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Napthens Sustainable Business Report

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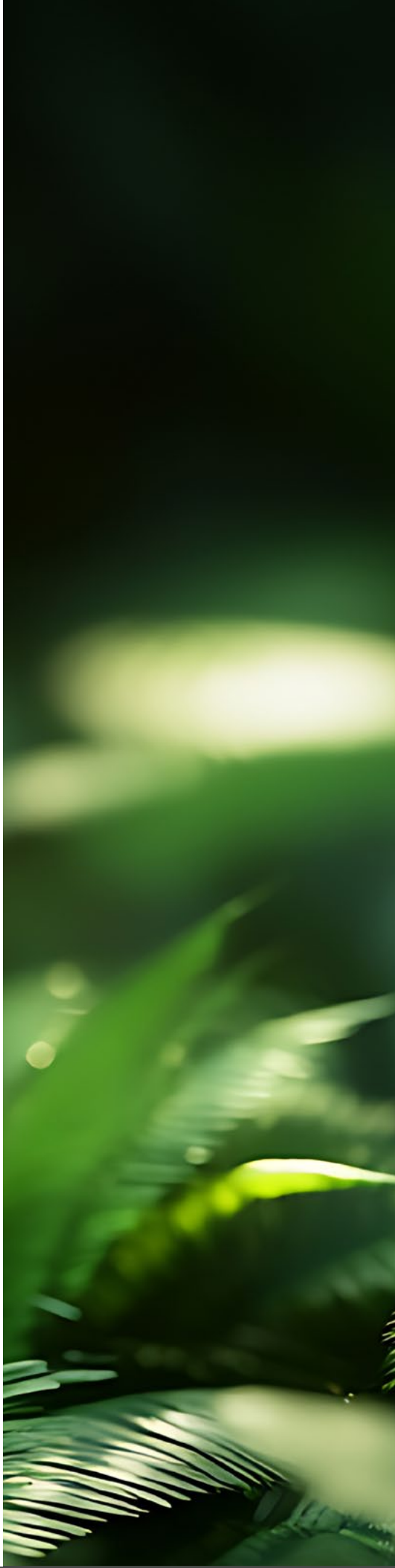


A note from our managing director, Stephen Faulkner

“We are proud to present our first sustainability report, marking an important step in our journey toward greater environmental responsibility, social impact, and ethical governance.

At the heart of our commitment to sustainability is the belief that everyone in our firm should have a genuine sense of belonging and opportunity to thrive. We also recognise our broader responsibility to reduce our environmental impact, support the communities in which we have long operated, and ensure that ethical, transparent, and accountable decision making is embedded across all levels of our firm.

As a leading north west law firm, we are uniquely positioned to drive sustainable outcomes through our own practice, and through the advice we provide to our clients. This report affirms our enduring commitment to integrating sustainability into the core of our operations, governance, and client service, ensuring that our actions today contribute meaningfully to a more responsible and resilient future.”

Stephen Faulkner
Managing Director

Purpose and scope of the report

The purpose of our first sustainability report is to establish a clear baseline using data from the 2024/25 financial year, giving us the insight we need to set meaningful objectives and measure our progress in the years ahead. The scope of the report encompasses our environmental impact, social initiatives, and governance practices across all Napthens Group offices and operations, providing a comprehensive overview of our current ESG performance and laying the foundation for future improvements.

About Napthens Group

Who we are

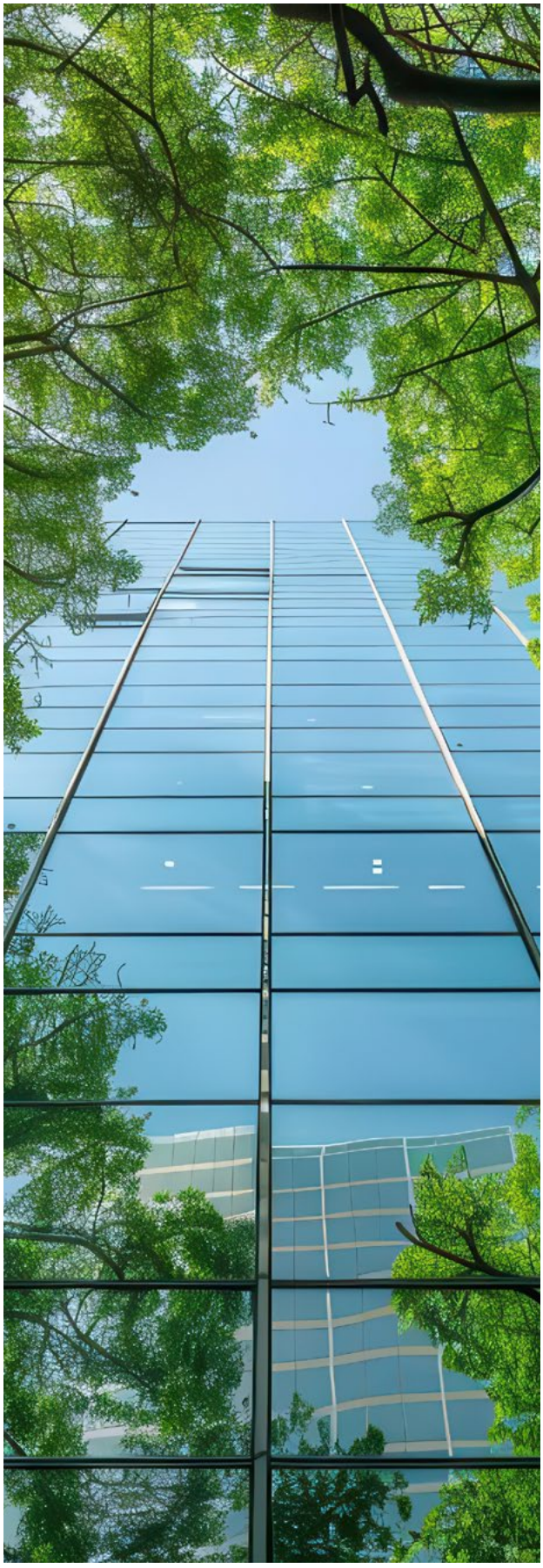
Napthens Group comprises Napthens LLP, AfterAthena Ltd, Napthens Trustees Ltd and Lancashire Searches Ltd, together supporting a wide range of businesses and individuals across the north west regionally, and the UK as a whole. As a group, we help clients navigate the legal aspects of both life and business, with services continually expanding in line with our long-term growth strategy.

