

Gender and ethnicity pay gap report 2021

DWF Group plc

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This is our fifth year of gender pay gap reporting and the second time we have voluntarily included details of our ethnicity pay gap. The snapshot date for our pay figures is 5 April 2021 and the bonus numbers for the 12 months prior to that date i.e. 6 April 2020 – 5 April 2021.

Whilst the gender pay data currently relates to UK only (and England & Scotland only regarding the ethnicity pay gap), we continue to implement a global Diversity & Inclusion strategy which includes a commitment to initiate global gender pay gap reporting by the end of 2022 and, in addition to ethnicity, to publish UK pay data by disability & LGBT+ by 2023.

The recent launch of our ESG strategy also included publication of new stretch targets to increase the gender and ethnic diversity of our workforce and unlock the potential of women and Black, Asian and Minority Ethnic colleagues

Our gender pay gap

This year has seen a further reduction of our gender pay gap. The combined mean gender pay gap has reduced by 2 percentage points and combined median gender pay gap by 5 percentage points.

The positive trajectory is a strong indicator that consistent application of our guiding pay principles, coupled with the evolving good practice across recruitment, succession planning and promotions is having an impact and we will continue to ensure that everyone at DWF is valued and rewarded fairly for the work they do.

However, the issue remains that our 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 that fall within our lower pay quartiles. The representation of females in our upper pay quartile has fallen by 7

percentage points and more men than women received a bonus. The new D&I targets signal our intent to do better to accelerate the pace of change.

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 the 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.

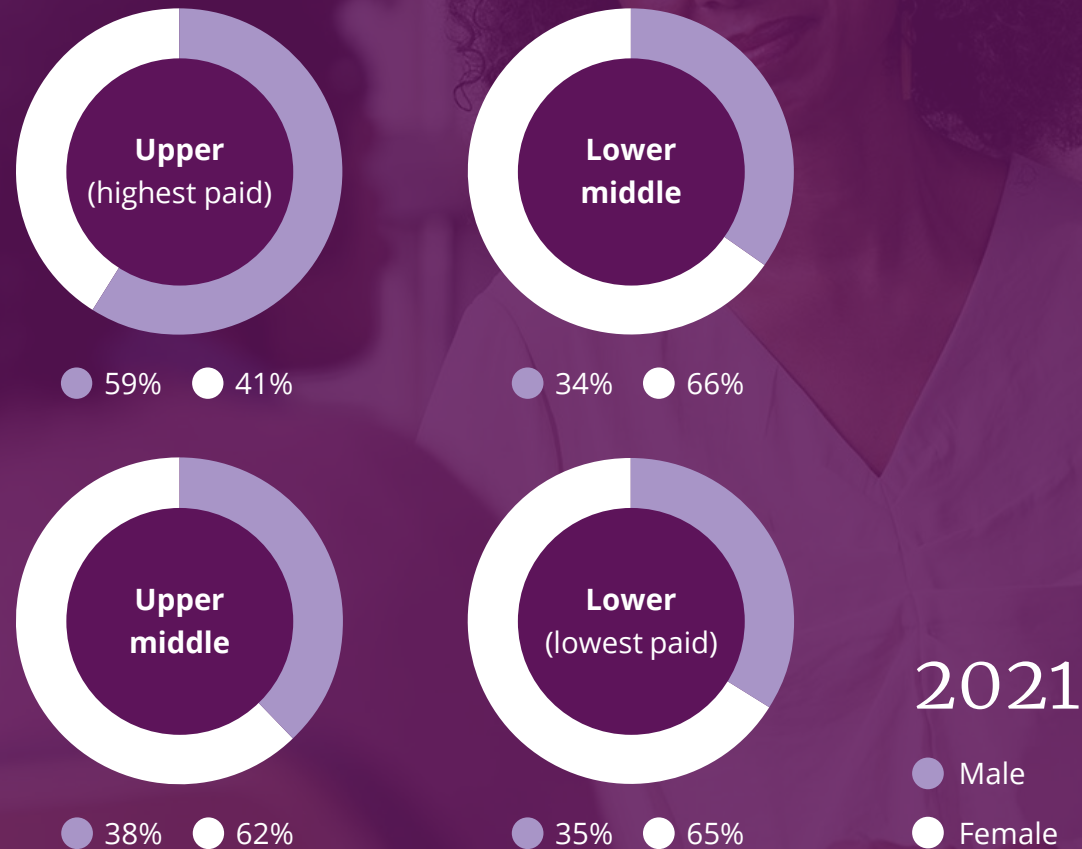
For both employees and self-employed partners, we have used hourly pay rates.

