



Gender and Ethnicity Pay Gap report April 2022

For what comes next
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Foreword

During the period covered by this report we've all experienced more change and uncertainty including the impact of the lingering pandemic and the war in Ukraine. The effect on our colleagues, our clients and our sectors has at times been dynamic and unpredictable, requiring considered thinking, quick action and teamwork.

Throughout this period our colleagues acted in-step as individuals to make collective progress against our new strategy, ensuring we continue to deliver an outstanding service for our clients and progress against our ambitious people agenda. We are united in our belief that diversity of thought and experience are crucial to our shared success and wellbeing as an organisation.

We are, for another year, delighted to report a decrease in this period in both our mean and median gender pay gap to a record low. We also take great pride that, during this time, ethnic diversity improved within the firm with an increase in Black, Asian and Minority Ethnic (BAME) representation. As highlighted through our voluntary reporting of our ethnicity pay gap, we are committed to enabling their progression within the organisation and look forward to sharing our progress with you on this. **We confirm that the data reported is accurate.**



We are united in our belief that diversity of thought and experience are crucial to our shared success and wellbeing as an organisation



John Wood
Managing Partner



Helen Hodgkinson
Chief People Officer



Pay gaps explained

A pay gap is not to be confused with equal pay, which is an employer's legal duty to ensure the pay of men and women doing the same or equivalent jobs is equal and is systemically supported at TLT through our reward processes such as annual pay reviews and fixed salary bandings.

Pay gaps compare the average earnings of one demographic, such as women, with the pay of another demographic across an organisation, regardless of the individual jobs being performed. Pay gaps are used to measure progress towards more equal and inclusive access to work, progression, and reward.

There are two measures of the pay gap, mean and median and both figures are important as they can highlight the different causes of your pay gap.

The mean (average) is calculated by adding all individual employees' hourly rate of pay and dividing by the total number of employees.



The median is calculated by listing all employees' hourly rate of pay and finding the midpoint.



14.9%

In the UK, the Office of National Statistics tracks the median gender pay gap, which was 14.9% in 2022

As well as at an organisational level, pay gaps can also be calculated across a variety of industries, occupations, and the national labour market to provide the National Gender Pay Gap. In the UK, the Office of National Statistics tracks the median gender pay gap, which was 14.9% in April 2022.



Our gender pay gap

TLT has two employing entities: TLT LLP and TLT (NI) LLP hereafter referred to as 'TLT NI'.

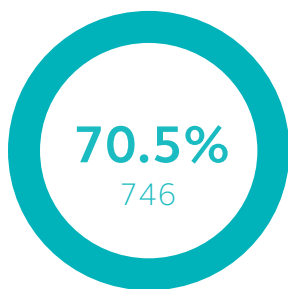
It is our statutory duty to only report on TLT LLP, which is provided below and relates only to pay data of all relevant employees of TLT LLP at 5 April 2022 and for bonuses awarded during the 12 months prior to that date.

However, we have also provided gender pay gap analysis inclusive of our TLT NI population as it is most representative of the firm. This data, which also includes the partner pay gap, can be found on page 3 of this report.

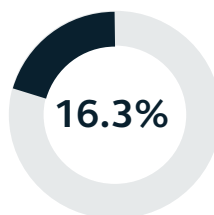
As at April 2022

● Women ● Men

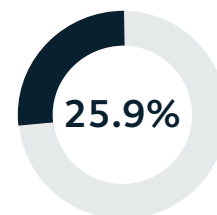
Gender split



All UK Employees (excl. NI) Gender pay gap - Salary

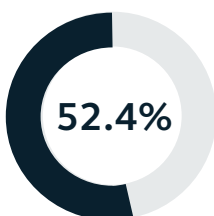


Mean pay gap
(excl. NI)

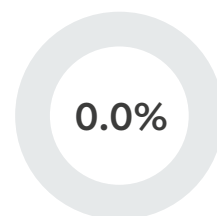


Median pay gap
(excl. NI)

