

Charles Russell Speechlys Gender & Ethnicity Pay Report (UK)

April 2023



Equity in the employment relationship

As a Firm, we are committed in continuing our focus on providing optimum conditions for an inclusive and equitable environment for everyone.

The Future Firm Group, led by Senior Leaders across the Firm are focused on strategic aspects of diversity, equity and inclusion with specific action plans and related targets, where applicable. We are progressing with a lens on all aspects of diversity, to ensure we are considering our approaches to an equitable employment relationship from differing viewpoints.

This is yielding positive strides and changes to how we recruit and develop our future talent. Reducing our gender and ethnicity pay gap will be the demonstrable result of the progress we make as a Firm over the next few years.

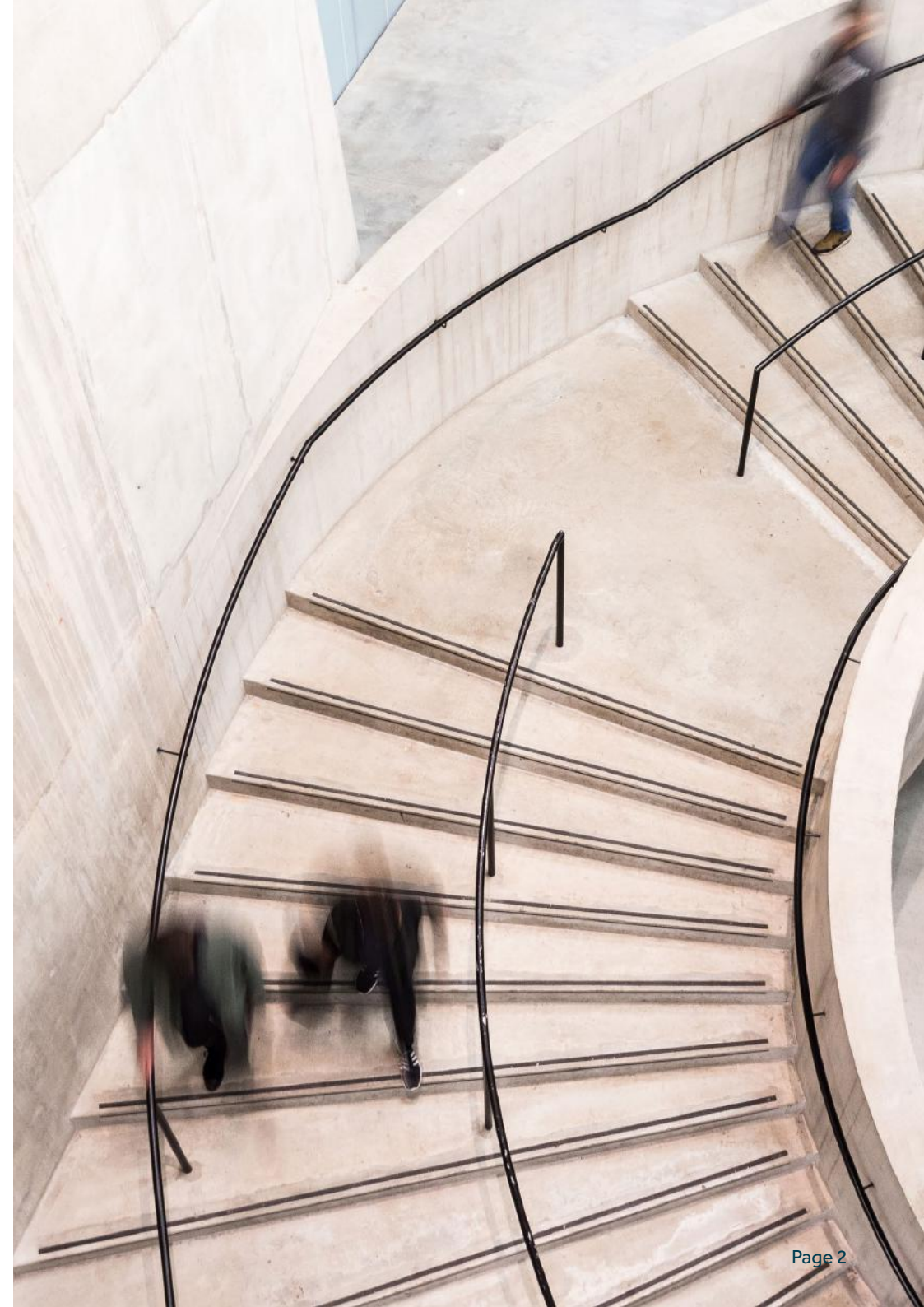
As reported last year, we will still experience fluctuations and volatility in our pay gap data for a few years, which is attributable to historical career structures.