Napthens LLP delivers expert legal advice to business and private clients nationwide, through specialist teams operating under the brands of Napthens, AfterHours, FarmFuture, and Prime Residential. Our AfterHours team offers one of the few dedicated licensing departments in England and Wales, while FarmFuture provides tailored legal support to the rural and agricultural community. Prime Residential delivers high-quality, bespoke conveyancing services for clients with complex or high-value property needs.

AfterAthena blends legal, HR, and health and safety expertise with technology to meet the evolving needs of the modern workplace. Lancashire Searches enhances the client experience by providing in-house legal search capabilities.

At the time of publishing this report, the Napthens Group is proud to comprise of 326 people, including 25 partners, across our network. We are excited to continue growing, with further expansion expected as we establish our new office in central Manchester, extending our reach and deepening our impact across the region.

Across the Group, our shared values of collaboration, understanding and excelling underpin everthing we do and guide our commitment to sustainable, inclusive growth.



Our commitment to ESG

We recognise that building a resilient, ethical, and inclusive future, both for our clients and our communities, requires us to act today. By embedding sustainable practices into our operations and decision-making, we aim to create long-term value and contribute meaningfully to the world around us.

Alignment with United Nations Sustainable Development Goals and Legal Sustainability Alliance Environmental Social Governance Framework

We align our sustainability efforts with the LSA ESG Framework and the United Nations Sustainable Development Goals (UN SDGs), applying these global standards in a way that is grounded in the unique needs and context of our regional communities, as follows:

- SDG 4 – Quality Education: Through local school and university partnerships, we provide education on legal career pathways and insight sessions, with a focus on engaging students from underrepresented backgrounds.

- SDG 10 – Reduced Inequalities: We operate a strong equal opportunities policy that supports every stage of our people's journey at Napthens. While our equality, diversity and inclusion (EDI) approach is still developing, we are committed to building a long-term strategy that ensures fair and equitable access to opportunities for all. As part of this, we intend to expand our EDI efforts to include a focused strategy aimed at widening participation in the legal profession. This includes working to dismantle the systemic and societal barriers that many individuals face due to injustice and inequality, helping to create a more inclusive and representative legal sector.

- SDG 16 – Peace, Justice and Strong Institutions: We uphold the rule of law through ethical legal practice, transparent governance, and strong compliance. Our commitment to access to justice includes volunteer work and community engagement, supported by robust data protection and whistleblower policies.

- SDG 17 – Partnerships for the Goals: Our collaborations with charities and educational institutions amplify our social impact.

ESG strategy and methodology

Materiality assessment process

To generate the data needed for this baseline report, we engaged Net Zero consultants Flotilla, and conducted an internal materiality assessment to identify the Environmental, Social and Governance issues that are most relevant and significant to our people, our clients, and the communities we operate in. This assessment enabled us to prioritise the areas where we can have the most meaningful impact and identify where stakeholders reasonably expect us to act responsibly.

Stakeholder engagement

Given our scale and the early stage of our ESG journey, we carried out a predominantly qualitative materiality process, focused on internal reflection and informal stakeholder input.

This included:

- Internal discussions and data gathering with partners and people in key positions (i.e. our head of people and operations, head of risk and compliance officer for legal practice (COLP), financial controller and facilities manager)
- A review of our current operations, policies and client expectations
- Informal conversations with a small number of clients and community partners to identify the issues that matter in our communities.

ESG prioritisation criteria

We then evaluated the arising ESG issues based on two criteria:

- Relevance to our business operations and legal services
- Importance to our stakeholders, including our people, clients, the Solicitors Regulation Authority (SRA) and the wider community.

While our people, clients and local partners in the community have differing priorities, three consistent themes emerged:

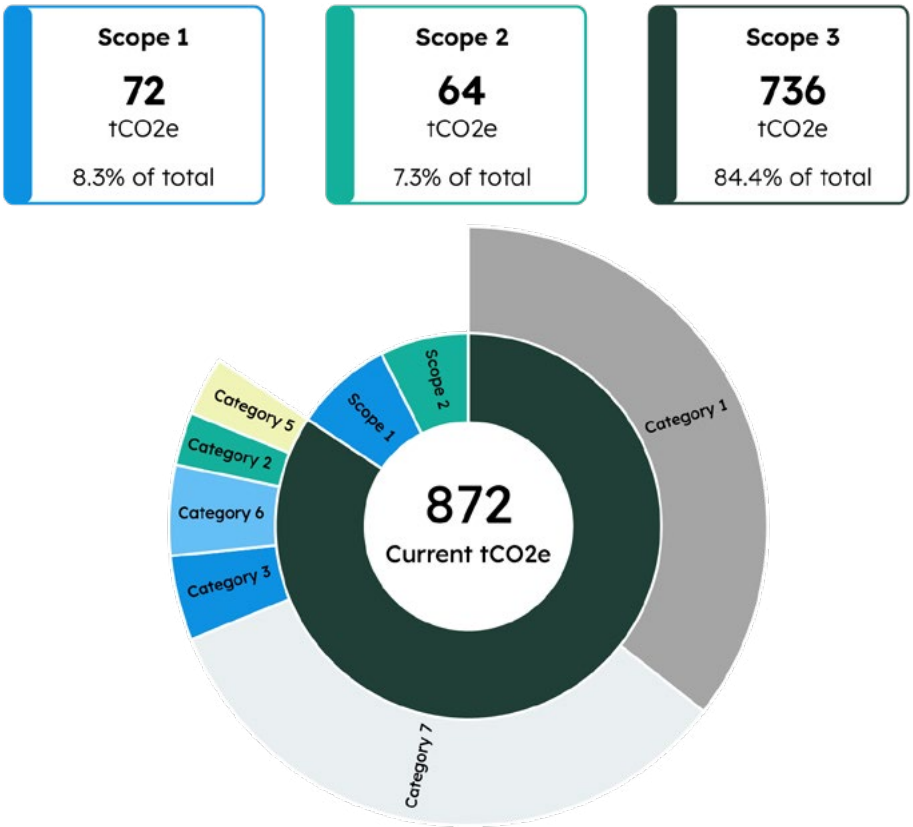
- Our people care deeply about wellbeing, inclusion and environmental responsibility
- Our clients value firms that demonstrate ethical practice and social impact
- Community partners appreciate firms that champion social justice

Environmental responsibility

Overview - environmental commitment and baseline year

We are proud to be taking meaningful steps toward embedding environmental sustainability into the heart of our operations and culture. The year 2025 represents a significant milestone as our baseline year, offering the first full measurement of our greenhouse gas emissions across Scopes 1, 2, and 3, in line with the Greenhouse Gas Protocol. This foundational work provides valuable insight into our environmental impact and helps shape our approach to long-term emissions reduction. Establishing this baseline is an important step in our broader ambition to significantly reduce emissions over time, with the aspiration of reaching Net Zero by 2045 through informed decision-making, collaboration, and continuous improvement.