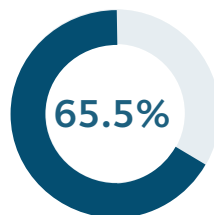
Gender pay gap - Bonus



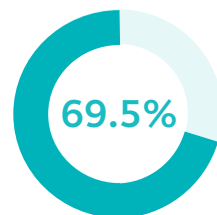
Mean bonus
pay gap



Median bonus
pay gap



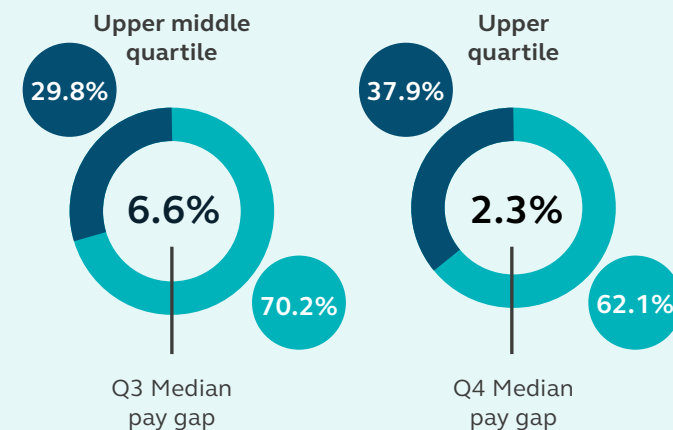
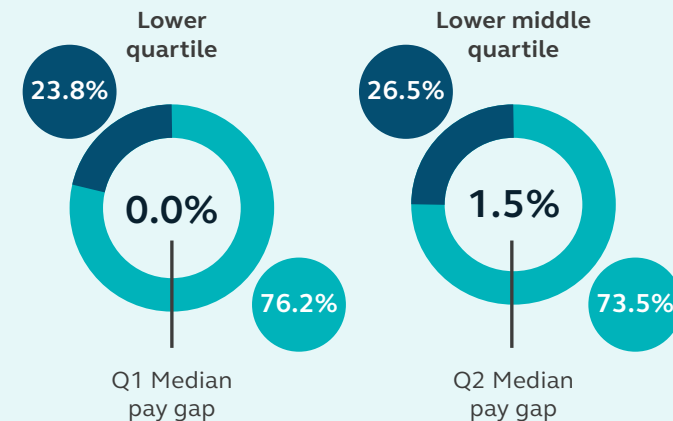
% of men
receiving bonus



% of women
receiving bonus

Pay quartiles

This is the TLT LLP workforce split into four pay quartiles showing the proportion of men and women in each including the median gender pay gap of each quartile.

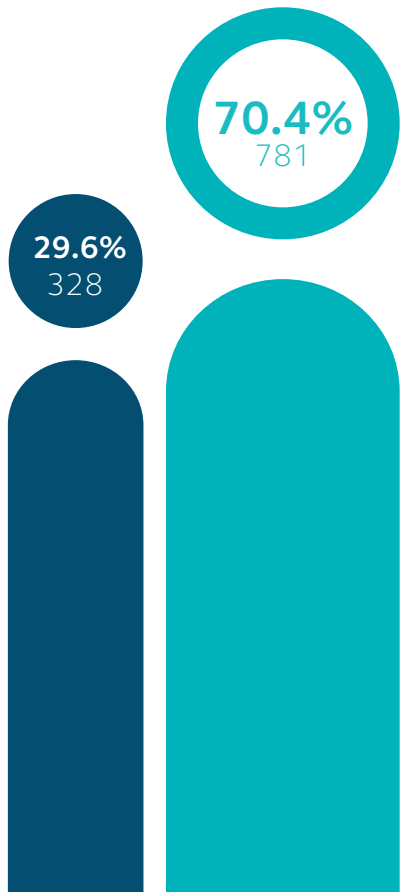


Our gender pay gap including Partners and TLT NI

As at April 2022

● Women ● Men

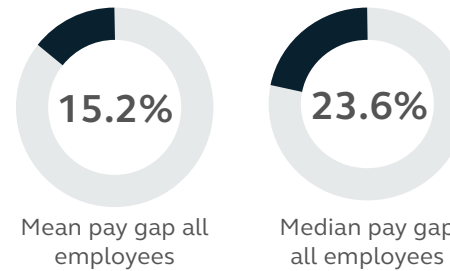
Gender split
All UK Employees



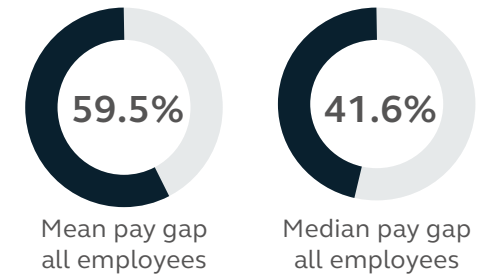
Gender split
All UK Employees and Partners