2021 gender pay gap

*Not Published in 2017

Employees hourly pay gap	2017	2018	2019	2020	2021
Mean hourly pay gap	24%	23%	22%	21%	17%
Median hourly pay gap	27%	24%	23%	24%	18%
Self-Employed hourly pay gap	2017*	2018	2019	2020	2021
Mean hourly pay gap	13%	16%	15%	13%	11%
Median hourly pay gap	5%	16%	14%	11%	13%
Combined hourly pay gap	2017*	2018	2019	2020	2021
Mean hourly pay gap	50%	48%	39%	37%	35%
Median hourly pay gap	36%	32%	33%	33%	28%

Hourly pay quartiles



Hourly pay quartiles 2017	Male	Female
Upper (highest paid)	52%	48%
Upper middle	33%	67%
Lower middle	26%	74%
Lower (lowest paid)	33%	67%

Hourly pay quartiles 2018	Male	Female
Upper (highest paid)	65%	35%
Upper middle	38%	62%
Lower middle	31%	69%
Lower (lowest paid)	32%	68%

Hourly pay quartiles 2019	Male	Female
Upper (highest paid)	53%	47%
Upper middle	39%	61%
Lower middle	28%	72%
Lower (lowest paid)	35%	65%

Hourly pay quartiles 2020	Male	Female
Upper (highest paid)	52%	48%
Upper middle	40%	60%
Lower middle	31%	69%
Lower (lowest paid)	33%	67%

Bonus gender pay gap

Employees bonus gap	2017	2018	2019	2020	2021
Mean bonus gap	24%	18%	35%	37%	44%
Median bonus gap	15%	18%	32%	37%	25%
Self-Employed bonus gap	2017*	2018	2019	2020	2021
Mean bonus gap	49%	50%	12%	65%	42%
Median bonus gap	-14%	-16%	14%	89%	40%
Combined bonus gap	2017*	2018	2019	2020	2021
Mean bonus gap	51%	45%	37%	38%	24%
Median bonus gap	32%	23%	35%	38%	8%
Proportion of employees who received a bonus	2017	2018	2019	2020	2021
Mean bonus gap	24%	25%	55%	16%	7%
Median bonus gap	24%	22%	71%	13%	8%

***Not published in April 2017**

A negative percentage figure indicates a bonus pay gap in favour of women. In FY20-21 bonuses in the UK were limited to legacy contractual bonuses.



Ethnicity pay gap

We are committed to increasing the representation of minority ethnic employees across all career bands and when compared to 2020, we have seen an increase across all pay quartiles.

However, we continue to see the largest representation of minority ethnic employees in the lower pay quartile and fell short of achieving our target of at least 10% Black, Asian & Minority Ethnic representation across senior leadership positions (currently 4%).

In addition, we have to rely on our colleagues to disclose their diversity data to help determine our ethnicity pay gap. Since our last pay gap report, we have continued to promote the importance of volunteering this information and the level of self-disclosure has increased by 25%. We do understand that some colleagues may not feel comfortable sharing this information, so either decide not to disclose or use our 'prefer not to say' category.

We will continue to encourage our colleagues to disclose their diversity data to improve the accuracy of our reporting, whilst the launch of our latest representation targets to 2025, will drive action and hold ourselves accountable to change.

2021 ethnicity pay gap

Employees hourly pay gap	2020	2021
Mean hourly pay gap	15%	14%
Median hourly pay gap	13%	22%
Self-Employed hourly pay gap	2020	2021
Mean hourly pay gap	-15%	-29%
Median hourly pay gap	-9%	-48%
Combined hourly pay gap	2020	2021
Mean hourly pay gap	23%	24%
Median hourly pay gap	22%	23%

A negative percentage figure indicates a bonus pay gap in favour of Black, Asian & Minority Ethnic colleagues

Ethnicity bonus gap

Ethnicity hourly pay quartiles 2020

Hourly pay quartiles	Black, Asian & Minority Ethnic	White
Upper (highest paid)	8%	81%
Upper middle	13%	87%
Lower middle	12%	88%
Lower (lowest paid)	19%	81%

Ethnicity hourly pay quartiles 2021

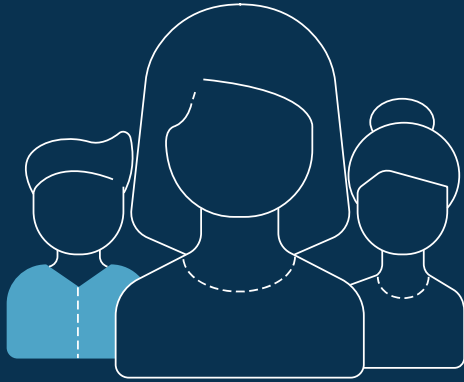
Hourly pay quartiles	Black, Asian & Minority Ethnic	White
Upper (highest paid)	9%	91%
Upper middle	14%	86%
Lower middle	15%	85%
Lower (lowest paid)	20%	80%

Employee bonus gap	2020	2021
Mean bonus gap	20%	-70%
Median bonus gap	17%	-20%

Combined bonus gap	2020	2021
Mean bonus gap	22%	19%
Median bonus gap	17%	18%

Figures negatively impacted by the limited number of employees and partners who received a bonus in FY20-21 which were legacy or retention bonuses.

