

GENDER PAY GAP REPORT 2020

We are pleased to publish Watson Farley & Williams Gender Pay Gap Report 2020 in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

As an international law firm with a global 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 a focus of our Global Diversity & 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 of our 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.



CHRIS LOWE
MANAGING PARTNER



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.

GENDER PAY GAP REPORT 2020

STATUTORY REPORTING – WATSON FARLEY & WILLIAMS LLP

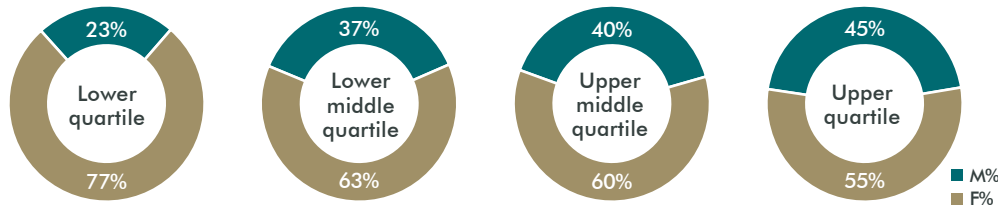
GENDER PAY GAP

Our pay gap has decreased compared to last year at both mean and median measures.

We are proud to have a number of women in senior roles throughout the firm, as evidenced by the proportion of women in our upper-middle and upper pay quartiles. 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 pay – 5 April 2020

	Mean	Median
Hourly Pay	13%	17%

GENDER BONUS GAP AND BONUS PAYMENT

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. However, we have seen our bonus gap decrease compared to 2019, which has been influenced by men receiving lower mean/median bonuses than the previous year.

As we look towards our 2021 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 – 5 April 2020

Men	93%
Women	88%

Gender Bonus Gap – 5 April 2020

	Mean	Median
Bonus Pay	39%	38%

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

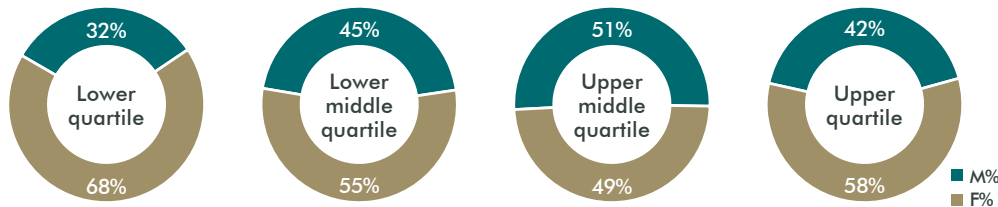
GENDER PAY GAP REPORT 2020

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 is reduced at the mean measure. We also see our bonus gap decrease at both mean and median measures. This reflects the number of women in senior roles, including Global Business Function Directors, employed by WFW Global LLP.

Since our last report, our gender pay gap and bonus gap for both UK entities combined has decreased at both mean and median measures.

Pay Quartiles



Gender Pay Gap based on hourly pay – 5 April 2020

	Mean	Median
Hourly Pay	4%	21%

Proportion of Men and Women receiving a bonus – 5 April 2020

Men	90%
Women	89%

Gender Bonus Gap – 5 April 2020

	Mean	Median
Bonus Pay	18%	7%

NON-STATUTORY REPORTING - PARTNER PAY GAP

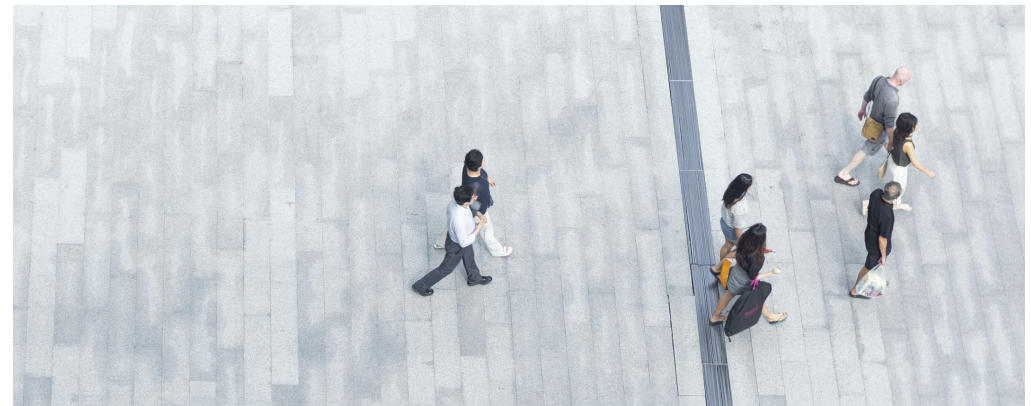
For further transparency, we have taken the decision to once again report our Partner data, which is not a requirement under the Gender Pay Gap Regulations. As our Partners are remunerated differently to employees, the calculations below reflect total gross profit share (including bonus awards).

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.

Women currently make up 22% of our Partnership in the UK and 20% 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%	-24%



GENDER PAY GAP REPORT 2020

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:

People processes

- 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.
- Reviewing bonus allocations by gender to ensure bonuses are allocated on a fair and consistent basis.
- 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.
- Identifying potential barriers to progression for diverse talent (including women) through regular data analysis at each stage of the employee life-cycle.

Support for working parents

- Revising our maternity returner processes to better support women returning to the workplace after a period of maternity leave.
- Providing maternity coaching to all women going on maternity leave and upon their return to work and offering an internal 'parental buddy' to all men and women returning from an extended period of maternity, paternity, adoption or shared parental leave.
- All working parents are provided with a suite of resources and training events through our relationship with City Parents.

Career progression and networking

- Supporting our people to navigate their careers and the firm through our Global Mentoring Programme, providing employees at all levels with a mentor.
- 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 Shipping networking events.
- Launching an employee-led internal women's initiative designed to encourage cross-office networking and provide greater access to senior female role models.

Offering greater flexibility

In addition to offering formal flexible working patterns, our Global Agile Working policy, which applies in each of our offices, provides colleagues with the opportunity to work in a more agile manner (including working from home) on an informal basis. This policy is currently being refreshed to ensure it is fit for purpose in the post-Covid workplace.

Harnessing the best elements of remote and flexible working is a focus for our firm and we have recently launched our Smart Working project which is designed to allow greater flexibility in how we work. This includes more effective use of technology and, through that, the ability to work easily in different locations. We are actively seeking input from our people to help us achieve this.

Ethnicity pay gap

We are working towards publishing our Ethnicity Pay Gap figures in future reports. Our focus in the coming months will be to encourage employees to complete their voluntary diversity profile, with a view to increasing declaration rates and publishing reliable data.

Whilst publishing our ethnicity pay gap is currently not a mandatory exercise, we feel that doing so will be an important step towards greater transparency.