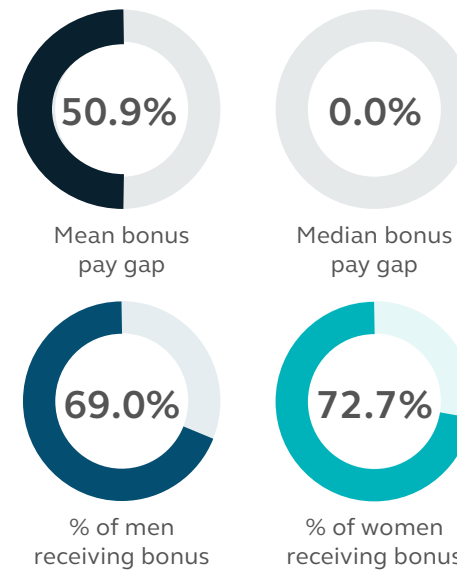
All UK Employees
Gender pay gap - Salary



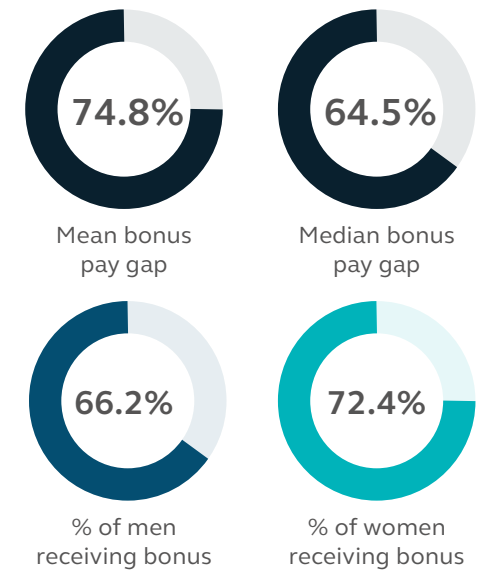
All UK Employees and Partners
Gender pay gap - Salary