Carbon footprint summary and environmental performance



Our FY 24/25 emissions inventory provides a comprehensive view of our carbon footprint and serves as a foundation for future progress. Emissions were measured across all three scopes, with the majority stemming from indirect sources such as supply chain activities and evolving work patterns, including commuting, digital services, and homeworking.

To support long-term reduction, we will be introducing new intensity metrics to track emissions efficiency relative to our people and business activity. Site-level insights have also highlighted opportunities for energy efficiency improvements. The role of work-related emissions, such as commuting and homeworking, reinforces the importance of people-focused initiatives within our broader decarbonisation strategy, and we remain committed to embedding sustainability into our operations and decision-making as we build on this momentum.

Reduction targets

We are committed to building on the progress made during our FY 24/25 baseline year, using it as a foundation for continued improvement in our environmental performance. While long-term goals such as Net Zero remain an important part of the broader climate conversation, our current focus is on taking meaningful, measurable steps to reduce our carbon footprint over time. We intend to use science-based approaches to guide our decision-making and will continue to refine our targets as our data and understanding evolve. This includes exploring opportunities across all emission scopes, Scope 1, 2, and 3, and identifying practical ways to reduce impact through operational efficiencies and thoughtful engagement. As we move forward, we remain committed to transparency, learning, and progress in support of a more sustainable future.

Key initiatives and opportunities

To support our ambition of reducing emissions over time, we have begun identifying a range of potential actions across key areas of our operations. These early-stage initiatives are focused on areas where we see the greatest opportunity for positive impact, including transport, energy use, and supply chain engagement. We are exploring ways to encourage lower-emission commuting options, such as through electric vehicle schemes and active travel initiatives, while also considering energy efficiency improvements across our office spaces. In parallel, we are beginning to engage with suppliers to better understand their sustainability practices and identify opportunities for alignment. We are also very proud to benefit from strong employee engagement, with many colleagues already contributing ideas and showing enthusiasm for sustainability in the workplace. This collaborative spirit will be key as we continue to shape our environmental approach and build on the foundation established in our baseline year.

Challenges and opportunities

As we continue to assess our environmental impact, we are also developing a clearer view of the challenges and opportunities that come with our evolving footprint. Areas such as commuting, digital infrastructure, and energy use present challenges, particularly in terms of Scope 3 emissions, but they also offer valuable opportunities for innovation, efficiency, and long-term resilience. By identifying where emissions are most concentrated, we can begin to explore practical solutions that not only reduce environmental impact but also support operational improvements. As our data matures, we expect to uncover further opportunities to align sustainability with business performance, helping us make informed decisions that benefit both the organisation and the wider environment.

Social impact

Our social commitment

We aim to foster a workplace where equality, diversity, and inclusion are embedded in everything we do, while also striving to make a meaningful and lasting social impact in the communities in which we operate.

Equality, Diversity & Inclusion (ED&I)

Workforce demographics

Understanding the composition of our workforce is a critical step in identifying gaps, measuring progress, and ensuring equitable opportunities for all. We will use the data gathered in these areas not only to track progress but also to inform our first formal EDI strategy, ensuring that our actions are data-driven and aligned with our firm values. Transparency and accountability are key priorities as we progress along our sustainability journey and as such, we are committed to publishing ongoing demographic insights and analysis. As of 5th April 2024, our workforce demographics were as follows:

- **Gender Representation:** Women represent 71% of our total workforce, with 27% in senior leadership roles. We continue to monitor gender balance across all levels of the firm and offer a career mentoring programme that female colleagues can join and be matched with a senior female colleague to share lived experience and build an internal support network. As part of our Leadership Academy, we offer one-to-one coaching for senior associate solicitors who want to make the next step to director. In addition to this, candidates in the Academy are also matched with a senior colleague mentor, who has recently made a similar transition.

- **Ethnic Diversity:** 8% of our employees identify as being from Black, Asian, or Minority Ethnic (BAME) backgrounds. We are working to improve representation through inclusive recruitment practices and targeted outreach in underrepresented communities.

- **Age Distribution:** Our workforce spans multiple generations, reflecting the diverse perspectives and experiences that enrich our firm. As of April 2024, the age distribution of our people was as follows: 0.32% aged 18, 22.54% in their 20s, 26.67% in their 30s, 29.52% in their 40s, 13.65% in their 50s, and 7.30% aged 60 and above. The largest group comprised those in their 40s, highlighting a strong mid-career presence. We value the insights that come from a multigenerational team and are committed to supporting flexible working arrangements that accommodate the varying needs, responsibilities, and aspirations of our people at every stage of life.

- **Disability inclusion:** 13% of our employees have disclosed a disability. We remain committed to creating an accessible and supportive environment, including the provision of reasonable adjustments, mental health resources, and inclusive facilities.

- **Other characteristics:** Our internal employee-led working groups and policies are designed to ensure that all individuals feel seen, heard, and supported, and to strengthen this approach, we also monitor and support inclusion across other dimensions such as sexual orientation, socio-economic background, and caring responsibilities.

Equal opportunities

Creating a workplace where everyone has equal access to opportunities, free from discrimination, bias, or barriers to success, is a key focus for us. Our Diversity and Equality Policy is embedded in every stage of the employee lifecycle, from recruitment and onboarding to development and progression.

Key elements of our policy include:

- **Fair recruitment and selection practices:** We use structured interviews, diverse hiring panels, and anonymised CV screening where possible to reduce unconscious bias and ensure candidates are assessed solely on merit.

