



2019

UK Gender Pay Gap Results

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UK Gender Pay Gap Report 2019

This is our third UK Gender Pay Gap Report. It shows we are making progress year on year but there is still much to do.

The reduction in our combined mean gender pay gap for a second consecutive year is a positive indicator that our actions are having an impact. The improvement in female representation is evidenced in the supporting 'pay quartile' analysis, which shows that the proportion of women in the upper pay quartile has increased.

However, the slight increase in our median pay gap is a powerful reminder that the pay gap is largely the result of having more men at senior levels in higher paid roles and a higher proportion of women relative to men in roles which fall within our lower pay quartiles.

Overall, the composition of our workforce is changing but as with most large businesses there are fewer leadership roles and often slower turnover at senior levels. This will undoubtedly impact the speed with which our gender pay and bonus gaps reduce over time.

Gender Pay Gap

Employees Hourly Pay Gap	2017	2018	2019
Mean hourly pay gap	24%	23%	22%
Median hourly pay gap	27%	24%	23%

Self-Employed Hourly Pay Gap 2017*

Self-Employed Hourly Pay Gap 2017*	2018	2019	
Mean hourly pay gap	13%	16%	15%
Median hourly pay gap	5%	16%	14%

Combined Hourly Pay Gap

Combined Hourly Pay Gap	2017*	2018	2019
Mean hourly pay gap	50%	48%	39%
Median hourly pay gap	36%	32%	33%

*Not Published in April 2017

What is the difference between Mean and Median?

The mean gender pay gap is the difference in the average hourly rate of pay between men and women in the company.

If we take our UK employees and line them up in order of pay from highest to lowest, the median gender pay gap compares the hourly pay of the woman in the middle of their line and the hourly pay of the middle man.

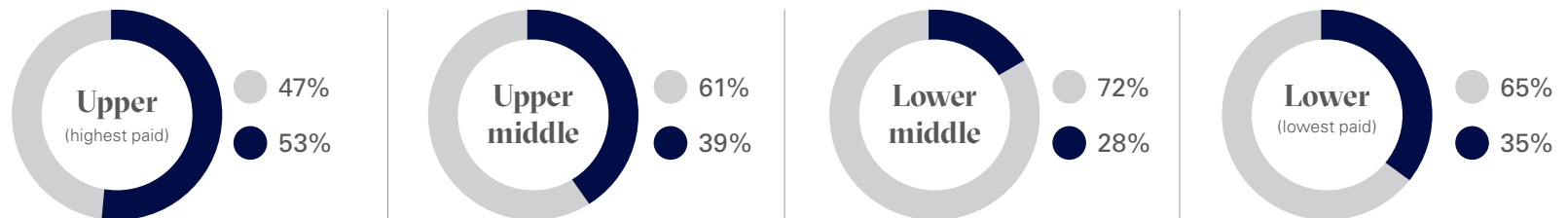
For both employees and self-employed partners, we have used hourly pay rates.

Equal pay is a legal requirement in the UK and we have rigorous processes and monitoring in place to ensure that our people are paid fairly.

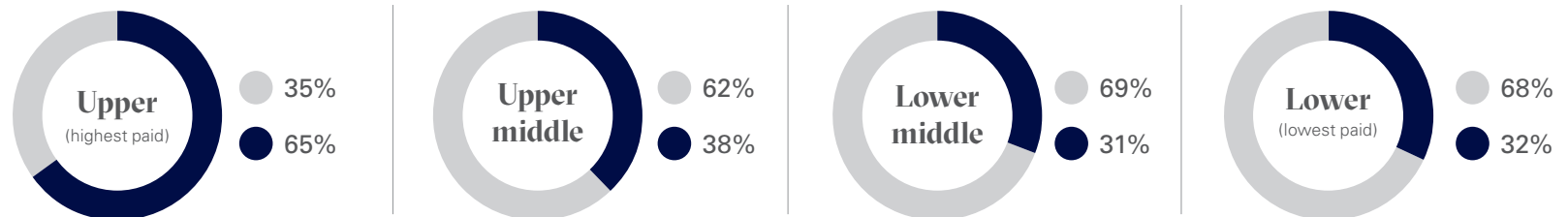
Why we have a Gender Pay Gap

The main reason for our gender pay gap remains the same. We have more men at senior levels in higher paid roles and a higher proportion of women relative to men in roles which fall within our lower pay quartiles.

