

Equity pay report

2023



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Useful definitions:

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

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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

Creating positive impact is central to our firm and our commitment to the clients, communities and people whom we serve. We believe that having a culture which is rich in diverse representation, is inclusive for all and fosters a strong sense of belonging, is not only good for business, it's the right thing to do. Equity, Diversity and Inclusion (EDI) remain a core part of our strategy, and our efforts continue to be led by our Diversity and Inclusion Forum (DIF). We understand that openness, respect and understanding of one another will allow all people the opportunity to reach their full potential. We also strive to create change both in our profession, and in the communities in which we work.

We are pleased to present our annual Equity Pay gap report, where we once again go much further than our legal obligations and provide a detailed picture of our pay. Reward is just one measure of diversity and a helpful way to track our progress towards becoming a more inclusive firm. This report is our opportunity to communicate our progress, hold ourselves accountable and demonstrate our commitment to fair pay and inclusion for everyone, regardless of their gender or ethnicity. Throughout the report the data used relates to 5 April 2023 and includes all pay paid to both our partners and employees during the 12 months prior to that date.



Martin Bunch
Managing Partner



Scott Sullivan
HR Director



Karli Hiscock
Partner & Gender Board Sponsor

What have we achieved?

Inclusion training

In our 2022 report we committed to deliver firm wide inclusion training. With the help of an external consultant from Confronting Change, we delivered a 90-minute 'Conscious Inclusion' training across the firm. The training was delivered both in person and virtually and was followed up with the release of our 'Allyship video'. The aim of the video was to not only bring to life the content of our allyship guide to continue to introduce, raise awareness and drive engagement for users, but also to support people with topics such as microaggressions which were covered in the 'Conscious Inclusion' training.

In addition, we undertook two listening exercises with REACH (our Race, Ethnicity & Cultural Heritage group) & RISE (our group supporting our Black colleagues) with an external consultant. The aim was to hear more about the experiences of ethnic minorities across the firm and to help inform our decision making. The exercises were important safe spaces for people to be able to share their experiences of working at Bates Wells, which were fed back to the Management Board.

Our next steps on inclusion are to ensure those who missed the training watch the recording and to follow up on the actions which came from the listening exercise. We have added the inclusion training and allyship video to our induction programme for all new joiners.

Targets

Our gender target is a 40:60 split either way for our leadership team, and in this reporting period our split for this group was 45:55 in favour of men. Of our three senior partner elections, one was a woman of colour and encouragingly 67% of all new hires across the firm were women.

28% of our firm are from an ethnic minority background and representation is still very limited at the most senior end with only 10% of partners from an ethnic minority background. We will consider ethnicity targets as a means to holding ourselves to account on our commitment to increase representation across the firm.



Graduate Recruitment

2023 saw the launch of our part time training contract (as part of the Law Society's Project Rise) and 6% of all training contract applications came from those expressing an interest in this route. We would like to see this increase in the coming years and will continue to promote it within our graduate recruitment processes.

Of our trainee applications 63% were from women, and 41% from ethnic minorities. We're proud that our conversion rate for applications to successful offers for women was 66%. Conversion rates for our ethnic minority applicants was 50%, a 27% increase on last year. We were also pleased to have an 83% retention rate for our trainees in 2023, of which 50% were women and 20% were ethnic minorities.

Contextualised recruitment

We have seen the benefits of contextualised recruitment with our trainee recruitment, and in 2023 we implemented UpReach's REALRating contextual recruitment tool. UpReach, a charity, provides a wide range of contextualised flags and shifts the focus away from disadvantage and onto achievement, by providing an indication of the

grades that a student from an underprivileged background would have achieved in different circumstances. We will continue to monitor the impact of this recruitment tool.

The REALRating platform shifts the focus away from disadvantage and onto achievement, by providing an indication of the grades that a student from an underprivileged background would have achieved in different circumstances. We will continue to monitor the impact of this recruitment tool.

Partnered with the IVF Network

To enhance our efforts with gender equality and following the feedback from our people in our 2023 Benefits Survey, we have partnered with the IVF Network. This partnership supports men, women, trans and non-binary people at every stage of their fertility journey, but also supports, pregnancy loss, those with medical conditions such as endometriosis, polycystic ovaries and those exploring egg freezing.

Gender pay gap reporting

Employee pay gap

We're pleased to report that both our mean and median gender pay gaps have reduced and both are now in favour of women.

