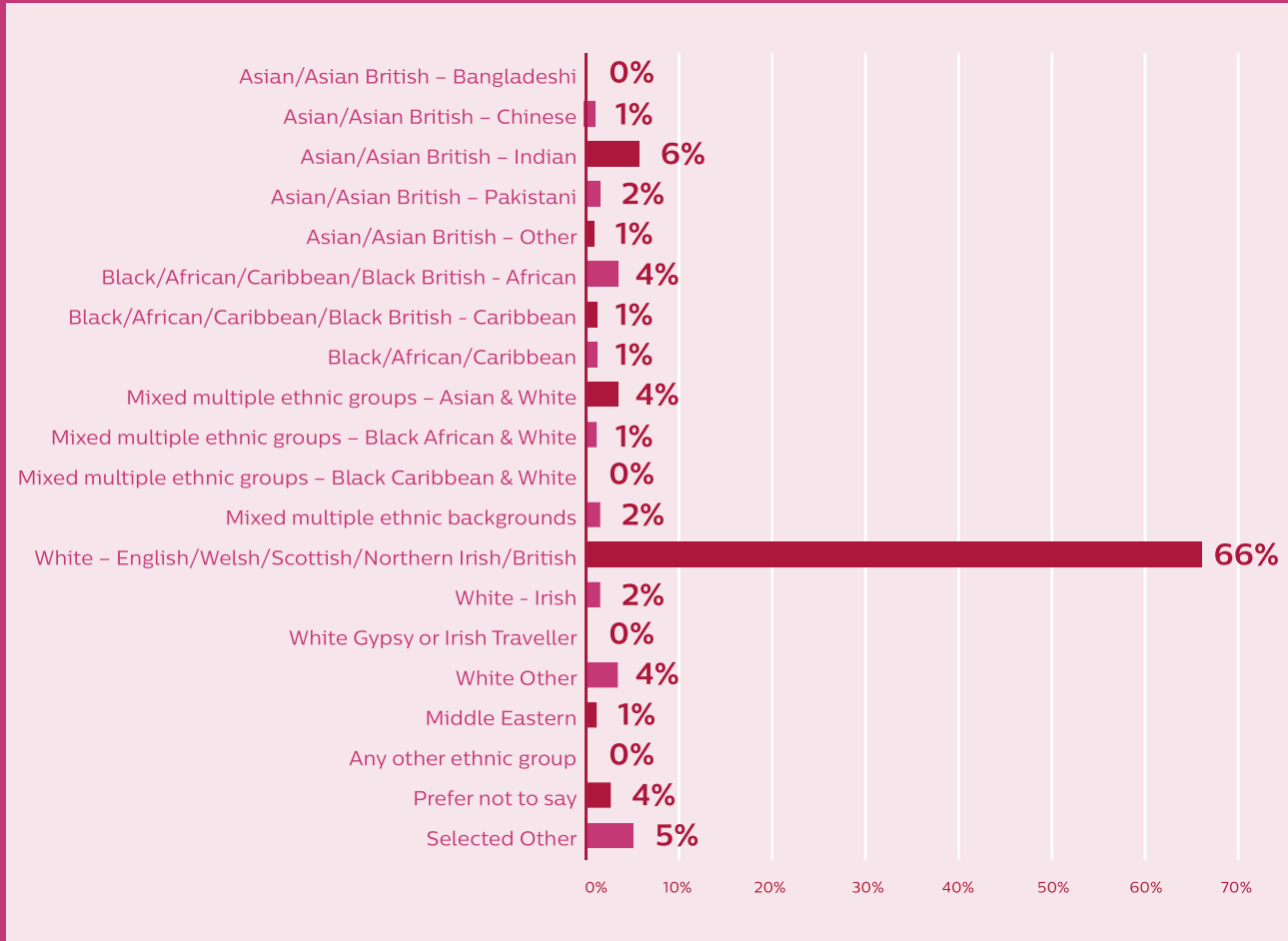
Do you consider yourself to have a disability?



