

GENDER PAY GAP REPORT 2019

We are pleased to publish Watson Farley & Williams Gender Pay Gap Report 2019 in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

As a global law firm with an international client base, Diversity and Inclusion is a key component of how we operate as a firm.

We believe that exceptional client service can only be delivered by exceptional people. For this reason, we aim to attract, retain and develop the best talent from a wide range of backgrounds and encourage our teams to harness diversity of thought, providing our clients with innovative solutions to complex transactional and contentious matters. As such, developing a gender diverse pipeline of talent at all levels is a priority for us and is a focus of our Diversity and Inclusion Strategy.

Our firm has two UK entities. The legal reporting requirements only cover our largest entity, Watson Farley & Williams LLP, which employs all London based Associates, Paralegals and Trainees together with Business Function employees who mainly support the London practice.

Our second UK entity, WFW Global LLP, employs around 100 Business Function employees who are based in London but provide support to our offices throughout our global network. Whilst not a requirement under the regulations, we have taken the decision to publish our pay gap and bonus figures with both UK entities combined to provide further context. This can be found later on in this report.

We confirm that the data in this report is accurate and has been calculated in accordance with the legal requirements.



A stylized, handwritten signature of Chris Lowe in black ink.

CHRIS LOWE
MANAGING PARTNER



A stylized, handwritten signature of Lothar Wegener in black ink.

LOTHAR WEGENER
MANAGING PARTNER

DEFINITIONS

Gender Pay Gap

Is the difference between the average hourly pay for all men and all women employed by Watson Farley & Williams LLP. The gender pay gap is different to equal pay and we are confident that we pay men and women equally for equivalent roles.

Mean

Is the difference between the average hourly pay for all men and women.

Median

Is the middle hourly pay rate for men and women, when rates of pay are arranged in order from lowest to highest.

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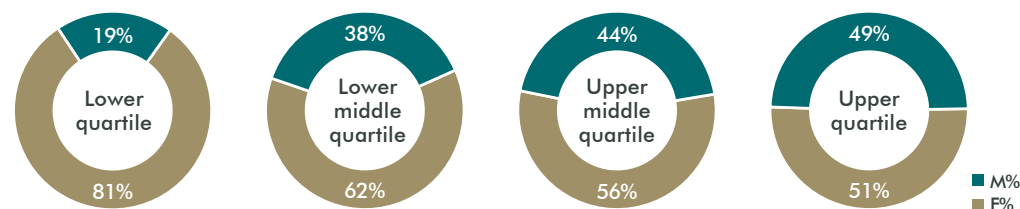
STATUTORY REPORTING – WATSON FARLEY & WILLIAMS LLP

GENDER PAY GAP

We are proud to have a number of women in senior roles throughout the firm, as evidenced by our upper-middle and upper pay quartiles achieving gender parity. Women make up the majority of fee-earning roles at all levels of post-qualification experience through to Senior Associate level and we are pleased that we continue to develop a strong pipeline of female talent.

Our pay gap is driven by our lower pay quartiles which are made up of a higher concentration of women. Our all-female secretarial population and junior Business Function roles (which are made up of a higher proportion of women) fall within the lower and lower-middle quartiles of pay, which influences our pay gap overall.

Pay Quartiles



Gender pay gap based on hourly rates - 5 April 2019

	Mean	Median
Hourly Pay	15%	36%

GENDER BONUS GAP AND BONUS PAYMENT

Overall, more women than men have received a bonus. However, our bonus gap tells us that, on average, men receive higher bonuses than women. A driver for this is the higher proportion of women in our lower pay quartiles, where bonus payments are lower compared to bonuses received in our upper quartiles. The number of women in part-time roles who receive a pro-rated bonus payment compared to men will also affect our bonus gap.

As we look towards our 2020 bonus round, we will continue to ensure that bonuses are allocated on a fair and consistent basis.

Proportion of men and women receiving a bonus payment - 5 April 2019

Men	60%
Women	65%

Gender pay gap based on bonus pay - 5 April 2019

	Mean	Median
Bonus Pay	41%	45%

“WE ARE PLEASED THAT WE CONTINUE TO DEVELOP A STRONG PIPELINE OF FEMALE TALENT.”

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NON-STATUTORY REPORTING - GENDER PAY AND BONUS GAP INCLUDING WFW GLOBAL LLP

When WFW Global LLP data is included within our calculations, the pay gap and bonus gap is reduced at both mean and median measures. This reflects the large number of women in senior roles, including Global Business Function Directors, employed by WFW Global LLP.

When WFW Global LLP is considered as a separate entity, there is a negative pay gap at the mean (meaning that women are paid more than men) and no pay gap at the median.

Gender pay gap based on hourly pay - 5 April 2019

	Mean	Median
Hourly Pay	8%	24%

Gender pay gap based on bonus pay - 5 April 2019

	Mean	Median
Bonus Pay	31%	34%

NON-STATUTORY REPORTING - PARTNER PAY GAP

For further transparency, we have taken the decision to once again report our Partner data, which is not a requirement under the Gender Pay Gap Regulations. As our Partners are remunerated differently to employees, the calculations below reflect total gross profit share (including bonus awards).

These figures demonstrate that within our Partnership, women are paid more on average than men. This reflects the fact that a higher proportion of women are Equity Partners, compared to the proportion of women in our Partnership overall. Many of our women Partners are in key decision-making roles, including office, sector and group heads, and are remunerated as such.

Women currently make up 24% of our Partnership in the UK and 21% of Partners globally. Whilst our pay gap figures are positive, we recognise that this is not fully reflective of our talent pipeline and that there is more to do to ensure our female talent continues to stay with the firm and progress into more senior roles, including through to the Partnership.

Partner Gender Pay Gap based on total gross profit share

	Mean	Median
Gross Profit Share	-10.6%	-10.5%



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OUR PLAN FOR CLOSING THE GAP

As a firm, we are committed to reducing our gender pay gap and have been working with our Partners and employees to identify practical ways of doing this. Our work to date has included:

- Introducing a Global Agile Working policy, which provides employees with the opportunity to work in a more agile manner (including working from home) on an ad hoc and informal basis, in addition to offering more formal flexible working arrangements.
- Re-engineering our Senior Associate and Partner promotion processes to ensure that we promote candidates in an objective and consistent manner, providing candidates with feedback and coaching at each stage of the process.
- Deploying the use of formal salary survey data relevant to the legal sector, to help attract, support, and maintain employees by creating a culture of fair pay for work based on a competitive approach.
- Providing maternity coaching to all women going on maternity leave and upon their return to work. All working parents are provided with a suite of resources and training events through our relationship with City Parents.
- Encouraging our women to build their external networks through hosting regular events with our clients including Women in Leadership, Women in Energy and Women in Mining networking events.

FORWARD LOOK – OUR GLOBAL DIVERSITY AND INCLUSION STRATEGY

Our Global Diversity and Inclusion Strategy refocuses our efforts in this space and sets out how we will recruit, retain and develop the best talent from a diverse range of backgrounds. Specific activities that will support us in closing our pay gap include:

- Identifying potential barriers to progression for diverse talent (including women) through regular data analysis at each stage of the employee life-cycle and introducing initiatives to address these barriers where applicable.
- Supporting our people navigate their careers and the firm through launching a Global Mentoring Programme, providing employees at all levels with a mentor.
- Increasing cross-firm networking opportunities for women and other diverse groups.

We recognise that some of these initiatives will be longer-term and it will, therefore, be some time until we see the change we want to see. However, we hope that our continuing efforts will help us to improve gender balance within our firm and help all of our people reach their full potential.

