

**Our focus on building a more diverse workforce across the firm continues. This is a core part of delivering our strategy to be the UK's leading legal business, driven by the needs of our clients.**

**Gender diversity is critical to that and an essential part of our wider initiative around equality, diversity, inclusion and wellbeing for all our people.**

This is our third year of gender pay gap reporting and we continue to have strong female representation across the business. But, our primary challenge remains the representation of women at a senior level.

Building on the initiatives we already have in place, we are working hard to deliver the behavioural and cultural transformation necessary to tackle the barriers to female participation at a senior level. This is based on substantive and detailed research and analysis of the barriers to change.

Many of the challenges we face in doing that are, of course, common across the industry and more broadly. The change needed is entwined with people's long term career choices, working patterns and the way we

support our clients. We are therefore targeting substantive improvement within five years.

As a further demonstration of our commitment to our wider initiative around equality, diversity and inclusion, we are also publishing our ethnicity pay gap data for the first time this year. Over the coming year we will examine the causes of and potential solutions to our ethnicity pay gap, alongside the work we are doing to address our gender pay gap.

Further information on our programme and our gender and ethnic diversity statistics are included in more detail in this report, and I confirm that the data reported is accurate.

**John Wood**

## What is the gender pay gap and how is it different from equal pay?

The gender pay gap is the difference between the average gross hourly earnings for all men and the average gross hourly earnings for all women within the whole of an organisation. Almost all organisations have a gender pay gap, with the last reported average across the UK being 17.9%.

Gender pay is not the same thing as equal pay. Gender pay is about comparing the average pay of all female

employees against the average pay of all male employees across an organisation as a whole, regardless of the individual jobs being performed.

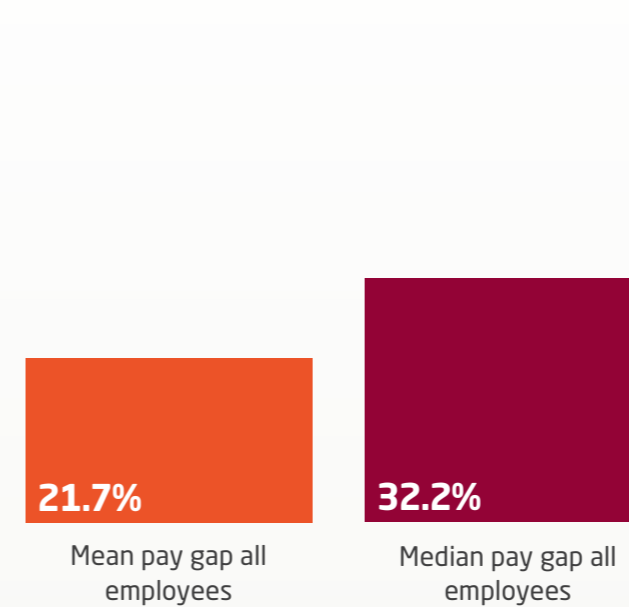
Equal pay is about the individual pay of men and women who are carrying out the same or equivalent jobs. We are confident from our regular internal monitoring that we fully comply with equal pay legislation.