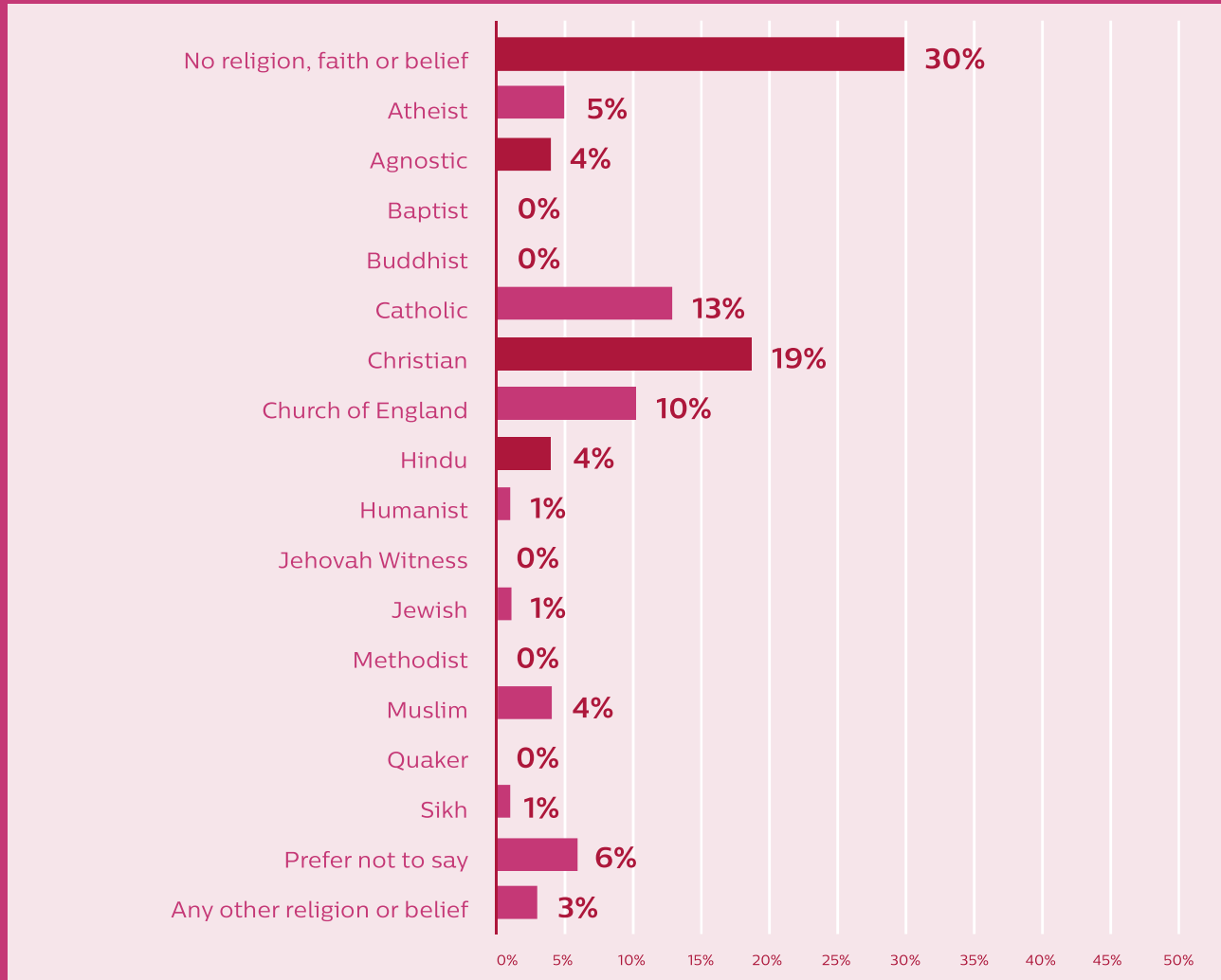
Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?