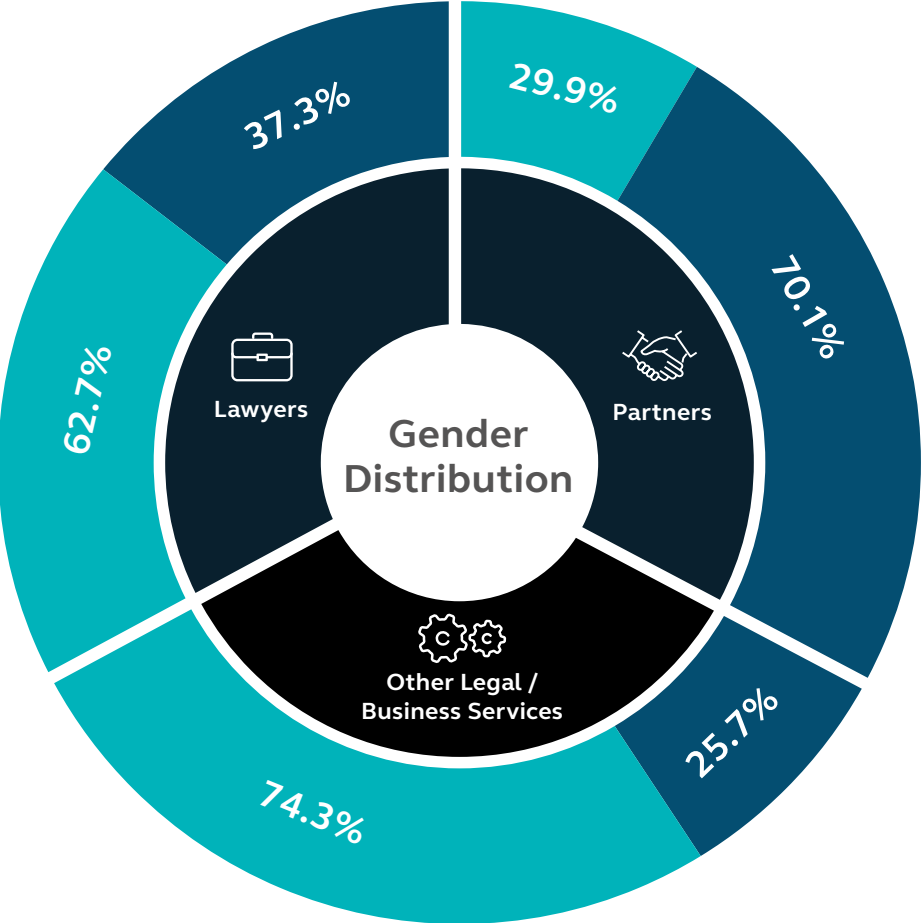
Gender pay gap - Bonus



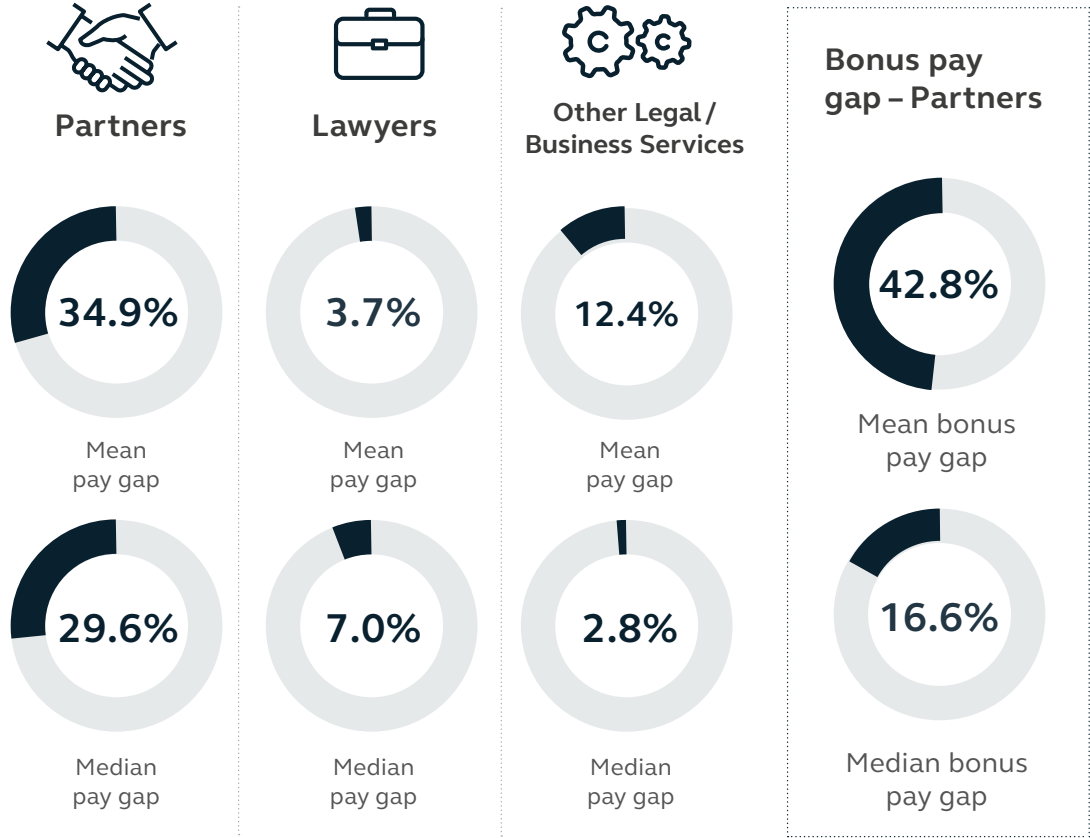
Gender pay gap - Bonus



Our gender pay gap by job role



● Women ● Men



Understanding our gender pay gap

This is our sixth year of reporting and our progress remains consistent with a mean pay gap of 16.3% and median pay gap of 25.9% for 2022 (excl.NI) - our lowest recorded pay gap since we began reporting.

This is encouraging progress and an indicator that the actions we continue to take with our gender equality action plan are effective. We remain firmly committed to understanding the key drivers for our pay gap and ensuring we are addressing these where possible.