## Our gender pay gap data - employees (excluding partners)

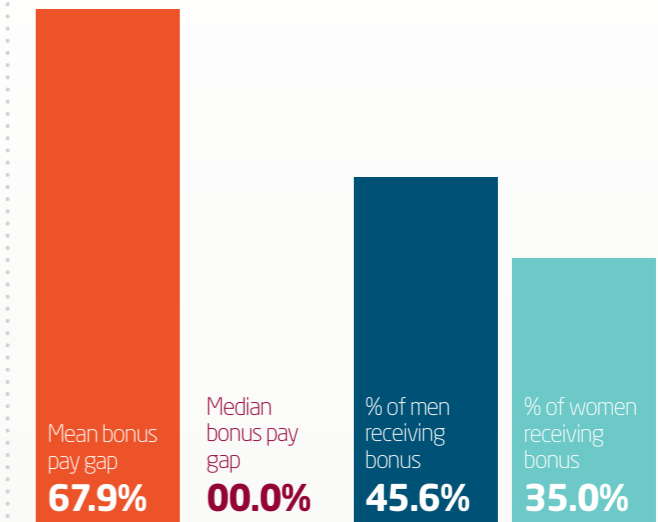
**Gender breakdown**  
April 2019



## Gender Pay Gap - Salary



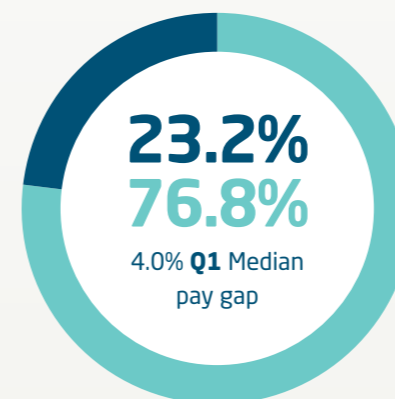
## Gender Pay Gap - Bonus



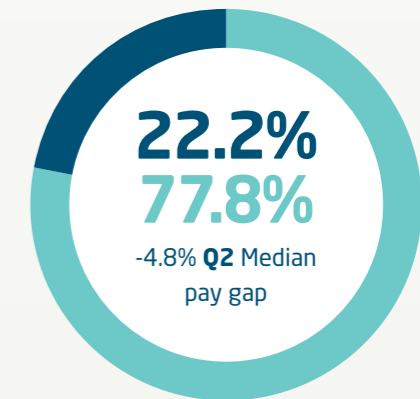
## Pay quartiles

This is the workforce split into four pay quartiles showing the proportion of men and women in each.

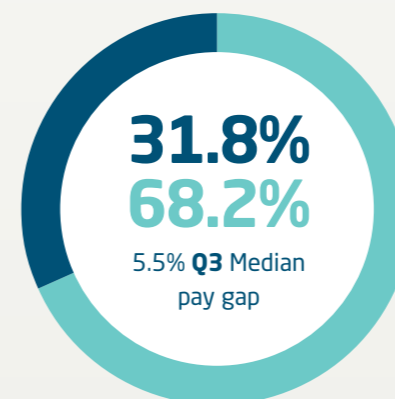
For context we have also provided the gender pay gap by quartile too.