- **Training, learning and development:** Our Learning and Development (Continuing Competence) Policy supports equal opportunities by ensuring that all of our people, regardless of role or background, have access to relevant and meaningful training. Through transparent processes and support for diverse learning pathways, including apprenticeships and professional qualifications, we promote fairness and inclusion in professional development for all our people.

- **Supervisory and appraisal processes:** Our Supervision Procedure supports equal opportunities by ensuring that all our people receive consistent, structured guidance and oversight, regardless of role or background. Supervision is applied firm-wide, with clear responsibilities, regular feedback, and tailored support based on individual experience and development needs. Promoting open communication, fair allocation of work, and access to both formal and informal support, we have created an inclusive environment where all individuals can thrive. To enhance this further, we aim to monitor supervisory outcomes across diverse groups to ensure equitable development and progression opportunities.

  A distinctive strength of our supervision model is the close access our people have to partners and senior leaders. This hands-on approach not only ensures high-quality work and compliance but also creates a rich learning environment. Our people benefit from real-time feedback, mentoring, and exposure to complex legal work, which accelerates their development and confidence. We are proud to offer

this level of support and believe it plays a vital role in nurturing talent and building a strong, collaborative culture.

- **Clear reporting mechanisms:** We have robust procedures in place for reporting and addressing discrimination, harassment, or unfair treatment. These processes are confidential, impartial, and designed to protect the rights of all individuals.

- **Reasonable adjustments:** If barriers at work are identified, we support our people by making reasonable adjustments to working arrangements, technology, and the physical environment, where needed.

- **Monitoring and accountability:** We regularly review workforce data and conduct internal audits to ensure our policies are effective and that outcomes are equitable across all demographic groups.

Our approach is guided by the Equality Act 2010 and best practices within the legal sector. We believe that a truly inclusive firm is one where everyone, regardless of background, identity, or circumstance, can thrive and contribute.

We recognise that there is always more to do, and we are committed to regularly reviewing and enhancing our practices, in conjunction with feedback from our EDI committees, to ensure equal opportunities are actively promoted and upheld across all areas of the firm.

Employee-led committees and celebrations

In 2019, we launched the employee-led MyNapthens Committee and in 2023, the EDI Committee, establishing dedicated working groups focused on key areas of inclusion, including race and ethnicity, disability, neurodiversity, social mobility, gender, charity, sports, and social. These groups create a platform for employee voices and play a central role in shaping our inclusion calendar. Highlights from FY 24/25 include firm-wide Ramadhan training, cultural and religious celebrations such as Eid and Christmas; awareness campaigns like Black History Month and Mental Health Awareness Week; and social events including our annual summer and Christmas parties. In the coming months, we are excited to expand our focus to explore all areas of inclusion, including age and life stage, plus ESG, and these initiatives will help to further deepen the sense of inclusion at Napthens.

Social mobility

A key highlight of the FY 24/25 was our commitment to fostering social equity. We did this by launching a firm-wide social mobility strategy focused on four pillars - Advocacy, Outreach, Access, and Progression, to ensure socio-economic background does not limit opportunity. Initiatives included introducing blind recruitment in the trainee and solicitor apprenticeship recruitment process and targeted outreach through #OpeningDoors insight events, an initiative where our head of learning and development and talent acquisition business partner engaged with educational institutions across the north west

(including Cardinal Newman College, UCLAN and Lancaster University) to provide inspiring insight workshops for first generation university students. We also introduced internal development programs to support early-career professionals. With over 300 young people engaged and most candidates coming from lower socio-economic backgrounds, our data-driven approach to social mobility is creating measurable impact. Looking ahead, we remain focused on expanding access to the legal profession and building a more inclusive future by deepening our commitment to social mobility through more targeted outreach programmes that inspire, support, and empower individuals from all backgrounds to pursue careers in law. In 2025, we will launch our new Social Mobility strategy, which aims to positively impact 10,000 young people in our local communities. We will be launching a new programme called BRIDGE which aims to provide fair access, real experience and lasting impact for young people from lower socio-economic backgrounds to help ensure that a person's background does not determine their future.

Employee wellbeing

At Napthens, we understand that the wellbeing of our people is fundamental to our success and long-term sustainability as one of the leading legal advisors in the north west. Our approach to wellbeing is holistic, encompassing health and safety, mental health support, work-life balance, and a growing focus on wellness initiatives.

Health and safety

We take the health and safety of our people seriously and have implemented robust measures to ensure a safe working environment across all our offices. These include risk assessments, clear health and safety policies communicated to all staff, designated Health and Safety representatives, fire safety training, first aid provision, and DSE assessments for office and remote workers. We continuously review our practices to ensure compliance with legal standards and to adapt to emerging risks, including those related to hybrid working environments.

Workplace safety statistics

We are committed to maintaining a safe and healthy working environment for all of our people, and we monitor key safety indicators to ensure transparency and continuous improvement.
In the reporting period, we recorded two workplace incidents (e.g., slips, trips, falls), with no days lost due to work-related injuries and no RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) reporting, an encouraging sign of our proactive safety culture.
To strengthen our approach, we aim to increase near-miss reporting, which is a valuable tool for identifying potential risks before they result in harm, and incident trends across departments to better understand risk patterns and target interventions. These efforts will help us foster a culture of safety awareness and accountability, ensuring that wellbeing remains a core part of our ESG strategy.

Mental health support

We recognise that mental wellbeing is just as important as physical health in creating a sustainable and supportive workplace. All our people have access to Law Care, a specialist mental health charity for the legal sector, which offers a free, confidential helpline, peer support, and resources on managing stress, anxiety, and burnout. In addition, our partnership with Lancashire Mind provides bespoke wellbeing coaching, empowering individuals to build resilience, develop self-care routines, and manage emotional challenges. These initiatives reflect our commitment to fostering a culture of care and psychological safety. To strengthen our impact, we aim to introduce metrics such as uptake rates of wellbeing services, employee feedback, and wellbeing-related absence trends. This data will help us evaluate effectiveness, identify areas for improvement, and ensure our mental health support remains accessible, relevant, and inclusive for all. We will also reintroduce mental health first aiders to provide a vital support system within the firm, helping to identify early signs of mental health issues, offer immediate assistance, and foster a culture of openness, wellbeing, and psychological safety.