As reported in previous years, the most significant influencing factor impacting our gender pay gap is the number of men in higher paid roles relative to their representation within the organisation as a whole.



16.3%
25.9%

Our mean and median employee pay gap has reduced to TLT's lowest recorded figure of 16.3% (mean) and 25.9% (median) respectively

Although women are represented in greater numbers than men in every quartile across the pay scales, the proportion of men in the upper quartile (32.0%) relative to their population size is greater than the proportion of women (22.0%) in this pay quartile. The reverse is also true in the lower quartile where women are overrepresented (26.4%) relative to their population size and compared with their male counterparts who are underrepresented (22.0%).

Despite this, there have been modest gains in the even distribution of both sexes across the pay quartiles, most notably in the lower quartile where the proportion and percentage of men has increased, and the proportion and percentage of women has decreased. This indicates a trend where fewer women are occupying roles in the lower quartile with more men occupying these positions.

It is positive to see that, for another year, there has been a decrease in the median pay gap in three out of four of the pay quartiles, including, for the first time, a neutral median pay gap in the lower quartile (excluding TLT NI). Most importantly, however, there has been over a 4% decrease in the upper quartile median pay gap from 6.7% to 2.3% - a sizable improvement within the quartile that contributes most to our pay gap.



Bonus pay gap

The data provided below relates to pay data of all employees of TLT LLP as at 5 April 2022.

This year, we have seen our median bonus pay gap return to 0% and a substantial increase in the percentage of both men and women receiving bonuses. A TLT Recognition payment awarded during this time resulted in this being the first year more women (69.5%) have received a bonus than men (65.5%) as a % of their population.

This recognition payment, however, is also a contributor to the significant increase in the mean bonus pay gap from 31.6% to 52.4%. The mean pay gap, as with all mean pay gaps, is sensitive to individual outliers and not necessarily



69.5%

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indicative of broader trends or issues. On further analysis of this data, a small amount of outlier data is the largest contributing factor and thus we do not perceive this to be an area requiring immediate action. In addition to this, it is important to note that the bonus pay gap calculation does not consider hours worked, which has skewed the bonus data in favour of male colleagues who are less likely to work part-time (22.3% female colleagues work part-time vs 4.04% male colleagues).

Job role pay gap

The data provided below relates to pay data of all employees of TLT LLP and TLT (NI) LLP as at 5 April 2022.

In terms of job role, we have seen a positive shift within the pay gap for Other Legal and Business Services whereby the mean has decreased from 17% to 12.4%. When viewing the pay gap for lawyers, the mean has reduced <1% with a slight shift in the median up to 7.0% overall.



7.0%

When viewing the pay gap for lawyers, the mean has reduced <1% with a slight shift in the median up to 7.0% overall

Where pay gaps exist by job role, there are a number of factors at play. For example, as a multi-site firm, location plays an important role. Regional pay differences and how these intersect with the gender split in these locations are highly influential on job role pay gaps and our overall pay gap. Our analysis indicates that London remains the highest contributor to the overall median pay gap, but due to higher pay ranges being applied in London, alongside London having the highest representation of male employees at 39.8%, this is unsurprising.

Trends within the partner population have remained consistent with previous years with a further rise in both the mean and median from 29.0% to 34.9% and 25.6% to 29.6% respectively. This can be attributed, in large part, to the firm's financial year-on-year acceleration which continues to benefit those in the upper quartile of the partner pay scales whose remuneration arrangements differ. Progressing women through the partnership to the upper quartile continues to play a central role to our work. Positive movement within the partner population includes a decrease in our partner bonus gap which has moved from a median of 57.5% to 16.6%. As with our employee data, we have seen here a reversal of historical trends where, proportionally, more women at this level have, for the first time, received bonuses than men.



Progressing women through the partnership to the upper quartile continues to play a central role to our work

Closing our gender pay gap

The progress in closing both our mean and median pay gap indicates that the actions that TLT is taking in line with our gender strategy are both relevant and effective.