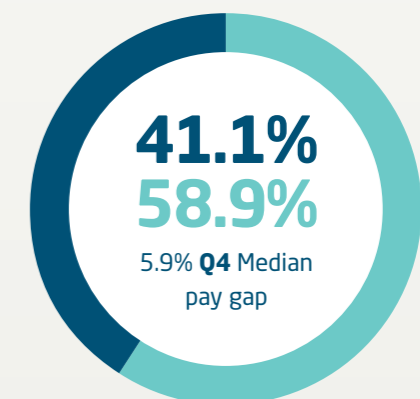
Lower quartile pay band



Lower middle quartile pay band



Upper middle quartile pay band

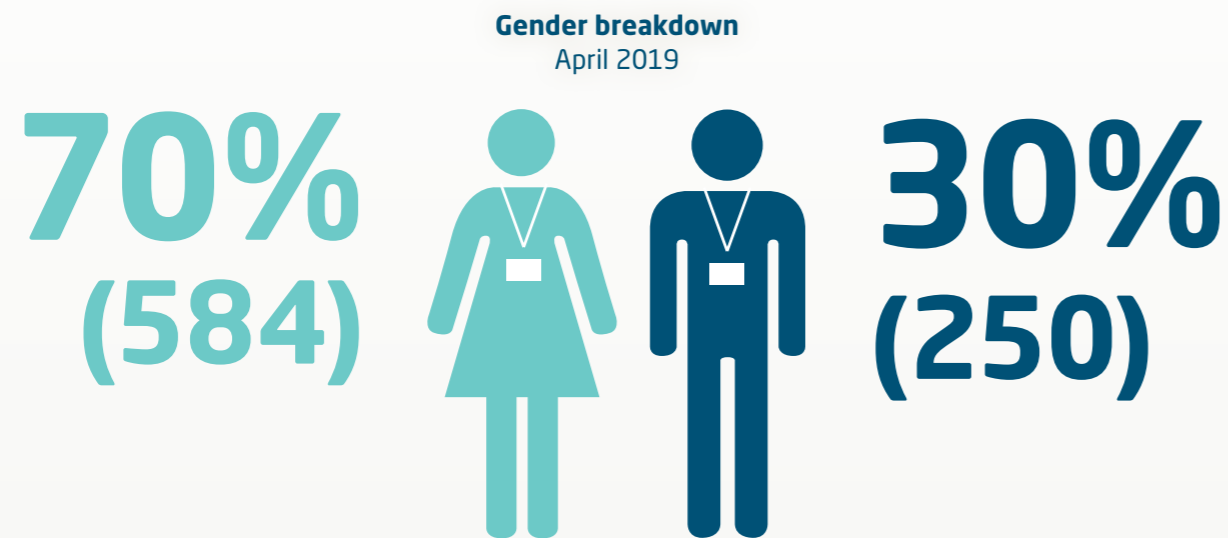


Upper quartile pay band

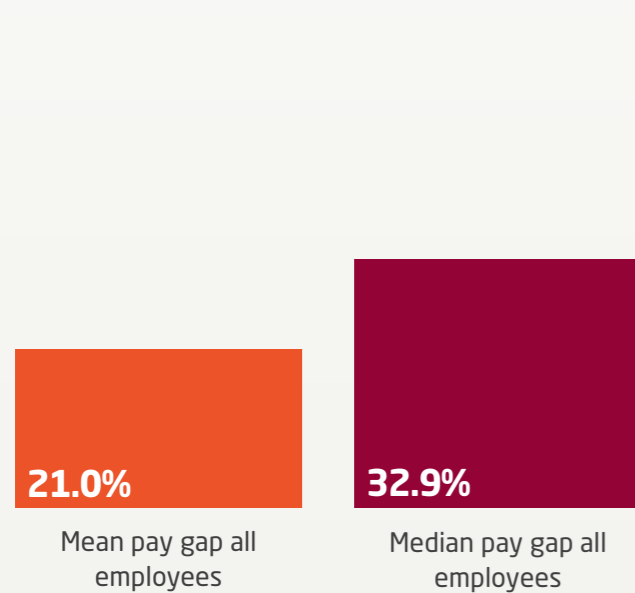
TLT operates across the whole of the UK and 5% of our employees are based in Northern Ireland. Our main published figures do not include our employees in Northern Ireland as not being part of Great Britain, they are excluded from the government's reporting

requirements. In the interests of transparency and inclusion across the whole of our organisation, however, we are also publishing our gender pay gap including those based in our Northern Ireland office.

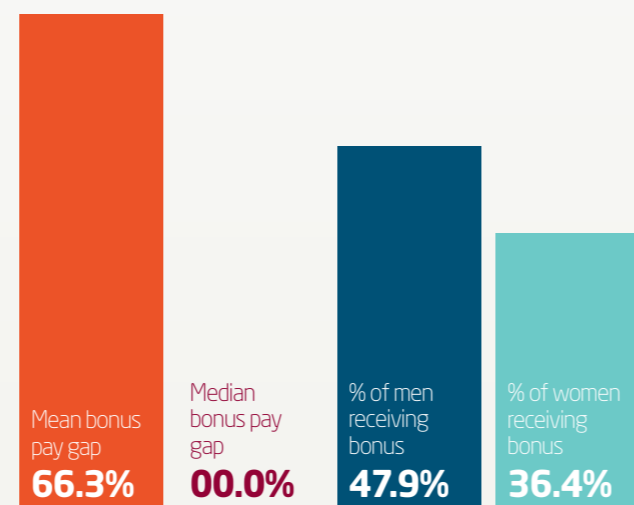
### Our pay gap data including our Northern Ireland Office



#### Gender Pay Gap - Salary



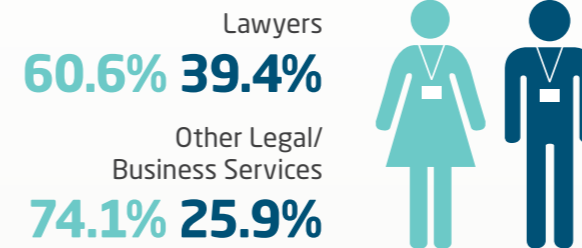
#### Gender Pay Gap - Bonus



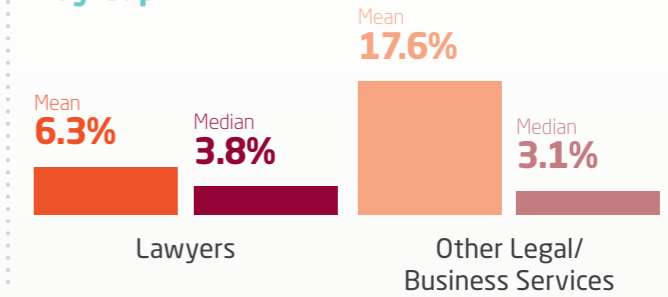
'...We are therefore targeting substantive improvement within five years.'