Year	Mean gender pay gap %	Median gender pay gap %
2023	-11.1	-0.8
2022	2.6	13.9
2021	1.5	9.9
Trend	↓ -12.6	↓ -10.7

Employee bonus* gap

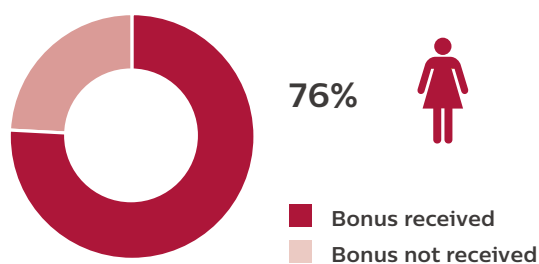
Our bonus gap increased from 0.7% to 34.1%. However, encouragingly the median gap has reduced in favour of women to -5.0%.

Although women received higher performance bonuses this year and profit share was equal, the 2022 reporting included a flat 13.0% of salary bonus to all our employees as a thank you for their support to our firm during the COVID pandemic, which resulted in a mean bonus gap of only 0.7%. Whilst this year's results are much higher, we are pleased to see our overall results tracking downwards.

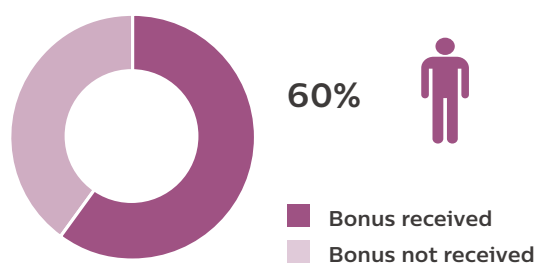
On deeper analysis, we are satisfied that the performance bonuses and profit share distributed to our employees over the year were equal, and the gap is being created by other bonus policies we have in place, such as our client introducer scheme.

Year	Mean gender bonus gap %	Median gender bonus gap %
2023	34.1	-5.0
2022	0.7	27.5
2021	61.8	48.0
Trend	↓ -27.7	↓ -53.0

% Proportions of bonuses received – Women



% Proportions of bonuses received – Men



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

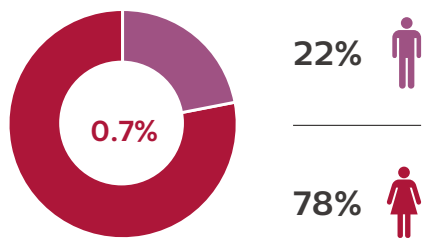
Employee gender quartiles

We continue to have a large proportion of women across all pay quartiles, with an overall female population of 68.0% in the month of April 2023.

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.

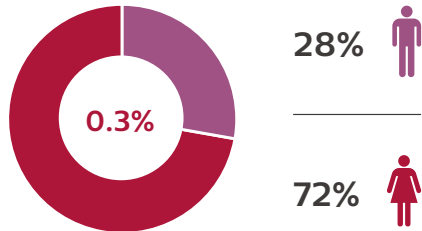
2023

Lower quartile



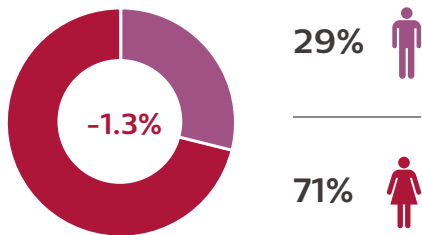
e.g. Apprentices,
finance assistants,
paralegals.

Lower middle quartile



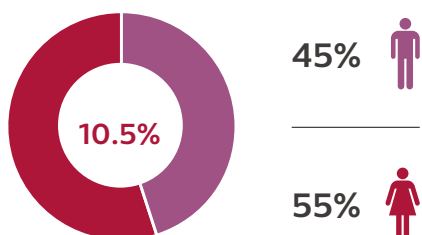
e.g. HR advisors,
secretaries, trainees.

Upper middle quartile



e.g. Business team
managers, solicitors.