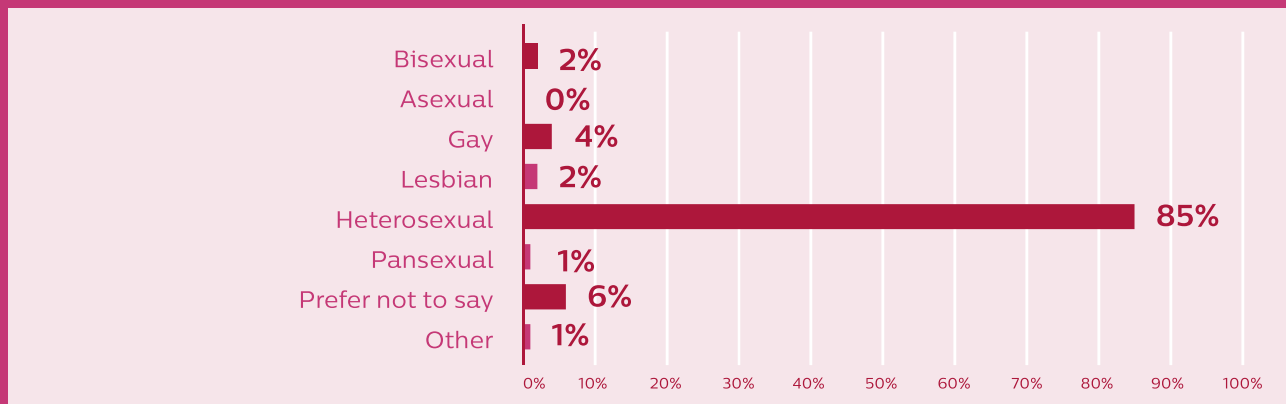
What is your ethnic group?



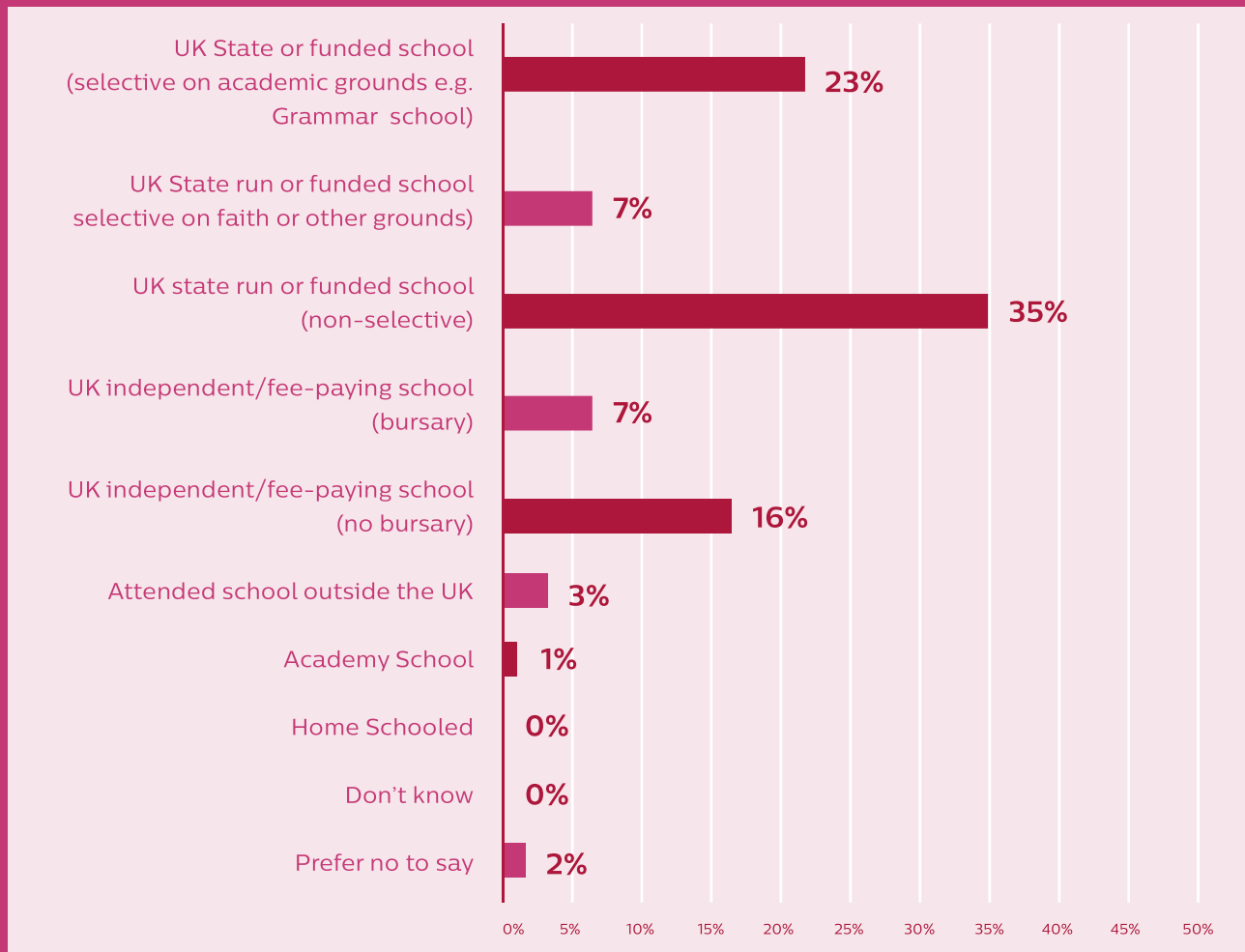
What is your religion, faith or belief?