Hourly Pay Quartiles 2019



Hourly Pay Quartiles 2018



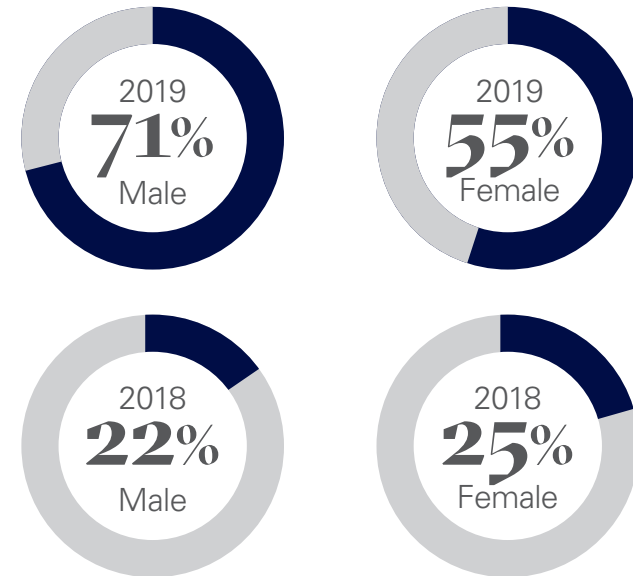
● Female ● Male

Bonus Pay Gap

Employees Bonus Gap	2017	2018	2019
Mean bonus gap	24%	18%	35%
Median bonus gap	15%	18%	32%
Self-Employed Bonus Gap	2017*	2018	2019
Mean bonus gap	49%	50%	12%
Median bonus gap	-14%	-16%	14%
Combined Bonus Gap	2017*	2018	2019
Mean bonus gap	51%	45%	37%
Median bonus gap	32%	23%	35%

*Not Published in April 2017

Proportion of Our People Who Received Bonus Pay



Note: A negative percentage figure indicates a bonus pay gap in favour of women.

IPO Impact on our Gender Pay & Bonus Gaps

In March 2019, we became the largest law firm listing in UK history after a successful IPO (Initial Public Offering) and in the process shifted away from the traditional full profit partnership model.

As a result, our equity partners have reduced their annual remuneration by 60% and our fixed share partners by 10% in order to increase net profits for all our shareholders. The reduction will be partially offset by dividend income from shares. This has had a positive impact on our combined pay gap.

A further impact has been on our bonus gaps, due to the fact that eligible employees (those with 12 month service at IPO) were awarded 20% of salary as shares, of which 10% was sold down and paid as a cash bonus. These bonus payments are reflected in this year's figures.

We are looking to implement a structured bonus scheme based on a percentage of salary for the financial year 2020.

Ethnicity Pay Gap Reporting

As part of our wider inclusion approach, we have worked hard over the past year to build a more accurate picture of our Black, Asian and Minority Ethnic (BAME) population. However, the current proportion of colleagues who have disclosed their ethnicity remains low at 60% and as yet, does not allow for meaningful comparison as part of our 2019 Pay Gap report.

To ensure we are as transparent as possible, the following strategic actions have been carried out:

- We are communicating and engaging with our people about the benefits of self identification, how it links to our diversity goals and how it supports our inclusive culture, to increase disclosure rates.
- We have signed up to the Race at Work Charter which commits us to taking practical steps to tackle any barriers (perceived or real) that colleagues identifying as BAME face in recruitment and progression
- We have appointed two Executive Sponsors on Race. An immediate action was for them to lead informal listening sessions with colleagues identifying as BAME, to better understand the issues that may act as barriers to BAME attraction, retention and progression and support the actions that are required
- In partnership, our Race Network & Executive Board initiated reverse mentoring. Each Executive Board member committed to at least one face-to-face meeting with their reverse mentor from the Network. 100% of the relationships have been maintained, feedback shared internally and members of our Executive Board have published blogs on their learned experience
- Our Board has sent a strong signal about the value of diverse talent & inclusion by setting diversity targets at senior levels and we have published both Gender & BAME targets which includes a deadline to initiate BAME pay gap reporting by the end of 2020

Diversity and Inclusion Targets on Gender and Race

Inclusion, diversity and equality are fundamental to driving our future success and demonstrate the commitment of our leadership to effect change, making DWF truly open to all.