Wellness programmes

While we are in the early stages of developing a formal wellness programme, we recognise its importance in supporting a healthy, engaged, and resilient workforce. We are committed to expanding our effort, and as we grow this programme, we will explore metrics such as participation rates, employee feedback, and wellbeing-related outcomes to assess impact and guide continuous improvement. As in other areas of our ESG strategy, this data-driven approach will help ensure our initiatives are inclusive, accessible, and aligned with the evolving needs of our people.

Work-life balance

We understand that our people have responsibilities and passions outside of work. To support a healthy work-life balance, we offer flexible working arrangements (including hybrid and part-time options) and shared parental leave to support all family structures. We also provide a generous holiday allowance, along with a holiday buy and sell scheme, giving our people greater flexibility to manage their time in a way that suits their personal needs. Our realistic approach to billing expectations, setting chargeable hours at 5.5 per day within a 35-hour work week, is more balanced than many firms in our sector. This approach reflects our belief that sustainable performance comes from trust, flexibility, and respect for personal time.

Financial wellbeing

Since its launch in 2022, the MyNapthens Savings Hub has proven to be a highly successful initiative in supporting our employees' financial wellbeing. With a 100% registration rate among eligible employees and 92.5% of users actively logging in, engagement with the platform has been exceptionally strong. Notably, 20.2% of employees have made at least one transaction, and 1.8% have become repeat savers. In the last 30 days of the FY 24/25, the hub recorded 108 transactions, with a total spend of £8.91k and total savings of £450, representing a 54.8% and 47.7% increase, respectively. On average, savers made four transactions, spent £330, and saved £16.70 each. Additionally, 29.7% of registered employees have downloaded the SmartSpending™ app, with 115 unique users and 264 total logins, further demonstrating the growing adoption of digital tools to support financial wellbeing. These figures reflect the hub's expanding impact and our ongoing commitment to providing meaningful, accessible benefits that enhance the financial resilience of our people.

We will continue investing in and developing our employee wellness provision. As part of this commitment, we are actively exploring ways to expand and enhance our wellbeing offering to meet the evolving needs of our people. Future initiatives may include tailored wellbeing programmes, further developed financial wellbeing support, and inclusive policies that reflect the diverse life stages and responsibilities of our workforce. These enhancements will build on our existing foundations and reflect our belief that a healthy, supported team is essential to a sustainable and successful firm.

Employee engagement

Our employee engagement survey, conducted on 18th February 2025, provided valuable insights into how our people experience life at Napthens and where we can improve. There was strong support for promoting and building awareness of the valuable services we already offer, such as LawCare and Lancashire Mind, ensuring our people feel supported and empowered in every aspect of their wellbeing. Fostering authenticity and inclusivity remains a key priority, with a continued commitment to building a culture where everyone feels safe, empowered, and supported to be their true selves.

These findings will inform our strategic priorities, and going forward, we will track progress using metrics such as engagement scores, participation in wellbeing programmes, and uptake of leadership development initiatives to ensure meaningful and inclusive change.

Workforce stability

We closely monitor our workforce dynamics to ensure we are fostering a stable and supportive environment for our people. In the FY 24/25 reporting period, we expanded our workforce by welcoming a total of 93 experienced professionals (61 legal and 32 business services professionals). Our recent hires have brought a wealth of skills,

experiences and fresh perspectives to the firm, strengthening our capabilities and enriching our culture across every level. We also warmly welcomed back three colleagues who left and returned within the year, a testament to the positive, supportive culture we've built and the strong sense of belonging our people feel at Napthens.

Our annual attrition rate was 16%, which is broadly in line with industry benchmarks for the legal sector. Our workforce stability remains a key strength, reflected in a stability index of 183.25%. This exceptionally high figure indicates that not only are we retaining the vast majority of our employees, but we are also seeing growth in the number of long-tenured individuals within the organisation. Such a result highlights the effectiveness of our people-first approach, fostering a workplace culture that values trust, development, and wellbeing. High retention brings us many benefits, including continuity in client service, preservation of institutional knowledge, and a reduction in recruitment and onboarding costs. As we continue to grow, we remain committed to balancing this stability with opportunities to welcome new talent and fresh perspectives into the business.

While we are proud of our strong retention rates, we recognise the importance of continuous improvement. Looking ahead to the next financial year, we are committed to building on this strong foundation by deepening our understanding of workforce dynamics and enhancing the employee experience at every stage. We will focus on strengthening career development pathways and as identified through our employee engagement survey, expanding leadership training to ensure our people feel supported and motivated to grow with us. Additionally, we will continue to listen closely to employee feedback and use data-driven insights to refine our people strategy, ensuring Napthens remains a place where talented individuals choose to stay, thrive, and contribute to our long-term success.

Training and development

Echoing the voice of our people, a key objective of the firm has been to create a culture of continuous learning and inclusive development. Designed by our head of learning and development, our approach is tailored to support our people at every stage of their career, ensuring they have the tools, confidence, and opportunities to grow. The Skills

Curriculum offers practical, skills-based workshops that help individuals manage workload, build resilience, and develop leadership capabilities. For early-career professionals, our Flourish Programme supports trainee solicitors and legal apprentices in their transition into the firm, helping them build knowledge, networks, and confidence. The Launchpad Programme is tailored for lawyers in their first three years post-qualification, guiding them through the early stages of their legal careers with structured learning and peer support. For our more senior colleagues, the Leadership Academy equips Senior Associates with the leadership and business skills needed to drive growth and lead teams effectively. Together, these programmes reflect our commitment to equal access to development and long-term career progression. Going forward, we will track participation, feedback, and progression outcomes across demographic groups to ensure our learning offer remains inclusive, impactful, and aligned with both our ESG goals and the needs of our people.

Early careers

We proudly offer a range of structured career routes for aspiring professionals through both our trainee solicitor programme and our legal apprenticeship pathway. Our trainee solicitor route provides graduates with a comprehensive two-year training contract, offering hands-on experience across a variety of legal disciplines under the guidance of experienced mentors. For those entering the profession through alternative routes, our apprenticeship programme offers a valuable opportunity to earn while learning, combining practical work with academic study to achieve recognised legal qualifications. In FY 24/25, we welcomed seven new trainee solicitors and two apprentice hires - one on a solicitor apprenticeship degree and one in business services, reflecting our commitment to offering meaningful career opportunities across both legal and operational functions. These pathways demonstrate our dedication to widening access to the legal profession and supporting diverse talent across all areas of our firm.