### Our UK pay gap data broken down by job type

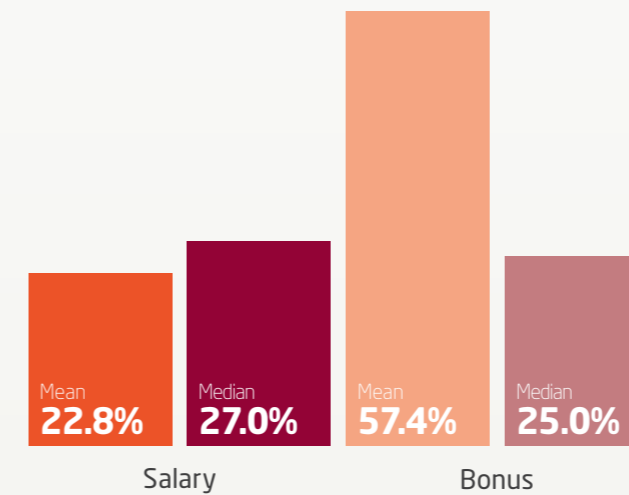
#### Gender Distribution



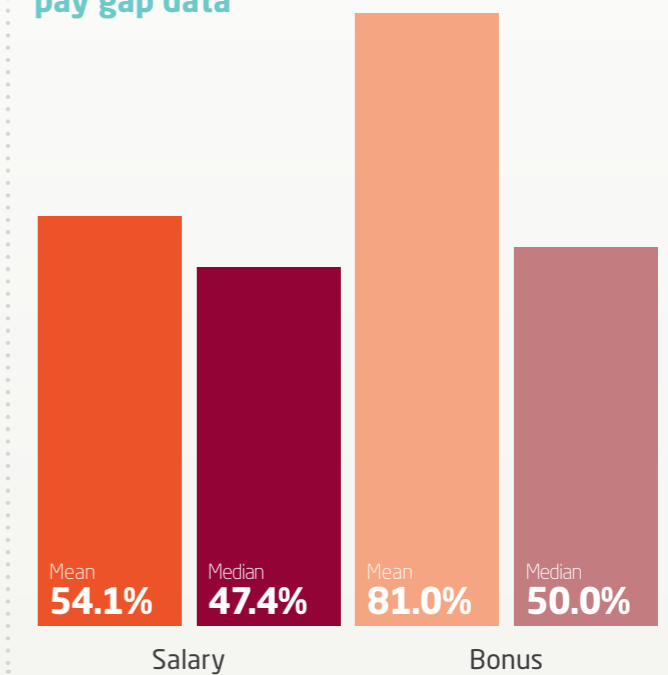
#### Pay Gap



#### Our UK partner pay gap data



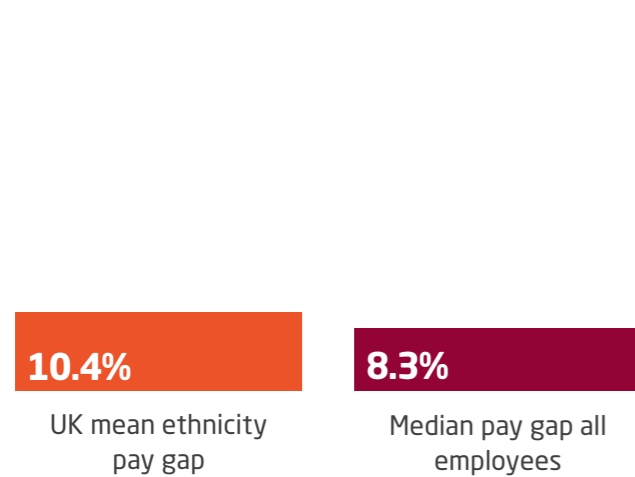
#### Our combined UK partner/employee pay gap data



'Building on the initiatives we already have in place, we are working hard to deliver the behavioural and cultural transformation necessary to tackle the barriers to female participation at a senior level.'

## Our Ethnicity Pay Gap

In keeping with the firm's commitment to equality of opportunity and tracking progress, TLT is voluntarily reporting its ethnicity pay gap for the first time this year.



The pay gap has been calculated by reference to two groups: White (non-BAME) and BAME, with those who have not disclosed excluded from the calculation.

We recognise the shortcomings of terminology such as 'BAME', which can hide the specific challenges faced by particular ethnic groups within the BAME category. However, for the purposes of a meaningful interpretation and for ease of benchmarking and reporting, we have used terminology consistent with existing ethnicity pay gap publications.

## Our gender pay gap explained

Our gender pay gap across all parts of the business is driven by a number of factors:

- TLT has a predominately female workforce; 70% female and 30% male. But, this is not yet reflected at the most senior levels of the organisation. That said, we are pleased to note the modest improvement in our mean pay gap this year (from 22.5% to 21.7%) and our median pay gap (from 33.8% to 32.2%). The gender pay gap also remains low in our lawyer population, which is 61% female and has a median pay gap of 3.8%. However, women remain underrepresented in senior leadership and management roles including at partner level. Looking at potential barriers to career progression for our female employees is a key focus in our ongoing work to reduce the wider pay gap.