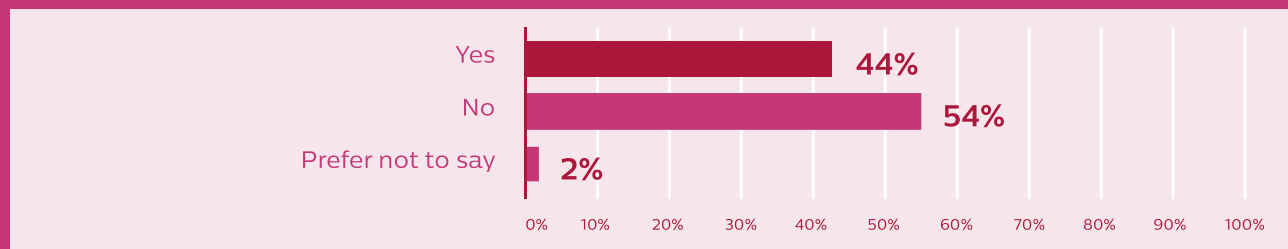
What is your sexual orientation?



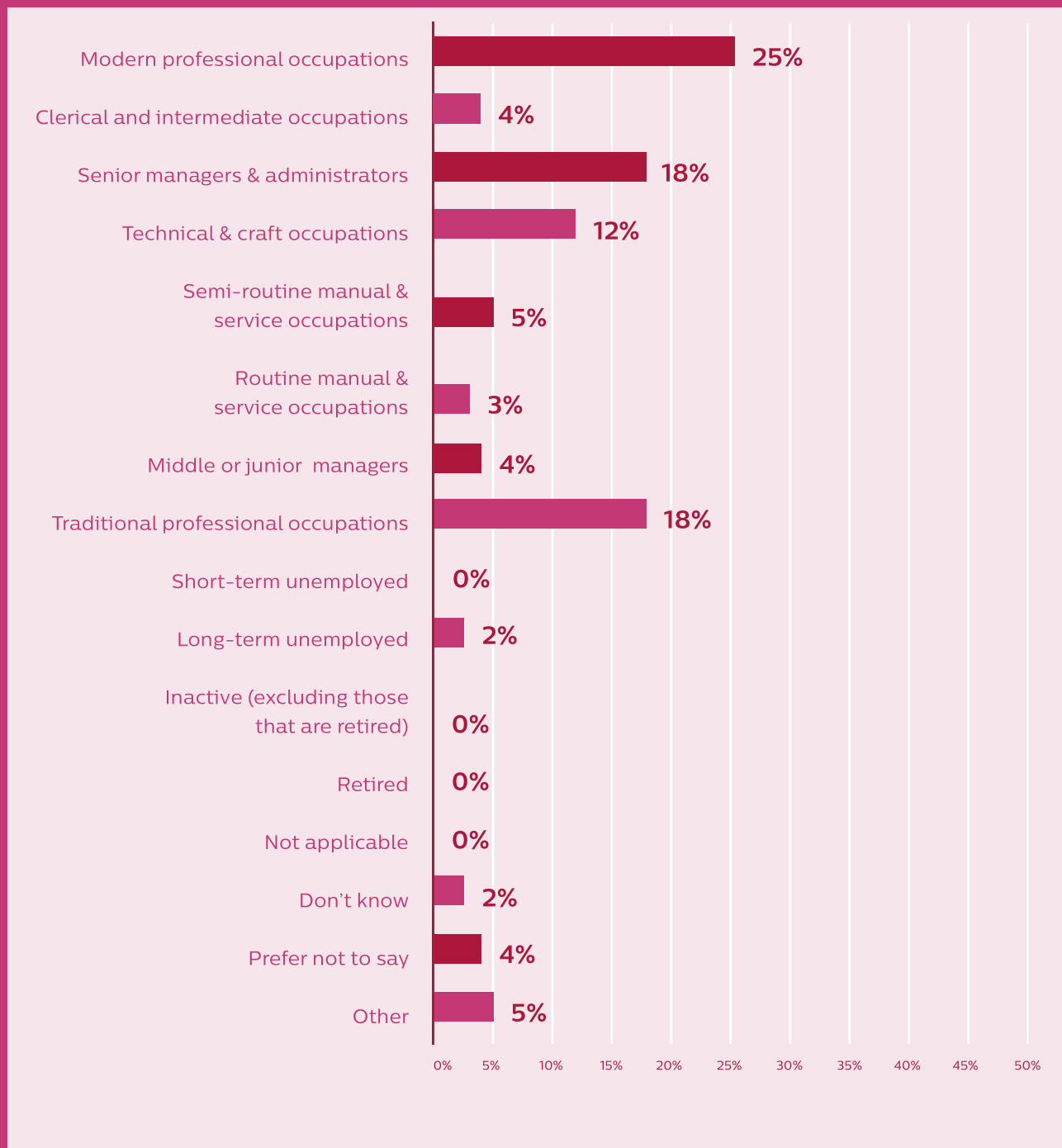
Which type of school did you attend for the