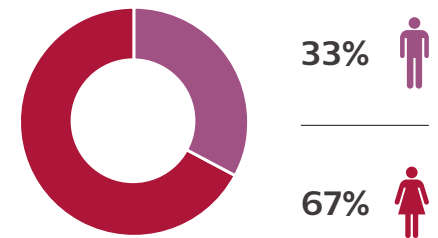
Upper quartile



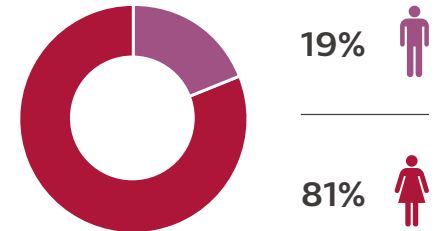
e.g. Business team
directors, Associates,
Senior Associates.

2022

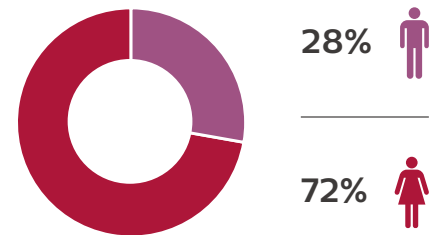
Lower quartile



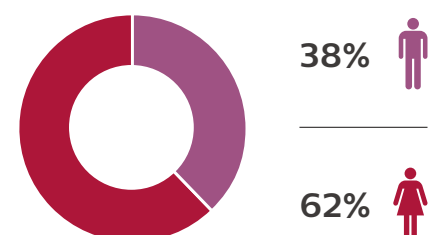
Lower middle quartile



Upper middle quartile



Upper quartile



Partner remuneration gap

The partner mean remuneration gap is up from 9.9% in 2022 to 33.3% This is due to more men occupying the upper pay quartile which is causing the pay gap. However, encouragingly the median has dropped by 2.0% over the last three years and as our partner demographic continues to change, we are hopeful the mean pay gap will gradually start to close.

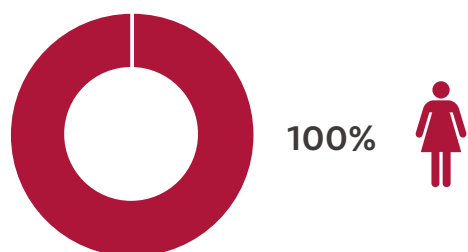
Year	Mean partner gap %	Median partner gap %
2023	33.3	38.0
2022	9.9	6.5
2021	20.9	40.0
Trend	↑ 12.4	↓ -2.0

Partner bonus gap

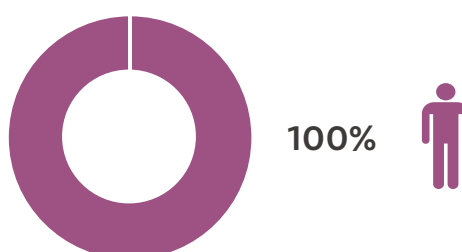
While the median bonus gap has almost halved to 6.0% and is also tracking downwards (by 6.6%), the mean has increased by 4.3% to 19.0%.

Year	Mean bonus gap %	Median bonus gap %
2023	19.0	6.0
2022	14.7	12.6
2021	10.8	13.5
Trend	↑ 8.2	↓ -6.6

% bonus proportions received – Female



% bonus proportions received – Male

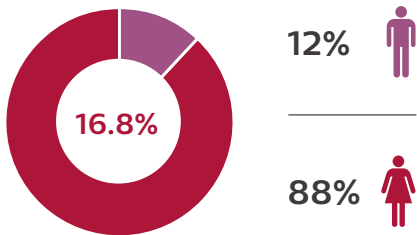


Partner quartiles

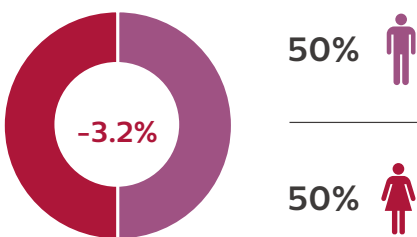
The graphics below show the gender distribution at Bates Wells across four equally sized pay quartiles with the corresponding mean gender remuneration gap highlighted for each quartile.