In doing so we achieve a better understanding of pay differences within the organisation.



We are proud that 95% of our employees have chosen to voluntarily declare their ethnicity and as at April 2019, 10% of our employees that declared their ethnicity identify as BAME. We view our publication of the ethnicity pay gap as a meaningful use of their data and hope publishing the pay gap encourages further employees to disclose their ethnicity.

Our focus over the next 12 months will be to conduct further analysis in order to better understand the causes of the ethnicity pay gap and what steps we may need to take to ensure full representation at all levels of the organisation.

- At the other end of the organisation, there is a much higher representation of women in roles that attract comparatively lower salaries. In fact, our data identifies an issue generally with the attraction of men to entry level roles, both qualified and unqualified. These trends are not unique to TLT and typical of those that exist across the legal sector and beyond. Further work to establish the factors causing this and what we can do is another key part of our work to address the pay gap.
- Our employee bonus data reflects TLT's cash based bonus arrangements as well as our voucher based recognition schemes. The bonus pay gap again reflects the greater representation of men in senior roles currently, where the potential to earn more bonus is greater.

## What we are doing to address our gender pay gap

Reporting and analysing our pay and reward by gender is a critical part of our commitment to attract and retain a more diverse workforce at TLT. We are proud of the wide number of policies and initiatives that support gender equality, such as in areas like flexible working. We are also encouraged by our promising and talented pipeline of female employees.

Nonetheless, we recognise that the sustained and systemic changes that are needed to really tackle this issue will only come by taking an organisational design approach. The gender pay gap is a universal issue, but the strategy to address it within TLT requires tailored and localised action.

For this reason, following our last gender pay gap report, we have carried out a comprehensive six month inquiry into gender imbalance at TLT. During this time, we consulted with over 60% of TLT employees through nationwide focus groups and a survey to identify the necessary behavioural, cultural and structural changes needed. The outcomes of this detailed research process have informed a strategy that is now in place and driving forward change.

Our strategy prioritises the activities identified from the results of the inquiry, which we view as most important to improving gender diversity at TLT and therefore to reducing the gender pay gap. Whilst our efforts are broad and varied, we are realistic about the fact that this will take time and we anticipate that it may take at least three to five years to impact and achieve lasting change.

Our work to improve diversity across the firm will continue to be driven by dedicated senior equality, diversity and inclusion expertise within the business. This work has the full backing of the firm's leadership and executive boards and a steering committee accountable for delivery.

TLT is committed to increasing the gender diversity of the people we recruit into the business as well as ensuring equal opportunity for personal or professional growth. We are doing this by:

- Having gender balanced shortlists for internal promotions across the business.
- Regularly auditing our annual pay reviews to ensure that men and women are paid equally for doing equivalent jobs across the business, unless there is a non-gender related explanation. We also use this audit to identify and rectify where needed any concerning trends.
- Reviewing our performance management and appraisal processes to adopt a more holistic view of performance and talent evaluation and improve success criteria transparency.

- Gender targets at partner-level pledged with imminent expansion of gender targets into other business areas, such as management and board positions.
- Pre-graduate interventions to promote and support access to the legal profession among young aspiring female lawyers through our work with various external partners.
- Implementing three year talent tracking to prepare women for promotion and leadership with accompanying development plans.
- TLT is committed to creating a culture of respect for differences, and in interpersonal behaviour and expanding the potential of flexible ways of working to increase performance and work-life balance, we are:
- Implementing a firm-wide code of conduct for the creation of a safe and secure workplace in which all employees have the ability to contribute.
- Continuing to focus on unconscious bias awareness and education, and integrating this into our recruitment and partner training programmes.
- Introducing additional policies, such as a menopause policy, to signal employer support on specific issues relating to women's health.
- Embedding core components of inclusive leadership behaviours into our manager development programme.
- Reviewing and making changes to our existing partner-promotions process to introduce more objective assessment to inform decisions.
- Providing enhanced maternity, paternity and shared parental leave provisions and reviewing the offering annually.
- Undertaking an appreciative inquiry into the conditions and behaviours that lead to successful adoption of flexible working and sharing that across the firm to increase and encourage flexible working uptake.
- Enabling a well-supported period of parental leave by putting in place measures that enable a confident re-entry to the workplace including a comprehensive parental leave transition support program, a liaison to help employees prepare for and return from parental leave and "ramp-down" and "ramp-up" periods during which our fee-earners billable hours targets are adjusted to aid transition.

\*All figures are as of April 2019