most time between the ages of 11 and 16?



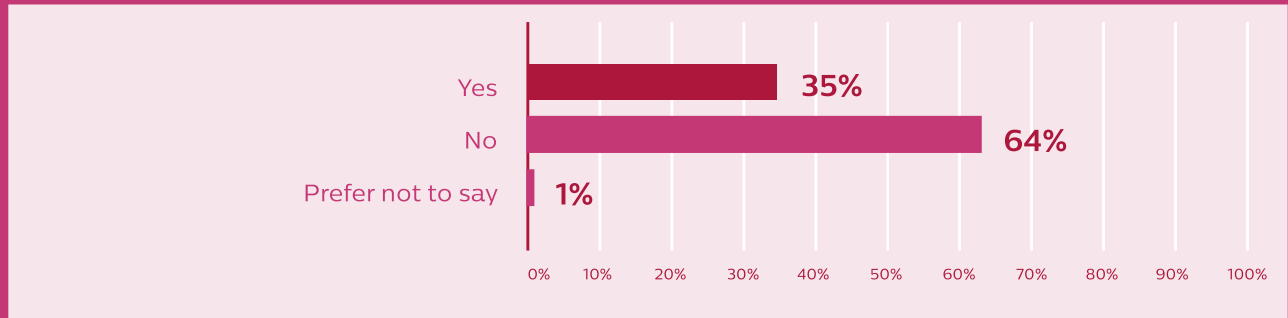
Did either of your parents or guardians attended further education/university?



