

PAY GAP REPORT 2024

We are pleased to publish Watson Farley & Williams (“WFW”) Pay Gap Report 2024 in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

In today’s dynamic world, diversity and inclusion remains central to our business strategy, essential for attracting, retaining and nurturing top talent in a highly competitive market.

A focus of our five-year strategy is to ensure the long-term sustainability of our firm by continuing to cultivate a culture of diversity, empathy, fairness and inclusiveness. We also aim to create transparent career paths and opportunities for all, empowering our people to develop, voice their opinions and achieve their career aspirations within the firm.

We believe that a supportive working environment benefits not only our people but also our clients, who depend on us for innovative solutions to their most complex challenges. Collaboration and innovation are key to our success and we strive to foster these values throughout the firm. Therefore, we are committed to developing a diverse pipeline of talent. As detailed in this report, our Global Diversity & Inclusion Strategy outlines the actions we are taking to further close our pay gaps.

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



GEORGE PALEOKRASSAS
SENIOR PARTNER



LINDSEY KEEBLE
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 gap and bonus gap for men and women.

Median

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

ABOUT THIS REPORT

Our firm has two UK entities. The legal reporting requirements only cover Watson Farley & Williams LLP, which employs all London based associates, paralegals and trainees together with Business Function employees who primarily support the London practice.

Our other UK entity, WFW Global LLP, employs 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 once again published figures with both of our UK entities combined to provide further context.

We are also pleased to share our ethnicity pay gap data again this year. Whilst this is not mandatory, we feel that publishing these figures is an important step towards greater transparency. This can be found later in this report.

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KEY INSIGHTS

Our Gender Pay Gap

Our gender pay gap has decreased. During this reporting period, the proportion of women working in more senior roles has increased, as has the proportion of men working in more junior roles. These changes have influenced our pay gaps leading to an improvement on last year.

Our Ethnicity Pay Gap

Our ethnicity pay gap has increased. During this reporting period, we saw an increase in the proportion of Black, Asian and other ethnic minority colleagues in more junior roles compared to the previous year, which has influenced our pay gap.

Our Partner Pay Gaps

We have seen a small increase in our partner gender pay gap. Our partner gender pay gap has gradually changed over the last few years as we have added more women to the partnership at the entry level through internal promotions and lateral hires.

We continue to report a negative partner ethnicity pay gap. This means that, on average, Black, Asian and other ethnic minority partners are paid more than partners from white backgrounds. This is because the majority of partners from Black, Asian and other ethnic minority backgrounds are equity partners.



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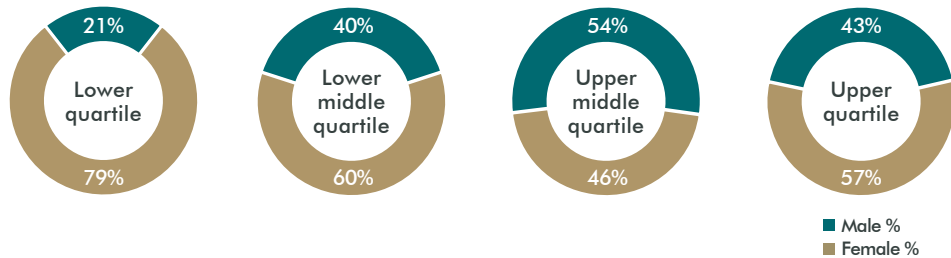
STATUTORY REPORTING – WATSON FARLEY & WILLIAMS LLP

GENDER PAY GAP

Our mean and median pay gaps have decreased since our last report. This is a result of an increase in the number of women within our upper pay quartile. We have also seen an increase in the proportion of men within our lower and lower middle pay quartiles, which also influences our pay gaps.

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 pay quartiles. As in previous years, our pay gap is driven by our lower pay quartiles which are made up of a higher concentration of women.

Pay Quartiles



Gender Pay Gap based on hourly pay – 5 April 2024		
	Mean	Median
Hourly Pay	16%	20%

GENDER BONUS GAP AND BONUS PAYMENT

During this reporting year, an equal proportion of men and women received a bonus. Our bonus gaps have also decreased.

Our figures indicate that, on average, men received a higher bonus than women this year. A driver for this is the higher proportion of women in our lower pay quartiles, where bonus payments tend to be 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 you will see later in this report, when WFW Global LLP data is included within our calculations, our bonus gaps are significantly reduced.

Bonuses are awarded based on clear criteria and we are confident that we have a robust and fair process in place. We continue to ensure that bonuses are awarded on a fair and consistent basis by considering bonus allocations through a gender lens.

Proportion of men and women receiving a bonus – 5 April 2024		
Men	59%	
Women	59%	

Gender Bonus Gap – 5 April 2024		
	Mean	Median
Bonus Pay	35%	61%

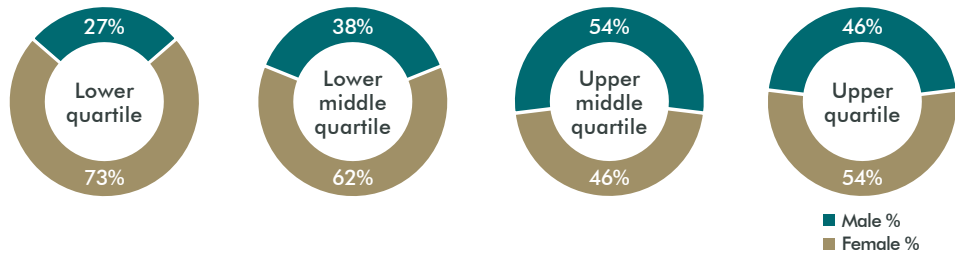
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NON-STATUTORY REPORTING – GENDER PAY AND BONUS GAP INCLUDING WFW GLOBAL LLP

The composition of our pay quartiles for both of our UK entities combined has stayed relatively the same compared to the previous reporting period. As such, our pay gap figures are comparable to last year, with a small decrease at both mean and median measures.