Our new targets on gender & race



Gender

- Increase the proportion of women on the PLC and Executive Boards to at least 40% by 2025, with the same target applying to the proportion of women in all senior management roles.

Ethnicity

- In the UK, increase the representation of Black, Asian and Minority Ethnic colleagues across senior management to at least 10% by 2025.
- In the UK, increase the representation of Black, Asian and Minority Ethnic colleagues across all career bands to at least 13% by 2025.
- In the UK, increase Black representation overall and in senior roles to at least 3% by 2025

Activity since our last report (December 2020)

In May 2021, we launched a new five year Global D&I strategy aligned to our Purpose which is to deliver positive outcomes with our colleagues, clients and our communities.

Across gender, race & ethnicity, LGBT+, Disability, Mental health, Age, Flexible working, & social mobility, our priorities are to:

- empower all colleagues to own our D&I agenda
- build diverse representation at all levels
- collaborate globally
- improve transparency & accountability
- maintain a sense of belonging.

We have also conducted a comprehensive materiality assessment to identify the Environmental, Social and Governance (ESG) risks and opportunities that are most important for DWF and our stakeholders to inform our new ESG Strategy to 2030. D&I is one of our six strategic pillars within this strategy and accelerating progress to improve representation and diverse talent pipelines, a key priority.

As a future focused business, we will continue to embrace flexible and agile ways of hybrid working to sustain a high performing, inclusive workplace. We remain committed to recruiting and developing top talent, investing in the development and wellbeing of colleagues, advancing social mobility, increasing employee engagement through values led behaviour to achieve higher levels of job satisfaction. We are listening to understand how we can do better and will work

harder to foster a culture of recognition and appreciation throughout DWF.

For the second consecutive year, DWF has been recognised in The Times Top 50 Employer for women listing, for making gender equality integral to our core business strategy and we retained Top 30 status from Working Families for our approach to flexibility. We also achieved a Gold Standard performance in the 2021 TIDE benchmark (Talent Inclusion & Diversity Evaluation) - one of only 12 businesses to achieve this standard.

We have implemented D&I and unconscious bias training for all employees and new starters and embedded the practice of Blind CV's for all mid to senior management positions resulting in gender balanced new starter demographics.

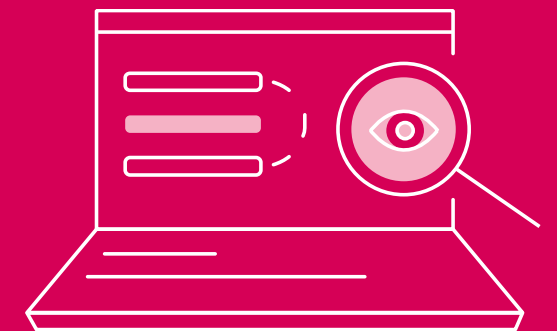
We are building on the efforts we have made in inclusive recruiting to ensure we progress and retain diverse talent by:

- Evolving (through D&I Action Plans and Board oversight) talent pipelines and succession planning within each division to ensure a focus on female and Black, Asian & Minority Ethnic talent aligned to our current targets
- linking remuneration of our Board to the delivery of our D&I targets
- tracking and modelling D&I data to inform our strategy, plans and actions
- expanding race and ethnicity two way mentoring
- utilising high-performance programmes that can advance the careers of Black, Asian & Minority Ethnic colleagues including the launch of an Ethnic Minority Access Scheme - paid work placement scheme for Black, Asian & Minority Ethnic aspiring lawyers
- implementing an industry recognised global job evaluation framework
- utilising Rare Contextual Recruitment within our Emerging Talent process
- ensuring all line managers undertake Inclusive Leadership training
- showcasing diverse role models & talent
- providing access to confidence building webinars covering varying identities
- continuing to prioritise the health & wellbeing of colleagues, embedding the Mindful Business Charter to help identify and remove unnecessary stress at work
- empowering our colleagues to balance their work and life commitments - conducted a post-covid future workplace survey and subsequent working groups to understand what employees want from a workplace and to enable them to shape their own ways of working
- raising awareness of D&I & encouraging male allyship, e.g. 1000+ colleagues engaged with 6 global International Women's Day events in 2021
- supporting and having exposure to clients creates development and promotion opportunities, so it is important to understand the diversity of teams servicing our clients. Reviewing the diversity composition of our Key Client Account Programme led to an additional 15 Black, Asian & Minority Ethnic team members taking on leadership roles, representing 13% of the overall team members added. Female representation now on 100% of Key Account Client Teams (previously 75%)
- continuing engagement and client collaboration on D&I events & webinars to reinforce the importance of diverse representation across all career bands.

The actions we are taking will not fix the issues of under representation and the resultant pay gaps overnight but our continuing commitment to enhanced transparency demonstrates that we are serious about improving gender and ethnicity representation, particularly at senior levels.

We confirm the data in this report is accurate.

Nigel Knowles, Group CEO and Helen Hill, Chief People Officer





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