However, we are confident there is parity in the application of equal pay with our approach to Reward which is shown in our data. The data does however fluctuate, and this can be in part attributed to our regional pay structure, and our larger female population, of which many work part time hours.

Fostering an environment of belonging and inclusion remains a focus for everyone at our Firm.



Karen Stages
Director of HR



Our data (mandatory publication requirements)

Pay gap (employees only)

The difference between men and women

	Mean	Median
Hourly Rate of Pay	20.5%	34.1%
Bonus	51.3%	46.3%

It should be noted that bonus awards are based on salary, so that if we have a pay gap, we will also have a bonus gap. The level of the bonus gap is also affected by the way in which the Regulations require us to report - bonuses are reported on the amount paid rather than full time equivalent arrangements.

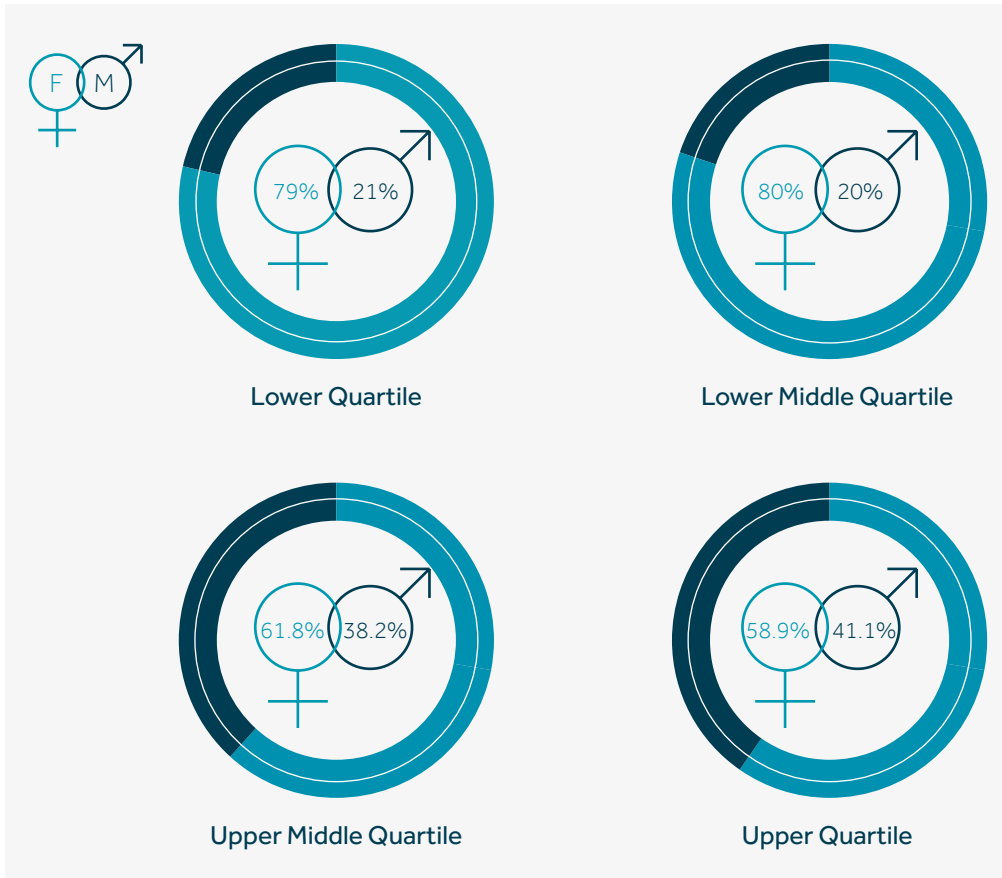
For this reporting period, 18% of individuals awarded a bonus work part-time, and of those receiving a bonus, there are more women on part-time arrangements than men. This makes the bonus gap appear wider as the figures reflect the actual amount paid rather than the full time equivalent.