Community engagement

Regional roots and social equity

As a Preston-based firm, we have strong ties with, and deep regard for, the community in which we have operated for over 100 years. As our firm has grown and we have expanded into new areas, we have remained abreast of local issues facing the people in our regions. The north west is rich in talent, yet many communities face entrenched structural inequalities. Whether it's a solicitor from a working-class background in Preston, a young woman in Blackburn considering a career in law, or a non-binary student navigating university life in Liverpool, we believe that everyone should have access to fair and equitable opportunities.

A key part of our social sustainability strategy is therefore working to dismantle the societal barriers that prevent many individuals from accessing a career in law.

Charitable impact through The Napthens Foundation

Established in 2021, the Napthens Foundation is a key pillar of our social impact strategy, dedicated to supporting meaningful causes across the north west, particularly those with personal connections to our people, clients, and communities. In the FY 24/25, the Napthens Group actively supported fundraising efforts through donations, event organisation, and promotional activities.

A total of £6,100 was raised during the year, with donations made to a range of charities, as voted for by our people, including Homeless Hounds, North West Air Ambulance, Williams Syndrome Foundation Ltd, Milly's Smiles, PAPYRUS Prevention of Young Suicide, Lupus UK, and Burnley in the Community. Funds were raised through a variety of activities such as a sponsored walk across the Chorley Three Peaks, sweepstakes, dress-down days, a sing-along featuring one of our Partners, client donations, and Give As You Earn payments via salary sacrifice from our people.

In June 2025, the Napthens Foundation proudly partnered with the NSPCC to help protect vulnerable children and prevent abuse across the UK. The breadth of services offered by the NSPCC in the North West range from providing support to children when they need it most via their incredibly important Childline, to early intervention workshops and campaigns aimed at educating school-aged children and raising awareness of child abuse and neglect in the community, all of which make real strides toward their ultimate goal of ending child abuse.

The partnership between the Napthens Foundation and the NSPCC represents a significant step in our

social justice journey, reinforcing our commitment to dismantling barriers to the legal profession and giving back to the communities within which we operate. The NSPCC's strong presence across the north west closely aligns with Napthens' regional footprint, which spans seven offices across the area. Through this shared geographical focus, our partnership enables us to make a meaningful local impact, supporting vulnerable children in the communities where our people live and work, and reinforcing our commitment to social justice and opportunity.

The Foundation is governed by a diverse committee of people from across our regional offices, alongside representatives from the organisation Charities Trust, which administers the Foundation (Registered Charity No. 327489). This collaborative approach ensures that our charitable efforts remain inclusive, transparent, and impactful.

Volunteering

While employee volunteering levels were relatively low in the past year, we recognise the value of community engagement and are committed to expanding our efforts in FY 25/26. A key part of this renewed focus is our new partnership with the NSPCC, which aligns closely with our social impact goals. This collaboration provides meaningful opportunities for our people to contribute their time and skills to a cause that resonates deeply with our values and social justice goals. For us as a firm, this partnership strengthens our role as a socially responsible firm and reinforces our commitment to dismantling barriers to opportunity. For our people, it offers a powerful way to give back, build connections, and find purpose beyond their day-to-day roles. We believe that encouraging and enabling volunteering not only benefits the communities we serve but also enhances employee wellbeing, engagement, and pride in the work we do.

Human rights

We are committed to upholding the highest standards of ethical conduct, transparency, and accountability across our operations and supply chains. Our approach is informed by the Equality Act 2010, the Modern Slavery Act 2015, and sector-leading practices within the legal profession.

As a responsible business, we actively promote human rights, fair employment, and integrity throughout our value chain. We align our efforts with the UN Guiding Principles on Business and Human Rights, ensuring our policies and procedures foster a culture of dignity, inclusion, and respect for all individuals, regardless of background, identity, or circumstance. We strive to create an environment where everyone is empowered to thrive and contribute meaningfully.

Modern slavery and human trafficking

We maintain a zero-tolerance approach to all forms of modern slavery and human trafficking. Our Modern Slavery policy, approved by the Risk Committee and overseen by the Compliance Officer for Legal Practice (COLP), sets out our commitment to acting ethically and with integrity in all business dealings, implementing robust systems and controls to prevent modern slavery within our operations and supply chains, and promoting transparency and accountability through regular policy reviews and staff training. We actively encourage the reporting of concerns in good faith, with protections in place for whistleblowers, and we expect the same high standards of conduct from all contractors, suppliers, and business partners.

Supply chain governance

Our Supplier Onboarding Procedure ensures that all third-party engagements undergo rigorous due diligence to uphold our standards of integrity and compliance. This process includes a RAG (Red-Amber-Green) risk rating system that evaluates suppliers based on contract value, strategic importance, and geographic scope. Oversight is provided by a dedicated Review Team comprising the Heads of Risk, Finance, and Technology. All prospective suppliers must complete a comprehensive Supplier Due Diligence Questionnaire, which assesses key areas such as information and physical security, business continuity and disaster recovery, legal and regulatory compliance, and employment practices including third-party risk management. Suppliers are also required to demonstrate adherence to relevant standards such as ISO 27001, PCI DSS, and applicable data protection regulations. To ensure ongoing compliance, all contracts are centrally registered and subject to regular review.

Governance

At Napthens, we prioritise and maintain the highest standards of ethical conduct, regulatory compliance, and responsible leadership. Our governance framework ensures that we operate with integrity, transparency, and accountability, while embedding ESG principles into our strategic and operational decision-making.

Napthens LLP is structured as a Limited Liability Partnership (LLP), with a governance and operational framework designed to support legal service delivery, regulatory compliance and strategic oversight.

Leadership and oversight

The LLP business owners have delegated authority to the Board and Executive Committee. The Napthens Group is governed by an executive team led by our managing director and includes all non-legal heads and legal heads of department, ensuring strategic leadership and operational alignment across the firm. This governance structure is supported by the Risk Committee, which oversees compliance, risk management, and policy implementation. Key roles include the Compliance Officer for Legal Practice (COLP) and the Compliance Officer for Finance and Administration (COFA), who are responsible for ensuring adherence to the Solicitors Regulation Authority (SRA) Codes of Conduct. The COLP also holds operational responsibility for core governance policies, including data protection, whistleblowing, and conflicts of interest.

