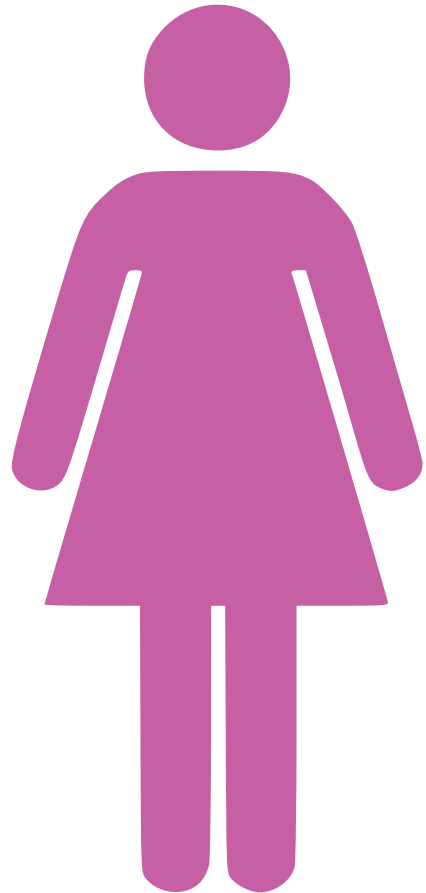
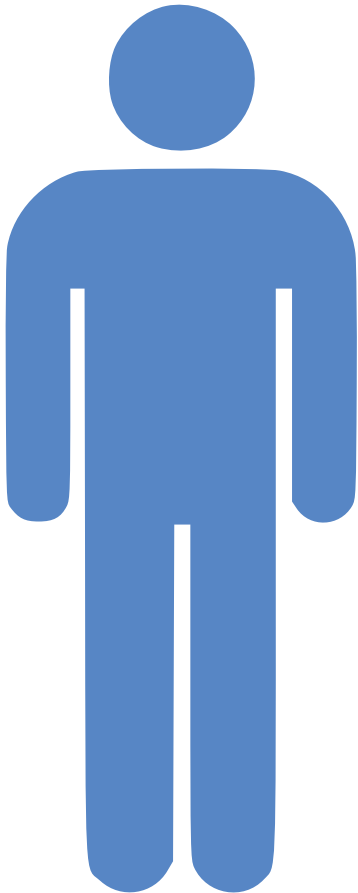


The gender pay gap

April 2022



Introduction

This is the fifth annual gender pay gap report from the firm, reflecting the data as at April 2021.

The gender pay gap is the difference between average hourly earnings for men and women in an organisation. It is calculated by looking at the mean and median hourly pay of men and women and is typically expressed as a percentage.

Gender pay gap reporting is not a comparison of men and women's salaries for doing the same job. That is equal pay and the two measures are very different things. Paying men and women differently for doing equal work is unlawful. We are committed to paying fairly and have remuneration and moderation processes in place to ensure men and women in the firm receive equal pay for equal work.

Here are some of the highlights from this year's report:

- The overall mean pay gap of all UK partners and employees has continued to reduce for a fourth consecutive year.
- Across the whole partnership the mean gender pay gap is 1.1% in favour of women.
- The mean pay gap for business services across the UK has continued to reduce for a fourth consecutive year.
- Across business support staff based outside London the mean gender pay gap is 4.3% in favour of women.
- Across all UK fee-earning staff (excluding partners) the bonus gap has significantly reduced from 30.5% reported last year to 17.6% this year .
- The median bonus gap for fee earners outside London is 15.1% in favour of women.

Gender pay gap analysis at Trowers & Hamlins

Overall there is a pay gap for the mean hourly earnings of all UK partners and employees of 20.3% which is a reduction of 1% from last year and a median hourly pay gap of 33.2% in favour of men, an increase of 3.1% from last year. The mean hourly pay gap across the firm has continued to reduce for the fourth consecutive year.







By law the firm is required to publish data for all employees, but once again for transparency has taken to decision to publish partner data as part of our report.