We share a common ambition with other progressive businesses to improve diversity on our main Board, Executive Board and across our wider senior leadership. The targets focus on ensuring that a diverse group of people have access to senior management roles within the business.

Whilst we are already meeting the voluntary target of having at least 33% of women on our plc Board as set out in the Hampton-Alexander Review in respect of gender balance, our sustained focus is on increasing female representation on our Executive Board to at least 33% by 2022, an increase from 27% and for women to hold at least 30% of other senior leadership positions, an increase from 27%.

We want these targets to take us further than ever before. The goals are based on our learnings over the past few years and are founded in our belief that inclusion, diversity and equality are fundamental to driving our future success and demonstrate the commitment of our leadership to effect change, making DWF open to all.

1. The Board to maintain its current gender diversity (33%) with no less than three women on the board
2. Female representation on the Executive Board to be raised to at least 33% by 2022
3. Women to hold at least 30% of senior leadership positions by 2022
4. Target to achieve at least 10% BAME representation across senior leadership positions by 2022
5. The Board to initiate BAME pay gap reporting by the end of 2020

Guiding Pay Principles

Following the publication of our 2018 Gender Pay Gap report, we introduced our non-negotiable guiding principles on pay:

Fairness – being paid and rewarded fairly goes to the heart of our values and is critical to our collective ambition for DWF as a place people want to work and do business. Everyone is entitled to equal pay when doing equal work but that doesn't mean that everyone gets paid the same. However, any differences between individuals must be justified.

Consistency - We now have a consistent framework and approvals process in place together with a Behaviours Framework and market informed job pay ranges that underpin our approach to pay. This enables us to be clear and consistent in our approach to individual pay decisions, based on objective criteria, rather than just on personal opinion.

Transparency - We are already more transparent in our reporting on pay than required by law and commit to a degree of transparency about pay that will ensure that whilst the data of individuals is protected, we aim to ensure that DWF employees can see how their pay relates to other people across the business doing the same job and to what the market is paying.

Competitiveness - We balance the need to pay competitively with the need to ensure any variance in pay is legitimate and does not involve direct or indirect discrimination. Specialism of role or geographical variance, for instance, can command a premium in order to attract and keep the great talent we need to deliver on our purpose.

Further Progress Against Plan

- Following the introduction of Diversity and Inclusion targets, each division is required to report on progress to the Board on a quarterly basis
- A sustained focus on our talent pipeline has resulted in women accounting for 38% of our UK senior promotions.
- We've also reviewed the promotions process and supporting information making it more transparent and easier to understand for both our Non Fee Earners and Fee Earners across all career levels in the business
- We have enhanced our Maternity/Paternity pay and Shared Parental Leave provision
- Job analysis is carried out on every vacancy to determine suitability for flexible working and the use of 'Happy to talk flexible working' statement. Hiring managers are required to justify a full-time role
- In 2019, we achieved Top 10 Employer status from Working Families in recognition of our efforts to encourage flexible and agile working and we were awarded Best Law Firm for work-life balance by Legal Cheek
- After piloting the use of blind CV's, the practice is being extended more widely for Career Level 4 and above (mid to senior management positions)
- We are continuing to deliver inclusive leadership and unconscious bias training to Partners and senior leaders across our business
- We have continued to raise awareness and understanding of inclusive behaviours through our Diversity Week, International Women's Day (recognised as a winner in the International Women's Day 2019 Best Practice competition) and International Men's Day events
- We have seen year on year increases in female representation within our emerging talent. In addition, we continue to use the Rare Contextual Recruitment System to help advance social mobility within this population.

Trainees	2017	2018	2019
Female	66%	74%	82%
Male	34%	26%	18%
Apprentices	2017	2018	2019
Female	58%	64%	71%
Male	42%	36%	29%

In Summary

“We recognise that reducing our gender pay gap is an action that requires a sustained effort at every level of our business and at every point in the employee life cycle, from attraction & recruitment through to development, succession planning & promotion.

Our sustained focus on meaningful actions will result in a more diverse workforce supported and empowered through our inclusive culture and values.”



Andrew Leatherland
Group CEO



Helen Hill
HR Director

We confirm that the data reported is accurate.



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