The People Committee and the Strategy Committee both report directly to the Board, which is comprised of the managing director, head of people and operations, the non-executive chairman, and two equity partners.

The non-executive chairman also plays a key role in ensuring transparency and accountability, particularly in matters relating to whistleblowing and ethical governance.

Regulatory compliance and risk management

We maintain a robust compliance framework aligned with the SRA Code of Conduct, UK GDPR, and the Modern Slavery Act 2015. Our policies are reviewed annually and updated as necessary to reflect changes in legislation, regulatory guidance, and best practice, ensuring that our governance standards remain current, effective, and aligned with our ethical and professional obligations.

Our Data Protection and Information Security Risk Assessment Procedure ensures that risks are identified, recorded in the firm's Risk Register, and reviewed in response to significant business changes. The data protection manager and technology director oversee enforcement and compliance.

Ethics and integrity

We foster a culture of openness and accountability, supported by a comprehensive Whistleblowing Policy that empowers staff to report suspected wrongdoing, ranging from criminal activity to breaches of internal policy, without fear of retaliation. The policy features clear internal and external reporting channels, confidentiality protections, and dedicated support for whistle-blowers. Oversight is provided by both the Compliance Officer for Legal Practice (COLP) and the non-executive chairman, with annual training and policy reviews ensuring continued relevance and effectiveness. In parallel, our Conflict of Interest Policy ensures that both own-interest and client conflicts are identified and managed in accordance with SRA rules, with safeguards such as file separation, restricted access, and informed consent applied where appropriate.

Data governance and information security

We take a proactive approach to data protection and information security, ensuring full compliance with UK GDPR and data protection principles. Our policies and procedures support secure data storage, access controls, and privacy-by-design across our IT systems. All staff receive regular training on data handling and breach reporting, while supplier assessments include rigorous checks on data security and regulatory compliance.

Pay gap reporting – gender and diversity

Executive summary

We are committed to fostering a fair and inclusive workplace, and we actively monitor pay gaps across gender, disability, sexual orientation and ethnicity. We recognise that transparency is key to driving progress and are proud of the steps we have taken so far. However, we are determined to go further and will continue working hard to reduce any disparities. As part of this commitment, we intend to strengthen our approach and take meaningful action to support equity and inclusion across all areas of our organisation through inclusive recruitment practices, leadership development and flexible working policies.

Scope and methodology

This report covers the gender pay data for the period 5th April 2024 to 4th April 2025. The dataset includes all employees, including fixed share partners. Equity partners are excluded from this analysis, in accordance with standard reporting practices, as their remuneration structures differ significantly from salaried roles and are therefore not directly comparable.

By applying this methodology, we aim to provide a transparent and accurate picture of gender pay equity across our firm, supporting our broader commitment to fairness, inclusion, and accountability.

Now in our fourth year of gender pay gap reporting, we are proud to share continued progress in our journey toward greater equity. We are delighted to report that our gender pay gap has narrowed once again, reflecting the tangible impact of our proactive efforts to foster a more inclusive and equitable workplace. This positive trend underscores our commitment to creating an environment where everyone, regardless of gender, has a fair opportunity to thrive, contribute meaningfully, and advance their careers with us.

For a full breakdown of the definitions of our data sets, please see Appendix 1.

Our employee make up

75.46% Female 24.54% Male

Employees	2023 - 2024	2024 - 2025	% Change
Overall Mean	12.3%	7.3%	-5%
Overall Median	18.2%	9.2%	-9%
Bonus Mean	16%	20.2%	+4.2%
Bonus Median	6%	-4.6%	-10.4%

Our fixed share partner make up

36% Female 64% Male

Fixed Share Partners	2023 - 2024	2024 - 2025	% Change
Overall Mean	13.07%	9.1%	-3.97%
Overall Median	13.04%	12.5%	-0.54%
Bonus Mean	3.32%	10.0%	+6.68%
Bonus Median	42.51%	12.7%	-29.81%

Pay quartiles by gender

Employees

Quarters	Male 2023 - 2024	Male 2024 - 2025	Change (% point)	Female 2023 - 2024	Female 2024 – 2025	Change (% point)
Upper	26%	32%	+6%	74%	68%	-6%
Upper Mid	33%	24%	-9%	67%	76%	+9%
Lower Mid	24%	16%	-8%	76%	84%	+8%
Lower	16%	33%	+17%	84%	67%	-17%

Fixed share partners

Quarters	Male 2023 - 2024	Male 2024 - 2025	Change (% point)	Female 2023 - 2024	Female 2024 – 2025	Change (% point)
Upper	100%	100%	0%	0%	0%	0%
Upper Mid	67%	67%	0%	33%	33%	0%
Lower Mid	33%	33%	0%	67%	67%	0%
Lower	50%	50%	0%	50%	50%	0%

Analysis and commentary

Employees

During the reporting period, both the mean and median gender pay gaps narrowed, indicating a positive shift toward reducing overall gender pay disparity amongst our employees. Notably, while the mean bonus gap increased slightly, the median bonus gap reversed from positive to negative. This change in median bonus outcomes suggests that recent efforts to ensure fairer access to performance-related rewards are beginning to take effect. The narrowing of the gap also reflects increased representation of women in eligible roles, greater transparency in bonus criteria, and the impact of inclusive leadership development initiatives. While this progress is encouraging, our goal remains clear - to eliminate the gender bonus gap entirely and ensure that all pay and reward decisions are equitable, transparent, and based solely on merit, regardless of gender.

The latest data also reveals a significant redistribution of male employees into the lower pay quartile, rising from 16% to 33%. At the same time, female representation has increased across the middle quartiles, particularly in the upper-mid and lower-mid segments, indicating progress toward a more balanced and inclusive pay structure. While female representation in the upper quartile has declined, this again highlights an opportunity to strengthen our efforts in creating an environment where all individuals, regardless of gender, have equitable access to senior roles and top-tier pay, based on merit, capability, and opportunity.

Fixed share partners

Both the mean and median gender pay gaps have narrowed slightly over the reporting period, reflecting modest but positive progress toward greater pay equity. While the mean bonus gap has increased, the median bonus gap has decreased significantly.

The quartile distribution for fixed share partners remained unchanged year-on-year. However, the continued absence of female representation in the upper quartile highlights an area where further progress can be made. While all appointments are and will continue to be based on merit, this data underscores the importance of ensuring that all individuals have equitable access to development, progression, and reward at the most senior levels. We are committed to making meaningful, sustained progress in this area as part of our long-term ambition to embed fairness and inclusion into every aspect of our culture.