If we were to exclude partners from this calculation, there is a pay gap for the mean hourly earnings of all UK employees of 13.7% and a median hourly pay gap of 21.4% in favour of men, an increased gap compared to the figures reported last year.

As before, it is only when breaking this information down for further analysis, that a greater understanding can be achieved.

Our partnership







As can be seen from the table below the gender pay gap within the partnership is in favour of women across all partners and non-equity partners, compared to last year when it was narrowly in favour of men. In a partnership that comprises over 40% female partners, once again this is an encouraging result.

| | Mean gender pay gap | Who earns more | Median gender pay gap | Who earns more |
|---------------------|---------------------|-----------------------------------------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------|
| All partners | 1.1% |  | 8.7% |  |
| Equity partners | 2.7% |  | 7.9% |  |
| Non-equity partners | 2.2% |  | 11.1% |  |











UK fee-earners

When looking just at the results for fee-earners only (excluding partners) there is a pay gap of 7.3% in favour of men, an increased pay gap from that reported in 2020 which was 1.7% in favour of women. In London the gap is in favour of men. Outside London, the gap is influenced by the fact that we employ significantly more paralegal staff, the majority of whom are female and whose salary range is lower than that of a qualified solicitor. This demographic difference is the reason for the mean pay gap outside London as when we exclude this category of staff, the gender pay gap disappears.

Gender pay gap by region (excluding partners)

| | Mean gender pay gap | Who earns more | Median gender pay gap | Who earns more |
|---------------------------------------------------|---------------------|-------------------------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------|
| Fee earning staff all UK offices | 7.3% |  | 18.6% |  |
| Fee earning staff London | 7% |  | 4.6% |  |
| Fee-earning staff Birmingham, Exeter & Manchester | 5.7% |  | 2% |  |







Gender pay gap by role

| | Mean gender pay gap | Who earns more | Median gender pay gap | Who earns more |
|--------------------------------------|---------------------|-----------------------------------------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------|
| Paralegal (All UK offices) | 4.3% |  | 4.1% |  |
| Solicitor (All UK offices) | 9% |  | 31% |  |
| Associate (All UK offices) | 1.3% |  | 3.8% |  |
| Senior Associate (All UK offices) | 0.5% |  | 1.8% |  |
| Partner (All UK offices) | 1.1% |  | 8.7% |  |

UK business services

When looking just at the figures for business services, the figures show a mean gender pay gap of 19.3% and a median gender pay gap of 16.9% both in favour of men. This is a reduction on the pay gap reported in the previous three years. It is important to bear in mind that the makeup of business services staff is diverse, ranging from junior clerical and admin staff in regional offices across the UK, to the Directors of the business services functions in London. This wide disparity of roles and locations produces a significant gender pay gap, with the vast majority of the junior admin, clerical and secretarial roles being performed by women.

We analysed the data further and broke it down between London and our regional UK offices. Outside of London, the gender pay gap favours women.

| | Mean gender pay gap | Who earns more | Median gender pay gap | Who earns more |
|--------------------------------------------------------|---------------------|-------------------------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------|
| Business services (All offices) | 19.3% |  | 16.9% |  |
| Business services (London) | 15.4% |  | 6.5% |  |
| Business services (Birmingham, Exeter & Manchester) | 4.3% |  | 10.9% |  |

In London the pay gap has improved from 25.3% last year to 15.4% this year and it is our intention is to work hard to continue to improve these figures, acknowledging as we have done previously that this is likely to take a number of years to achieve. To do so would require not only increasing the number of women recruited or progressing into senior business services roles in London, something that will take some time to achieve, but significantly increasing the number of males recruited into the junior roles. Currently, 66.7% of the roles in the lowest pay quartile are performed by women, although this is nearly 10% less than that reported last year. Longer term efforts to even out the pay gap within business services may be achieved through continuing to offer apprenticeships across a number of our business service functions in addition to work experience and social mobility initiatives, with a view to encourage more men to join the firm in entry level administrative roles.