	Male	Female
Individuals who received a bonus who are on Part-Time Working Arrangements	4.5%	24.3%



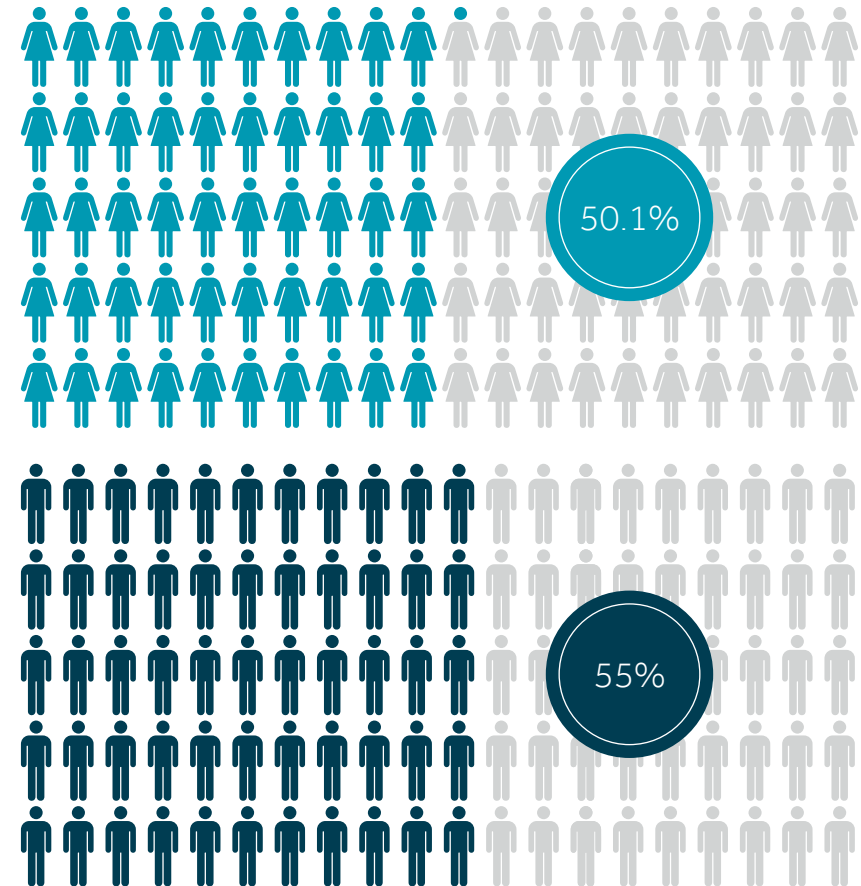
Pay quartiles (employees only)

The quartiles split our employees into four equal groups ranked from the highest to the lowest rate of pay and show the relative percentage of each gender in those groups. As women make up 65% of the firm, we would expect them to make up the majority of each quartile.



Our data (mandatory publication requirements)

Proportion of women and men awarded a bonus in 2021/2022



Our data includes Partners of the Firm

Although the Regulations do not require us to report on our Partner pay, we are including these figures, in the interest of transparency. We have calculated these figures using the principles written by the UK Government to calculate our gender pay figures. The way our Partners are remunerated is different from our employees.

To compare hourly rates, we have calculated the hourly rate for Partners based on their full-time equivalent earnings for the 2021/2022 financial year.

Hourly Rate of Pay	Mean	Median
Partners and employees*	57.4%	41.5%
Partners only	27.6%	36.5%
All Employees	20.5%	34.1%
Fee Earning Employees	13.3%	9.3%
Business Services Employees	22.4%	20.7%

Role	Mean difference in hourly rate of pay
Trainee Solicitors	0%
Associates	2.8%
Senior Associates	1.3%
Legal Director	4.5%
Prior Share Equity Partner	-1.2%
Full Share Equity Partner	23%

Why do we have a gender pay gap?

The effect of demographics

The pay gap primarily reflects the demographics of our Firm. Women make up 65% of the Firm (including Partners) and hold 75% of secretarial/business support roles.