2023

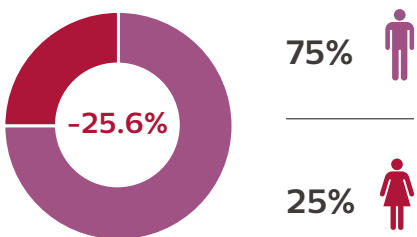
Lower quartile



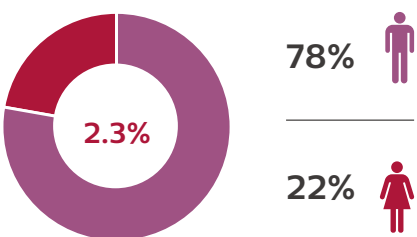
Lower middle quartile



Upper middle quartile

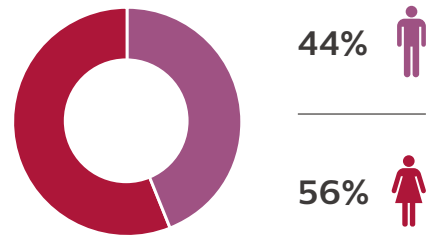


Upper quartile

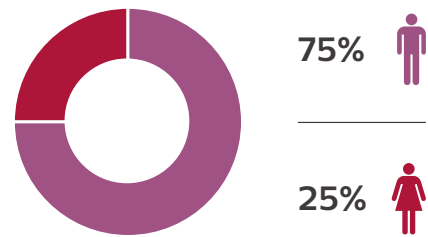


2022

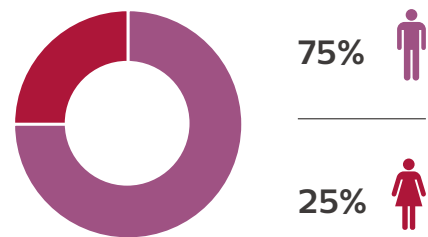
Lower quartile



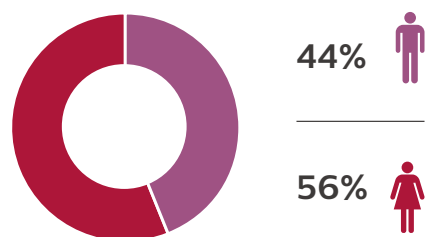
Lower middle quartile



Upper middle quartile



Upper quartile



Ethnicity pay gap reporting

Employee ethnicity pay gap

28% of our firm are from an ethnic minority background and we have continued our efforts with recruitment to bring in more racially diverse people to the firm, with 28% of new hires being from an ethnic minority background.

Our overall employee mean ethnicity pay gap increased by 7.3% to 10.9% due to an underrepresentation of ethnic minority staff in our more senior roles. However, the median remains in favour of our ethnic minority colleagues and over the last three years has dropped by 20.6%.

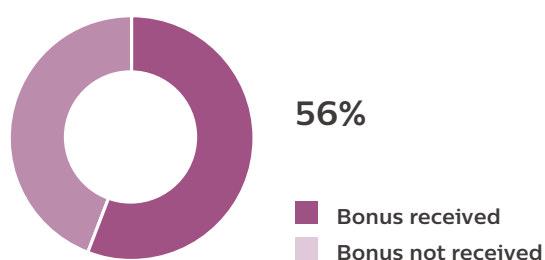
Year	Mean pay gap %	Median pay gap %
2023	10.9	-12.2
2022	3.6	-12.5
2021	10.1	8.4
Trend	↑ 0.7	↓ -20.6

Employee ethnicity bonus* gap

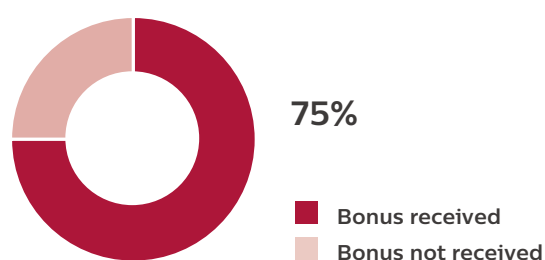
Our ethnicity bonus gap increased from 22.2% to 26.7%, with the median gap sitting at 26.0%. Although all fee earners have access to claim the client introducer bonus, within this reporting period, more white colleagues claimed the bonus which has impacted the data.

Year	Mean bonus gap %	Median bonus gap %
2023	26.7	26.0
2022	22.2	7.5
2021	68.8	55.5
Trend	↓ -42.1	↓ -29.5

% bonus proportions received – Ethnic Minority



% bonus proportions received – White



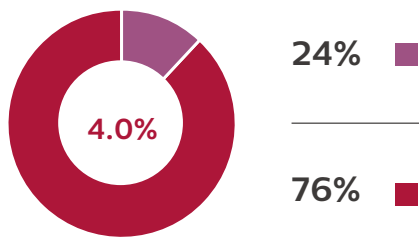
* Bonuses such as introducer, first aid/fire warden, other and length of service are included.