Bonus pay gap analysis at Trowers & Hamlins

The bonus pay gap is the percentage difference between annual bonus payments made to women and men in an organisation. The overall mean bonus pay gap, again inclusive of partners, is 45.7% in favour of men and the median is 43.9% in favour of men. Again it's important to break the figures down further to gain a better understanding of what the figures show.

Partners and fee-earners in the UK







At partner level the bonus pay gap is 11.1% in favour of men, an increased gap from last year's reported figures which was 5.9% in favour of men.

The bonus pay gap of all fee earners, excluding partners, has increased from 17.6% reported in 2021 to 28.1% this year in favour of men. The median bonus pay gap of fee earning staff outside London has this year reduced to 15.1% in favour of women. Whilst a similar percentage of both male and female fee earning staff receive bonus payments (72.3% and 73.3% respectively), a far greater proportion of women than men work part-time hours which does impact on bonus. Whilst this has no impact upon salary differentials which are calculated on an hourly pay basis, it does impact upon bonus. 11.4% of fee-earning staff are part time employees of whom 81% are women and 8% are men. It is worth noting that the latter is a 5% increase on the number of men in fee earning roles who work part time compared with the 3% reported in 2020.

| | Mean gender bonus gap | Who earns more | Median gender bonus gap | Who earns more |
|-----------------------------------------------------|-----------------------|-----------------------------------------------------------------------------------|-------------------------|-----------------------------------------------------------------------------------|
| All Partners (All UK offices) | 11.1% |  | 20% |  |
| Fee earning staff (All UK offices) | 28.1% |  | 14.5% |  |
| Fee earning staff (London) | 28.3% |  | 27.5% |  |
| Fee-earning staff (Birmingham, Exeter & Manchester) | 25.3% |  | 15.1% |  |

Business services

The mean bonus pay gap is 63.9% and the median bonus gap is 16.7%. 91.7% of men and 93% of women received a bonus. The wide disparity of business service roles coupled with a far greater proportion of women than men working in part time business services roles, produces a larger bonus pay gap. 10.4% of our business services staff are part time employees all of whom are women.

| | Mean gender bonus gap | Who earns more | Median gender bonus gap | Who earns more |
|-----------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------|-------------------------|-------------------------------------------------------------------------------------|
| Business services (all UK offices) | 62.1% |  | 32.8% |  |
| Business services (London) | 61.1% |  | 29.8% |  |
| Business services (Birmingham, Exeter & Manchester) | 7.9% |  | 5.1% |  |

Conclusion

In a sector that can find it a challenge to retain female talent at senior levels, we are rightfully proud that our partnership is made up of over 40% female partners.

There are many reasons for this, but in recent years the following has been put in place to ensure that we continue to attract women into the business and ensure that these women both stay in the business and have successful, well remunerated careers:

- Reviews into the reasons why women leave the business
- Improved planning, coaching and support for those on maternity leave to ensure they are able to keep in touch with the firm and ease their return to work
- Broadened flexible working options, both formal and informal, including the introduction of agile working across the firm
- Conduct equal pay reviews
- A commitment to paying fairly
- Confidence that we achieve equal pay for commensurate roles
- Appointment of a number of female partners into key leadership roles
- The absence of a presenteeism culture
- A genuine and deep commitment to a diverse and inclusive working environment

We have also now introduced the following in order to maximise the potential of all staff within the business:

- Mentoring opportunities for all, including secretarial and business services staff
- Return to work coaching and mentoring following career breaks, including, but not limited to maternity leave.

Looking to the future, gender continues to form a key pillar of the firm's Diversity and Inclusion strategy. In addition the firm is committed to reporting on its ethnicity pay gap and is working towards having the data and reporting tools to be able to do so in a meaningful way.

We can confirm the data reported is accurate.



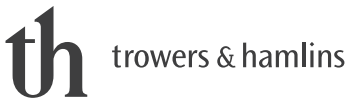
Sara Bailey
Senior Partner

A handwritten signature in black ink that reads "Sara Bailey".



Paul Robinson
Director of Human Resources

A handwritten signature in black ink that reads "P. Robinson".



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