We remain confident our people are paid equally for doing equivalent roles across the Firm, irrespective of gender. This is supported by further analysis of our data - if we break down the data into specific employee groups, the pay gap reduces significantly and, in some cases, reverses in favour of women, as shown in the table above.

The effect of regional variation

Another reason for our gender pay gap is that we have a higher proportion of women in our regional UK offices. Salaries outside of London are generally lower due to market forces which impact our gender pay gap as a Firm.

The table below supports this theory and illustrates that our gender pay gap is positive in favour of women in some roles/offices, and the gap narrows when looking at each office in silo.



	Mean			Median		
	London	Guildford	Cheltenham	London	Guildford	Cheltenham
Trainee Solicitors	1.1%	1.4%	0.6%	7.0%	-5.7	3.0%
Associates	3.3%	-8.7%	-2.0%	6.7%	-11.7%	5.1%
Senior Associates	3.7%	-0.2%	-2.1%	3.5%	-0.7%	-6.7%

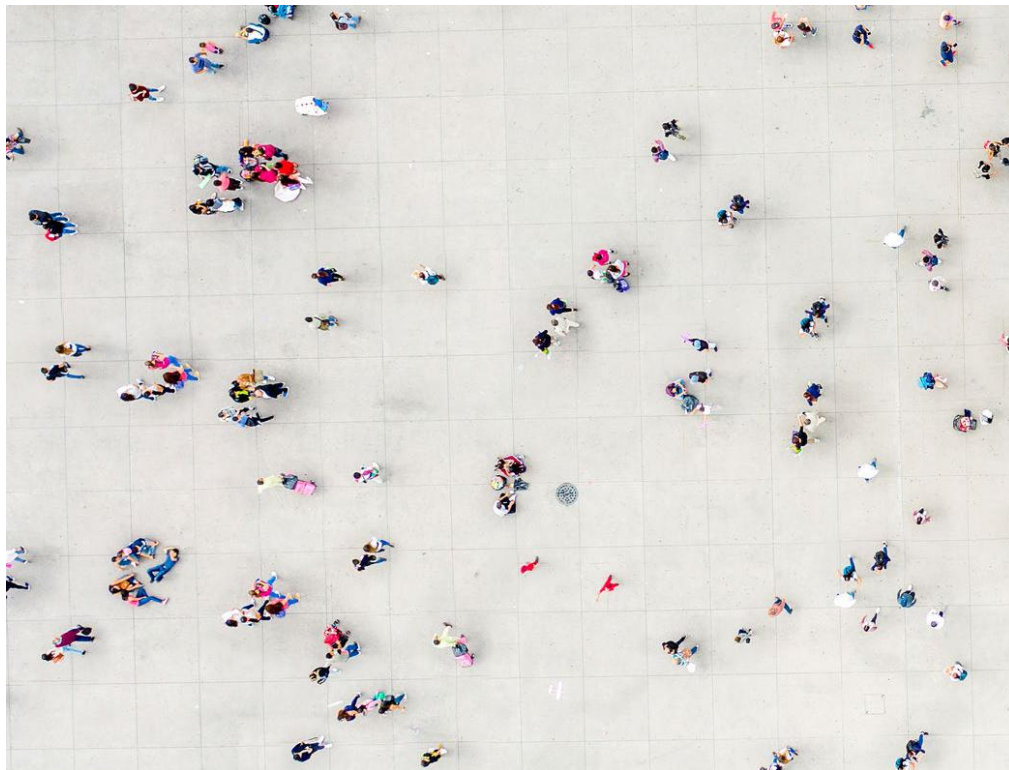
* The difference in pay gaps across offices reflects the impact of the gender make up of the trainee cohorts and highlights the impact of demographics on the pay gap. All of our Trainee Solicitors are paid the same salary which is only differentiated based on location and whether they are in the first or second year of training.

The effect of changes in employee and Partner populations

Each year we expect these figures to fluctuate slightly due to changes in both our employee and Partner populations because of turnover, promotions and growth.

The impact of this is that our mean and median pay gap figures have fluctuated across both the employees and Partner figures, with the greater impact being on the Partner pay gap.

Slight changes in the Partner population have a noticeable impact on our figures due to the size of that particular population.