Action taken

As part of this commitment, we have taken action to close the gender pay gap and ensure that all colleagues have equitable access to reward, recognition, and opportunity. With women representing 71% of our workforce and 27% of senior leadership, we continue to invest in mentoring, coaching, and leadership development to support progression. These efforts are part of our broader strategy to build a representative, fair, and supportive environment where everyone can thrive.

Diversity pay gap reporting

Diversity data reporting

We measure diversity pay gap metrics to understand how pay outcomes vary across different demographic groups. These statistics help identify disparities and inform our efforts to promote fairness and equity in compensation. By tracking this data over time, we can assess progress and guide future action.

Key metrics

Colleagues with a disability

	2023 - 2024	2024 - 2025	% Change
Median	16.80%	5.69%	-11.11%
Mean	-14.18%	25.13%	+39.31%

Colleagues from within the LGBTQ+ Community

	2023 - 2024	2024 - 2025	% Change
Median	30.99%	21.99%	-9%
Mean	-27.38%	25%	-52.38%

Colleagues from an ethnically diverse background

	2023 - 2024	2024 - 2025	% Change
Median	-0.92%	22.55%	+23.47%
Mean	-23.28%	9.69%	+32.97%

Analysis and commentary

The year-on-year diversity data reflects a widening of the pay gap, influenced in part by improved data confidence and increased participation. Our response rate increased from 61.42% in 2023 - 2024 to 65.87% in 2024 - 2025. This enhanced visibility has potentially led to a widening of the gap, highlighting areas of progress and areas requiring further focus. We view this as a constructive development, as it provides a clearer picture of where disparities exist and where targeted action is needed.

Action taken

At Napthens, we are committed to monitoring our diversity pay gap data and, through continued investment in our EDI strategy, our goal is to eradicate the pay gap and achieve equity for all of our people, regardless of gender, disability, sexual orientation or socioeconomic background.

Our ESG report outlines a robust framework to support this ambition, including:

- Inclusive recruitment practices and blind CV screening where possible
- Mentoring and leadership development programmes for underrepresented groups
- Employee-led EDI committees focused on race, disability, gender, age, life stage, the perspective of the LGBTQ+ community and social mobility
- A new Social Mobility strategy aiming to positively impact 10,000 young people
- Expansion of inclusive policies such as menopause support, anti-harassment, flexible working options and reasonable adjustments

These initiatives reflect our commitment to building a workplace where everyone can thrive. We will continue to use data-driven insights to guide our actions and ensure that equity remains at the heart of our culture and decision-making.

Governance and accountability

Responsibility for gender pay equity at Napthens rests with our head of people and operations, supported by the People Committee. Internally, we track trends across gender and other protected characteristics, using this insight to inform policy development, recruitment practices, and progression pathways. Updates will be shared with senior leaders and employee-led EDI committees to maintain transparency and drive continuous improvement across the firm.

Expansion of policy

As part of our commitment to being an ethical and responsible employer, we have implemented a wide range of non-statutory policies that go beyond legal requirements to support the wellbeing of our people. These include our Domestic Abuse Policy, which provides confidential support and practical assistance to those affected; enhanced maternity and paternity pay to better support working families; and a dedicated Hardship Fund to offer financial relief during times of personal crisis. These initiatives reflect our values of compassion, fairness, and inclusivity, and form part of our broader strategy to create a supportive and resilient workplace where everyone can thrive.

We also launched three new policies during the reporting period. These include a comprehensive Sexual Harassment Policy and an Anti-Harassment and Bullying Policy, both designed to reinforce our zero-tolerance stance on inappropriate behaviour and to ensure a safe, respectful environment for all employees. We also introduced a Menopause Policy, aimed at fostering greater awareness, support, and inclusivity for employees experiencing menopause. Additionally, we implemented a Car Benefit Scheme to enhance our employee value proposition and promote sustainable commuting options. These initiatives reflect our dedication to ethical governance, employee wellbeing, and continuous improvement in our ESG practices.

ESG integration and acccountability

Our ESG principles are embedded across our operations and decision-making processes. Oversight is provided by both the Risk Committee and the MyNapthens Committee, ensuring that environmental, social, and governance considerations are integrated into strategic planning and day-to-day activities. We actively engage our people through feedback mechanisms and inclusive policy development, fostering a culture of shared responsibility and continuous improvement. ESG policies are also embedded in our procurement practices, client service delivery, and internal operations, reinforcing our commitment to sustainability, ethical conduct, and stakeholder accountability.

Looking ahead – closing words from Stephen Faulkner

“As we look ahead to FY25/26, Napthens LLP is committed to deepening our ESG impact through a series of ambitious and values-driven initiatives. We will continue to strengthen our governance and compliance frameworks while expanding our focus on EDI through comprehensive policy reviews and the development of our internal calendar of events to raise awareness and foster education across the firm. Our commitment to community engagement will grow through our #OpeningDoors initiative and pioneering outreach programs in collaboration with local youth zones - designed to demystify the legal profession for students from secondary school to university age and dismantle barriers to progression. In partnership with the NSPCC, we will also support vulnerable children and young people across the region, helping to remove obstacles that may prevent them from accessing a career in law.

In parallel, we are exploring a range of green initiatives to to reduce our carbon footprint and embed sustainability into our operations. Throughout all of this, we remain proudly rooted in our northern identity, ensuring that our growth, culture, and impact continue to reflect the communities we serve.

Transparency, continuous improvement, and meaningful stakeholder engagement will remain central to our ESG journey as we build a more inclusive, ethical, and sustainable future.”

Stephen Faulkner
Managing Director

Appendix 1

As part of our statutory obligations under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, we publish annual data on the difference in average earnings between men and women across our organisation.

Our report includes the following key metrics:

- Mean gender pay gap: The average hourly pay difference between men and women.
- Median gender pay gap: The difference between the midpoints in the hourly pay of men and women.
- Bonus pay gaps (mean and median): These figures show the difference in average and median bonus payments received by men and women over the previous 12 months.
- Proportion of employees receiving a bonus: This indicates the percentage of men and women who received a bonus.
- Pay quartiles: These show the gender distribution across four equally sized pay bands, from the lowest to the highest paid.

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