This section highlights the tangible actions that we have taken to address over the last 12 months, which we are confident will continue to deliver results in relation to the retention and progression of women, and equalisation of our workforce across the pay scales. In the past year, we have undertaken a comprehensive role and reward structure review resulting in the following:

- Introduction of a new career grading structure to achieve greater alignment between the diverse range of roles across Business Services to support consistency of decision-making and development opportunities across this function.
- Launched new career pathways providing our legally qualified colleagues and our paralegal population a new approach to managing their careers providing greater transparency and removing gender-bias language from job roles.
- Introduced the Exceptional Performance Bonus scheme to better recognise exceptional performance across the whole firm. This means, unlike previously, nearly all employees will have access to a potential bonus, including those areas that have high female representation.
- Continued to progress our targeted talent programme to further develop women into both Fixed Shared Partner and Equity Partner roles through achieving 31% female partners in March 2022.
- Introduced TLT's first dedicated pregnancy loss policy offering paid leave for those who experience early-stage pregnancy loss further expanding the targeted support TLT is building for women through life-critical stages.
- Continued to promote flexible working through TLT World to further empower both men and women in gender-balanced distribution of home and caring responsibilities supported by targeted policy improvements including an increase in paternity leave by a further two weeks on full pay.
- Introduced two new apprenticeship programmes which offer an alternative route to qualify as a solicitor, combining paid work with training to offer new opportunities for those in lower-paid roles to progress to higher earning positions.

In the forthcoming year, as part of our continued action, we will be:

- Undertaking a comprehensive review of female progression within Business Services, with a view to set targets relating to senior roles and identifying appropriate interventions where relevant.
- Building on our existing menopause app-based provision through providing a free diagnostic service for women in the early stages of menopause.
- Developing our life-stage support through the introduction of a returner's recruitment programme and implementing a coaching programme for colleagues returning from extended family leave.

Our ethnicity pay gap

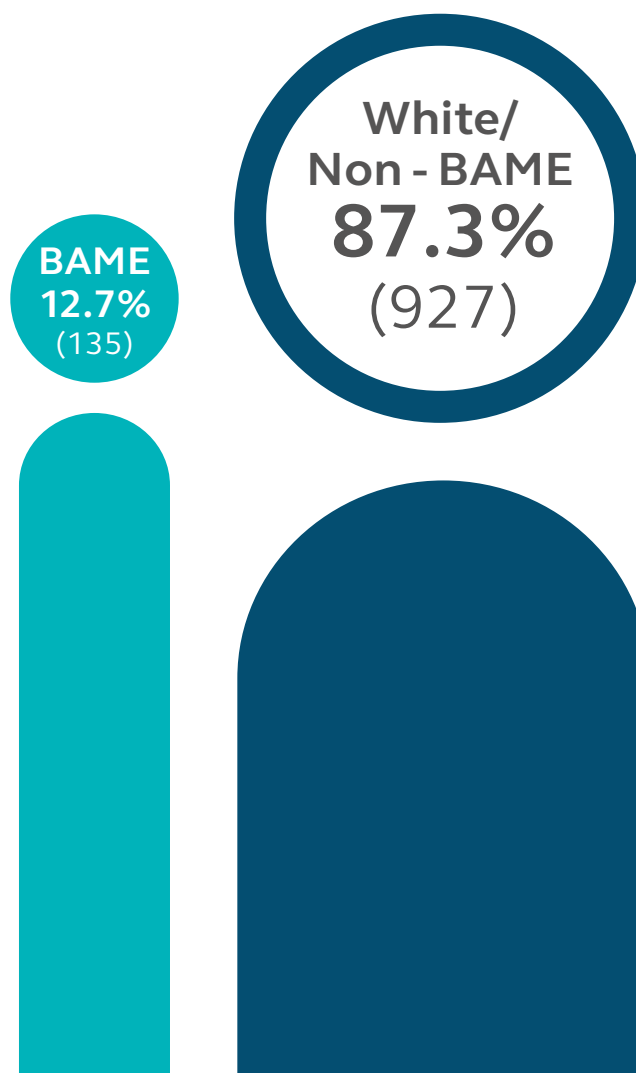
The data provided below relates to pay data of all employees of TLT LLP and TLT (NI) LLP as at 5 April 2022 and for bonuses awarded during the 12 months prior to that date.

The pay gap has been calculated by reference to two groups: BAME (Black, Asian, and Minority Ethnic) and White (non-BAME) for the purposes of a meaningful interpretation, as well as for ease of consistent benchmarking and reporting with existing Ethnicity Pay Gap publications. Those who have not disclosed their ethnicity are excluded from the calculation.