Employee ethnicity 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. While we have an even split across the quartiles, we have more to do, to increase representation at all levels within the firm.

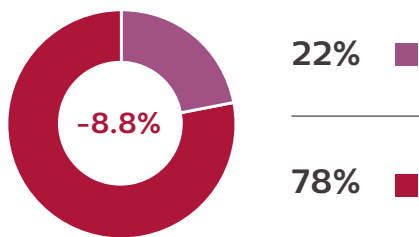
2023

Lower quartile



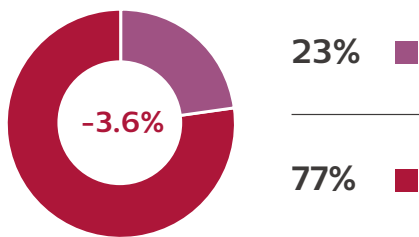
e.g. Apprentices,
finance assistants,
paralegals.

Lower middle quartile



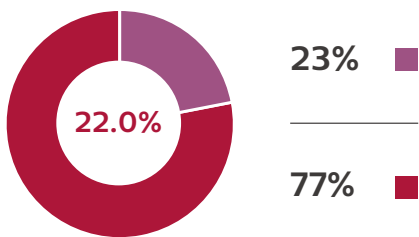
e.g. HR advisors,
secretaries, trainees.

Upper middle quartile



e.g. Business team
managers, solicitors.

Upper quartile

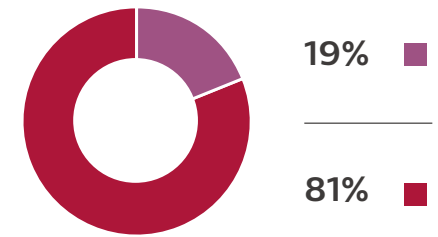


e.g. Business team
directors, Associates,
Senior Associates.

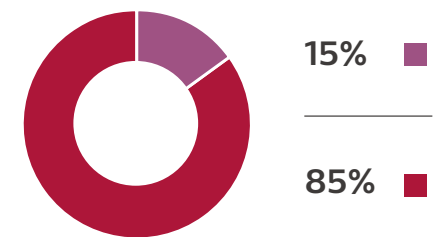
EM White

2022

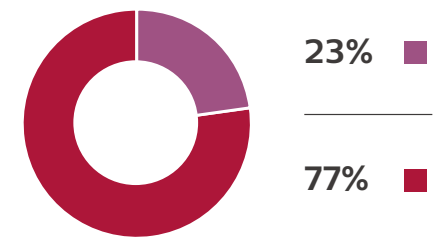
Lower quartile



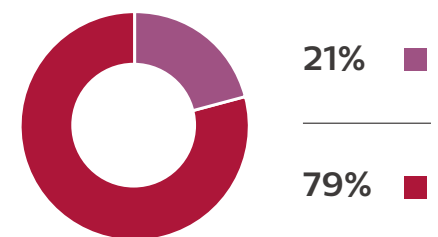
Lower middle quartile



Upper middle quartile



Upper quartile



EM White

Partner ethnicity gap

Our mean partner gap is 34.0% (up from 22.9%) and the median has increased slightly from 14.9% to 16.0%. The gap is due to the make-up of our partnership, where only 10% of our partners are from an ethnic minority background. Our review of ethnicity targets within our commitments (page 14) will aim to address this imbalance.

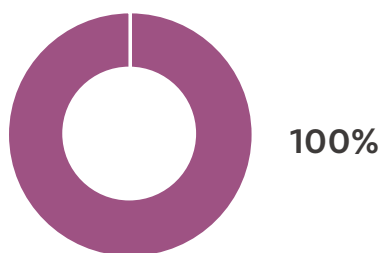
Year	Mean pay gap %	Median pay gap %
2023	34.0	16.0
2022	22.9	14.9
2021	27.8	28.4
Trend	↑ 6.2	↓ -12.4

Partner ethnicity bonus gap

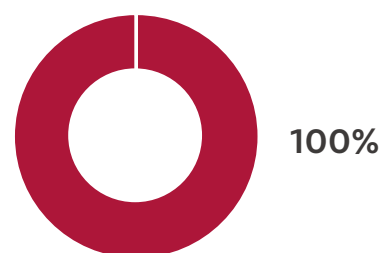
We have a small number of ethnic minority partners and as such the bonus data is influenced by relatively small changes. This year we are seeing a big swing in our mean gap (in favour of ethnic minority partners) as a result of this.