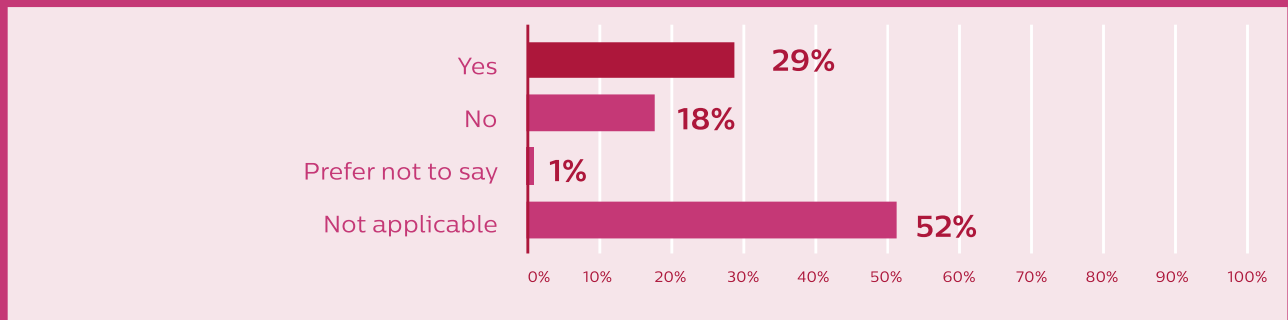
What was the occupation of your main household earner when you were about 14?



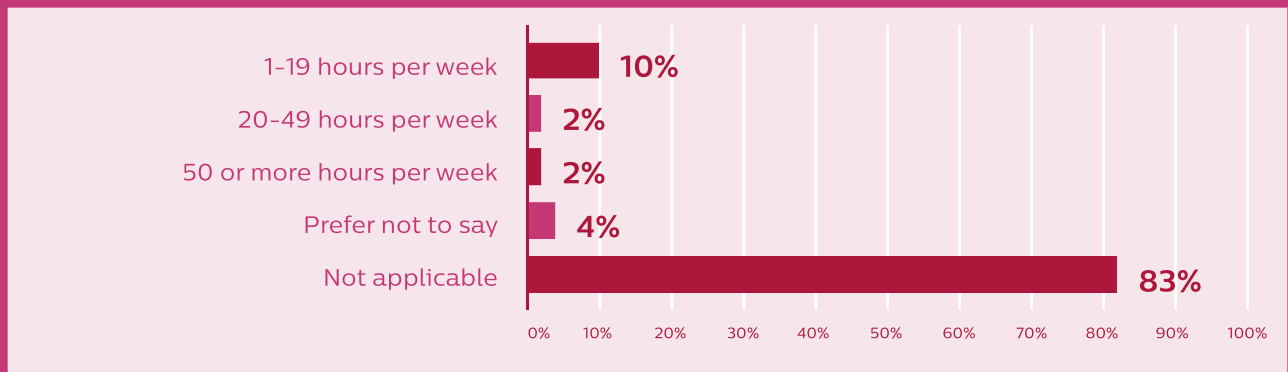
Are you a primary carer for a child or children under 18?



If you answered yes to the previous question, are you the primary carer for a child or children under the age of 18?



Do you look after or care for someone with long term physical or mental ill health caused by disability or age (not in a paid capacity)?





Making a profit is core to all businesses but our goal is to combine this with a real social purpose. Our values are pivotal to us, they shape our decisions and the way we live and work.

We focus on positive social impact as much as we focus on being a successful law firm. Our top tier legal advice is coupled with a real desire to drive change and we were the first UK law firm to achieve B Corp certification, awarded to businesses that balance purpose and profit.

Today, our clients are diverse – from corporate household names, to public bodies, to start-ups. We're also the firm of choice for thousands of charities and social enterprises. We continue to lead the market we helped to shape.

Bates Wells challenges what is possible in legal expertise delivery.

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