Since our last report, our gender pay gap has decreased by one percentage point at the mean and four percentage points at the median. Similar to our statutory reporting, the higher concentration of women within our lower pay quartiles is driving our pay gaps and will also affect our bonus gaps.

Pay Quartiles



Gender Pay Gap based on hourly pay – 5 April 2024		
	Mean	Median
Hourly Pay	15%	31%

Proportion of men and women receiving a bonus – 5 April 2024	
Men	54%
Women	55%

Gender Bonus Gap – 5 April 2024		
	Mean	Median
Bonus Pay	24%	45%

NON-STATUTORY REPORTING – PARTNER GENDER PAY GAP

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.

We have seen a small increase in our partner pay gap. In previous years we have reported a negative pay gap, meaning that women partners were paid more on average than men. This has gradually changed over the years as we have added more women to the partnership at the entry level through internal promotions and recruitment.

As at April 2024, women made up 30% of our partnership in the UK and 28% of partners globally. Many of our female partners are in key decision-making roles. We continue to take steps to ensure that female talent continues to stay with the firm and progress into more senior roles, including through to the partnership. Further information on these initiatives can be found at the end of this report.

Partner Gender Pay Gap based on total gross profit share		
	Mean	Median
Gross Profit Share	7%	16%

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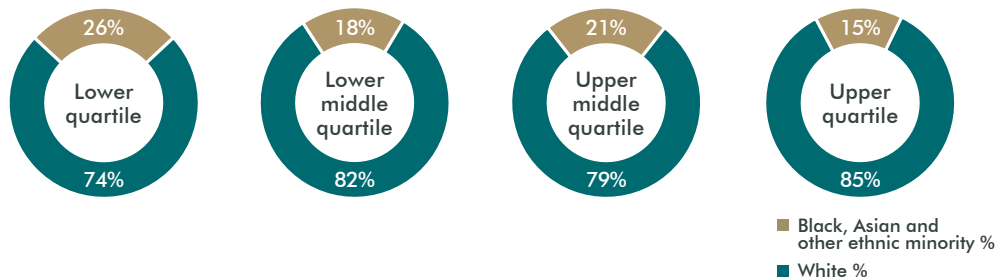
NON-STATUTORY REPORTING – ETHNICITY PAY GAP

Our ethnicity pay gap figures have been produced using the same methodology as our regulatory gender pay gap reporting and show the difference in hourly pay between employees from Black, Asian and other ethnic minority backgrounds and employees from white/non-ethnic minority backgrounds.

Due to the difference in the size of the populations, small changes to workforce demographics can have a significant impact on our ethnicity pay gap. Therefore, we have taken the decision to publish our figures based on both of our UK entities combined.

Unlike the gender pay gap, calculating our ethnicity pay gap relies on employees voluntarily disclosing their ethnic background. The figures below are based on the 81% of employees included within our gender pay gap calculations who have disclosed.

Pay Quartiles



Ethnicity Pay Gap based on hourly pay – 5 April 2024

	Mean	Median
Hourly Pay	11%	14%

Our ethnicity pay gap has increased. During this reporting period, we saw an increase in the proportion of Black, Asian and other ethnic minority colleagues in more junior roles compared to the previous year, which has influenced our pay gap.

Partner Ethnicity Pay Gap

Partner Ethnicity Pay Gap based on total gross profit share

	Mean	Median
Gross Profit Share	-13%	-29%

Our partner figures show a negative pay gap at both mean and median measures, which tells us that partners from Black, Asian and other ethnic minority backgrounds are paid more on average than partners from white backgrounds.

As at April 2024, 8% of our partners in the UK were from Black, Asian or other ethnic minority backgrounds. 47% of partners have disclosed their ethnic background. These figures may change as declaration rates improve.



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OUR PLAN FOR CLOSING THE GAP

As a firm, we are committed to reducing our pay gaps and have been taking action through our Global Diversity & Inclusion Strategy to support 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 pay and bonus awards through a diversity lens to ensure decisions are made on a fair and consistent basis.
- Re-engineering our senior associate, counsel 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 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 and enhancing our family-related benefits.
- 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 maternity, paternity, adoption or shared parental leave.
- Providing working parents with a suite of resources and training events through our relationship with WorkLife Central.

Career progression and networking

- Supporting our people to navigate their careers by providing a framework that enables effective and meaningful career conversations, alongside a structured learning and development programme at each career stage.
- Our diversity and inclusion networks (for women, ethnic and racial diversity and LGBT+ colleagues) offer opportunities for cross-office networking and provide greater access to senior role models.

Offering greater flexibility

- Our Agile Working Guidelines give our people the flexibility to decide where best to work to fulfil the needs of their role and trusts them to make the best decision where to work (for example, at home or in the office). It also empowers our people to build greater flexibility into their working day, so long as client and team obligations are met.

