

2022 Gender Pay Gap Report

Thorntons Law LLP 4 April 2023



Thorntons is committed to promoting equality and valuing diversity. We always try to ensure that all our colleagues, clients, and others are treated respectfully and fairly.

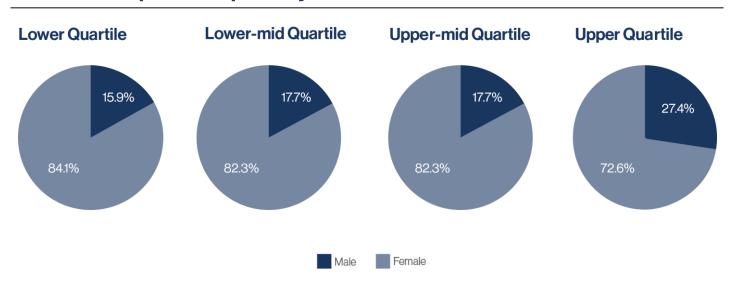
Pay & Bonus Gap

The table below shows the mean and median gender pay gaps based on hourly rates of pay of our employees. It also shows the difference between bonuses paid to men and women. The hourly pay information is at the snapshot date of 5 April 2022 and the bonuses were paid in our last financial year which ended on 31 May 2022.

Employees: Mean & Median Gender Pay Gap

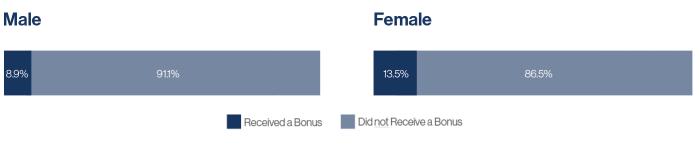
| | Mean difference between genders | Median difference between genders |
|------------|---------------------------------|--|
| Hourly Pay | 14.42% | 18.38% |
| Bonus Pay | 65.08% | 69.9% |

Gender Proportions per Pay Quartile



| | Mean difference between genders | Median difference between genders |
|---------------------|--|--|
| Lower Quartile | -2.02% | -5.65% |
| Lower Mid. Quartile | -0.86% | -3.18% |
| Upper Mid. Quartile | 6.22% | 11.27% |
| Upper Quartile | 7.75% | 5.37% |

Colleagues Awarded a Bonus



Overall Figures

In the interests of openness and transparency, we have chosen to publish the gender pay gap for partners as well as employees as we are serious about addressing the issues that contribute to the gap, and reducing it.

Partners*

| | Mean difference between genders | Median difference between genders |
|------------|--|--|
| Hourly Pay | 15.36% | 15.83% |

^{*}Partners are members of the Limited Liability Partnership and not employees

Our Progress & Commitments

While I am pleased to report that the general trend in our employee gender pay gap indicators has continued, we remain committed to making further improvements.

In 2022 average mean gender pay gap decreased by 1.69 percentage points, and the median gender pay gap fell by 0.96 percentage points in the past 12 months. The reduction from a mean difference between men and women's hourly pay for our employees of 29.66% in 2017 to 14.42% in 2022 demonstrates our determination to close any gender pay disparities.

From detailed analysis of our data, along with the outcome of a more robust salary benchmarking exercise in 2022, we remain confident that men and women are paid equally for doing equivalent jobs across our business.

The main reason for our pay gap is uneven gender distribution across different groups of jobs which is due to occupational segregation.

While some good progress has been made in the gender balance of roles across our different pay quartiles, the majority of our lower paid roles (lower quartile) are still held by female colleagues (84%) and remains a significant contributor to our pay gap.

Bonus distribution remained restricted to specific areas of the business during the period in question. In 2022, the mean bonus gap increased slightly, however the median bonus gap increased significantly. This significant increase in the median bonus pay gap indicator reflects a number of factors including: senior female turnover; an increase in senior male bonus; and a reduction in bonuses paid to eligible employees in the Property Department where a significant proportion of those receiving bonus are female. Further work is planned to review our allocation of bonus awards during 2023.

Since we last reported (in April 2022) we have:

- Maintained accreditation as a Real Living Wage employer;
- Renewed our Disability Confident Committed accreditation;
- Delivered new menopause awareness training and held menopause café's open to all colleagues ensuring we work proactively to support our female colleagues at all stages of their careers;
- Delivered more unconscious bias training to our managers and leaders;
- Designed and delivered a new assessment centre for new and aspiring lawyers to ensure robust and objective selection;
- Instigated an Equality, Diversity and Inclusion focus group, with volunteers from across the business;
- Implemented a new People Roadmap "Talent for Growth" to support the 5 year strategic plan.

- Launched and implemented a new Flexible working Policy and Agile Framework, implemented from April 2023 to enable greater flexibility, autonomy and choice for the majority of our workforce;
- Continued to encourage openness and transparency, planning and hosting regular open sessions with the Managing partner where no questions are off-limits;
- Continued use of on-line gender decoders to identify any unintentional gender bias in job adverts;
- Significantly strengthened our annual salary review to incorporate extensive benchmarking for job roles.
- Maintained a 50/50 gender-balanced leadership team;
- Continued development of the role of our Promotions Board to include career guidance, mentoring and coaching; and a plan is in place to implement a career board for all colleagues before the end of 2023.
- Further advanced our open-access coaching, mentoring and leadership development programmes and more workshops are planned in Q2 2023 to strengthen our management capabilities.
- In the last two years our pipeline for trainees, has reflected a 57% female to 43% male split demonstrating our goal to achieve better gender balance at all levels within our firm.
- In the past 12 months, our internal promotion to partnership has seen more female colleagues successfully becoming Partners at a ratio of 55:45.

In 2023 we are taking a number of actions:

- We will review our bonus arrangements to minimize any gender disparity;
- We will launch our Engagement Survey to focus on how the workplace can be improved by actioning any gender disparities;
- We will review our job titles across the firm, and especially at junior levels to encourage better gender diversity.

Equality, Diversity and Inclusion are key foundations of our current 5-year strategy. Attainment of the Law Society of Scotland's 10 Equality and Diversity Standards form part of that plan.

In line with our new strategic plan and our commitment to making real improvements in this area, we are fortifying our efforts in respect of Equality, Diversity and Inclusion. We have, accordingly, appointed a member of our strategic board as a named equality lead, responsible for implementing the Law Society of Scotland's Equality Standards and reviewing the results of any equality monitoring.

Our efforts to further reducing our gender pay gap will focus on encouraging continued development and progression for women in order to achieve representative gender distribution in our upper quartile, and to focus on attracting diversity amongst alliob applicants to reduce occupational segregation.

Leslev Larg

Managing Partner

for Thorntons Law LLP

4 April 2023