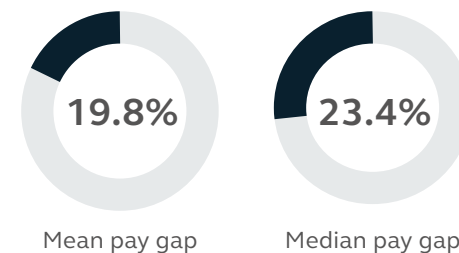
As at April 2022

● BAME ● White/Non-BAME

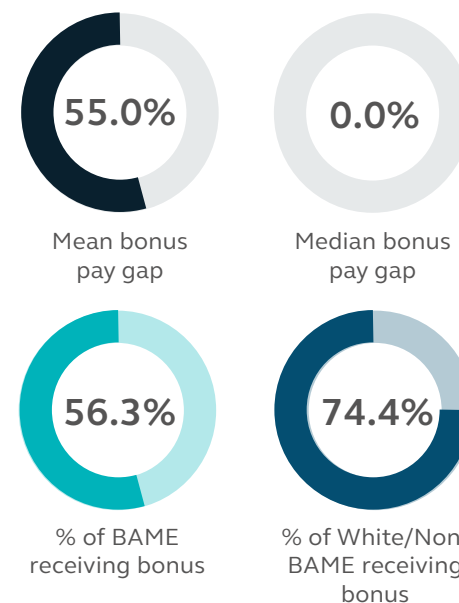
Ethnicity breakdown



Ethnicity pay gap - Salary



Ethnicity pay gap - Bonus



Understanding our ethnicity pay gap

It is positive to see that ethnic diversity within TLT has improved with BAME (Black, Asian, and Minority Ethnic) representation across the firm increasing by 1.4% over the last year. However, as our mean and median pay gap increases indicate this increase in population has been predominantly in the lower and lower middle quartile where BAME representation has increased by 4.7% and 3.6% respectively. Representation figures also shows a decrease in the upper middle quartile from 11.5% to 9.4%.

This suggests that although overall ethnic diversity is improving within the organisation, BAME colleagues are joining in lower paid roles. This, coupled with minor decreases in the upper quartiles, is having an adverse impact on our ethnicity pay gap. Overtime, we expect that with an increase of BAME employees within the firm, the pay gap will decrease as people move into higher paid roles and through the pay quartiles. Ensuring there are progression pathways that enable this transition into the upper quartiles is therefore critical.

In respect of the ethnicity bonus pay gap, we have seen a large increase in the number of people receiving a bonus although for a third consecutive year, our median ethnicity pay gap bonus continues to be 0% which is positive. However, we have seen a sharp increase in the mean bonus pay gap (55%) which can be attributed to the high number of white (92.1%) employees occupying the upper quartile who are eligible for and have access to higher value bonuses.



Closing our ethnicity pay gap

Although overall diversity has improved, we can see that the trajectory of our ethnicity pay gap is not improving.

We know immediate and targeted action on progressing BAME colleagues through to the upper half of the pay scale is required to reverse this trend and put us on course to close the ethnicity pay gap where it persists at an employee level.

Over the past year we have taken a number of actions which are aimed specifically at closing the ethnicity pay gap. We are pleased to highlight the following:

- Introduced two new routes into qualification in the form of a graduate apprenticeship and legal solicitor apprenticeship. It is expected to particularly impact those in the lower and lower middle quartile of the organisation enabling them to progress to higher-earning positions. Early data indicates this has been particularly successful with BAME applicants with a high proportion of successful BAME candidates.
- Launched Inclusive Leadership training for TLT's Equity Partnership to develop competencies in managing across cultures and differences.
- Introduced a number of measures to address race-inclusion including explicitly updating messaging to include zero tolerance of racism and implementing a reciprocal mentoring programme enabling members of our BAME network to engage, learn from and educate our senior leaders.

In the forthcoming year, as part of our continued action, we will:

- Release our ethnicity targets to address the lack of representation and progression of BAME employees across the firm.
- Implement a set of new safeguards covering pay, progression and retention including mandatory reviews on any BAME exits or resignations, promotion shortlists and pay reviews to enable the appropriate preventative interventions.



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