Year	Mean pay gap %	Median pay gap %
2023	-27.0	1.4
2022	18.0	1.4
2021	4.3	28.8
Trend	↓ -31.3	↓ -34.8

% bonus proportions received – Ethnic Minority



% bonus proportions received – White

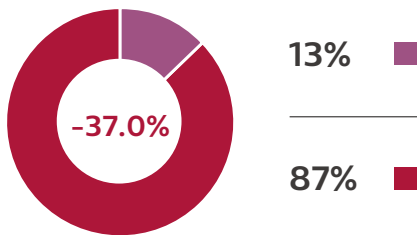


Partner ethnicity quartiles

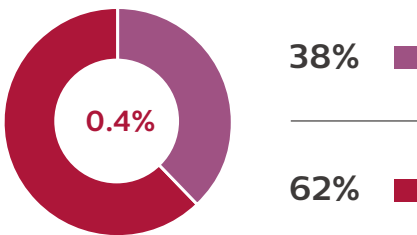
The graphics below show the ethnicity distribution at Bates Wells across four equally sized pay quartiles with the corresponding mean ethnicity gap highlighted for each quartile.

2023

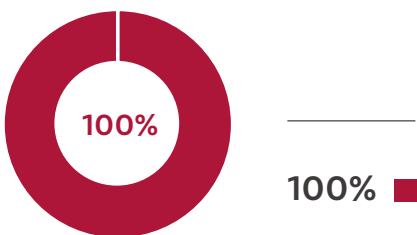
Lower quartile



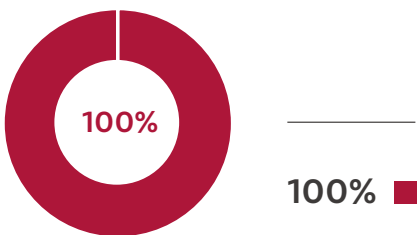
Lower middle quartile



Upper middle quartile



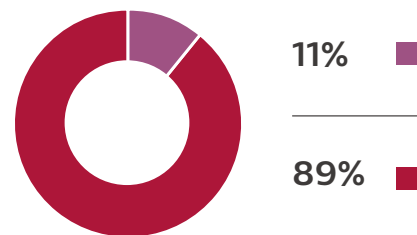
Upper quartile



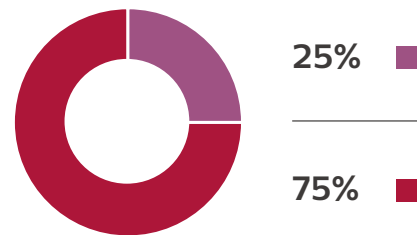
EM White

2022

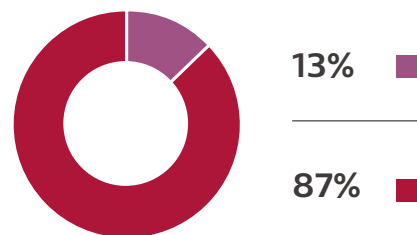
Lower quartile



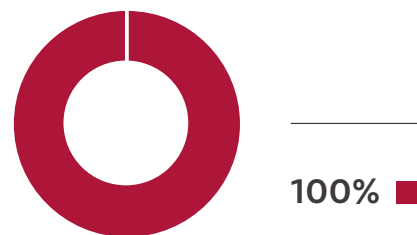
Lower middle quartile



Upper middle quartile



Upper quartile



EM White

Our commitments for 2024

We have committed to achieve the following three core projects in the coming 12 months, to help progress our inclusion journey:

#1 EDI objectives for all employees – Gender & Ethnicity

Following the implementation of EDI objectives for our Heads of Departments, Directors and Partners, we will be supporting all our employees to set an EDI or ESG objective for the new performance year. This will help drive commitment across the firm.

#2 Role modelling intersectionality – Gender & Ethnicity

Role models provide inspiration for others – you can't be who you can't see. By creating visible role models across the firm, our junior colleagues will have a variety of leaders with different diversity characteristics to which they can relate, helping to create a sense of inspiration and motivation.

#3 Diversity Targets – Ethnicity

We need to increase the representation of ethnic minorities across the firm, but particularly at the senior end, and this is an area of focus for us. We will consider ethnicity targets as a means to holding ourselves to account on this commitment.



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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