Ethnicity pay gap

Although not within the scope of the Regulations, this year we are again reporting our ethnicity pay gap. We have calculated these figures using the same principles for our gender pay gap figures.

Our data

When calculating the ethnicity pay gap, we took guidance from the office of national statistics' definition of Ethnic Minority, which includes Partners and Employees who have reported their ethnicity as Black, Asian or minority ethnic.

The figures below show the pay gap and are based on the 87% of people who have recorded their ethnicity.

Hourly Rate of Pay	Mean	Median
Partners and employees*	45.7%	32.0%
Employees only	14.5%	17.3%
Partners only	33.4%	48.3%

*The way our Partners are remunerated is different from our employees. To compare hourly rates, we have calculated the hourly rate for Partners based on their full-time equivalent earnings for the 2021/2022 financial year.

Why we have an ethnicity pay gap

Our ethnicity pay gap is impacted by the fact that our minority ethnic population is relatively small, meaning that it can disproportionately and significantly impact on our pay gap figures. In a similar way to our gender pay gap analysis, if we break down our ethnicity pay gap data into specific employee groups, the pay gap reduces in most cases, as shown in the table below:

Role	Mean difference in hourly rate of pay
Trainee Solicitors*	-11.9%
Associates	-9%
Partners	33.4%

* The pay gap at the Trainee Solicitor level highlights how a small population can have a disproportionately and significantly impact on pay gap reporting. All our Trainee Solicitors are paid the same salary, which is only differentiated based on location and whether they are in the first or second year of their training contract. This indicates that the primary cause of our ethnicity pay gap is a lack of diversity in senior roles, an issue that we hope to address through our diversity initiatives.



Actions

Diversity, Equity, and Inclusion (DEI) are high on our business agenda and a key strand to the Firm's core commercial strategy. It is led from the top of the Firm, mainstreamed into our central governance, and made relevant to everyone. The Firm's DEI strategy development is led by our Future Firm Group (FFG). The FFG is chaired by the Firm's Managing and Senior Partners and supported by senior operational leads – our Directors of Human Resources and Partnership Performance, our Partner for Responsible Business, and our newly appointed Head of DEI, as well as representatives from Finance, Business Development and other roles representing different areas of the business.

We have active internal DEI Networks and senior representatives from each are also active members of the FFG.

The FFG is currently focusing on five key areas and how they relate to each other:

- Disability, Mental Health, and Wellbeing
- Gender Balance
- Sexual Orientation and Gender Identity
- Religion, Belief and Ethnicity
- Social Mobility

We are committed to fostering an inclusive workplace where talent is nurtured and where everyone feels valued, respected and supported to build their careers at the Firm. Current actions include:

- Improving the completion rates across all strands of diversity. Our diversity data currently reflects a 97.2% completion rate for gender and 91% for ethnicity. Improved data across all strands of diversity will support a more detailed analysis of the challenges, which will help identify actions and inform our strategy.
- Measuring progress against our target of 35% female representation in our UK Partnership by 2024 and 30% female representation in our senior leadership roles by 2025 and continuing to set challenging but achievable targets to focus actions and activity.
- Maximising the impact of the range of development programmes offered by the CRS Business School, including focussed programmes for our female talent and future leaders. Running mentoring and reverse mentoring programmes for people across the Firm to better understand, support and develop each other.

- Ensuring that we recruit from a diverse talent pool including through partnerships with 10,000 Black Interns, Aspiring Solicitors and through our flagship Social Mobility programme to support students from a low socio-economic background, Career Start.
- In 2022, as part of our Early Talent recruitment process, we incorporated contextualised recruitment software to ensure that we were able to better understand our candidates' achievements.

We have been pleased that our work in this space has been acknowledged by industry leading bodies. We ranked 52nd in the Social Mobility Employers Index 2022, in recognition of our efforts in this area. This year, the Firm ranked 32nd in the 2023 Stonewall Equality Index, and our LGBTQ+ Network were awarded a Highly Commended Network award to recognise their hard work and engagement.

We recognise that there is more that we can do and are ambitious for what we can achieve to further embed DEI best practice into the Firm.



Simon Ridpath
Managing Partner

"I confirm that the data reported is accurate"

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