



HFW GENDER PAY GAP REPORT: 2017/18

OUR WORK ENVIRONMENT AND COMMITMENT TO DIVERSITY & INCLUSION

We are committed to creating a diverse and inclusive working environment in which people of all backgrounds and experiences can reach their full potential. We strive to be one of the best employers of talent, regardless of gender, gender identity, ethnicity, race, marital status, disability, religious belief, sexual orientation, age or caring responsibilities.

As in our 2016/17 Gender Pay Gap report, we have again chosen to report significantly more detailed gender pay data than is required, including data on our self-employed partners, in order to provide a full and frank assessment of our performance.

Increasing the representation of women within law firm partnerships has been a long running issue for the entire legal industry. It is one that we are tackling and we are making progress.

In 2015, we set an ambitious target of having 30% female Fixed-Share Partners by 2020. At the time, just 19% of our Fixed-Share Partners were women. As of 31 March 2019, that figure stands at 28%. We remain committed to achieving our 30% target by 2020.

Women currently account for 42% of our Legal Director and Of Counsel roles, which were introduced in 2017 to offer lawyers an alternative career path to partnership.

Women also accounted for 43% of participants in our 2018 Associate Leadership Programme – our development initiative for those focused on securing a more senior role within the firm. In 2018, 64% of our Senior Associate promotions and 38% of our promotions to Fixed-Share Partner were female.

We also now have three female members of our global Management Board.

But we acknowledge that we have much more work to do. We continue to review our approach to gender equality in order to identify further actions that will help bring about meaningful change.

Jeremy Shebson, Managing Partner:

“We are committed to delivering meaningful improvements in diversity and inclusion at HFW, and to not treat issues as box-ticking exercises. I am therefore very pleased that we have continued to increase female representation among our partnership and on our global Management Board. But we can and must do better at all levels of the firm, and are currently reviewing our approach to gender equality in order

to identify additional actions that will help drive positive change.”

Corrin Kaye, Director of Human Resources

“Gender equality is an issue that we take extremely seriously at HFW. We have therefore chosen to publish data that goes significantly beyond what is required by the regulations and to explain that data in the clearest way possible. HFW has an open and transparent approach to promotion and compensation, which we are confident is fair and free from bias. However, our Gender Pay Gap data shows that we have to further improve female representation at the highest levels of the firm, and we are committed to continued focus this area.”

Kathryn Hull, Corporate Responsibility Manager:

“We are pleased to have made further progress in relation to gender equality at the firm over the past 12 months. We remain on track to hit our target of 30% female fixed-share partners by 2020 and continue to pursue initiatives that promote diversity and inclusivity at the firm. But we acknowledge that we have a lot more work to do, and gender equality will remain a key part of our global diversity and inclusion strategy.”

Gender Pay & Bonus Data

The following data shows the difference in average hourly pay and average bonus pay of male and female employees during the 12 months to 5 April 2018.

The “mean” is the “average”. In this case, it was calculated by adding up all of the individual pay and bonuses, and dividing that total by the number of employees. The “median” is the “middle” value if all individual hourly or bonus pay data was listed in numerical order.

A positive figure means that men are paid more on average than women. A negative figure means that women are paid more on average than men. The higher the figure, the greater the difference.

Each set of data is followed by a brief explanation. For more context, see the introductory overview (“Our Work Environment and Commitment to Diversity & Inclusion”).

We confirm that the following data is accurate.

All staff:

	Mean		Median	
	2017/18	2016/17	2017/18	2016/17
Hourly Pay	18.2%	17.4%	32.6%	30.9%
Bonus	24.2%	41.1%	54.1%	54.1%

This shows that our male employees are paid 18.2% more on average than our female employees. (This data excludes partners, who are self-employed and do not receive a salary. Partner data is provided later in this report.)

These figures continue to be heavily distorted by a significant gender imbalance across our Secretarial Support and Business Services teams. Women account for 95% of our Secretarial Support roles and around 75% of the most junior roles in Business Services, and only 43% of associates.

If you remove Secretarial Support from our all-staff data, the mean Hourly Pay gap for 2017/18 drops to 7.9% and the Bonus pay gap drops to 4.4%.

Women also account for 86% of part-time roles at the firm, with those individuals working an average of three days per week.

Proportion of colleagues who receive a bonus:

	2017/18	2016/17
Female	91.9%	92.4%
Male	89.5%	92.5%

This shows a 2.4% difference in the number of our male and female colleagues who received a bonus in 2017/18, in favour of our female colleagues. Bonuses are based on individual performance, so we would expect some degree of variance in these figures from year to year. We remain confident that men and women have an equal opportunity to participate in and earn a bonus at HFW.

Pay quartiles:

	Lower Quartile		Lower Middle Quartile		Upper Middle Quartile		Upper Quartile	
	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17
Female	76.7%	73.8%	56.5%	57.6%	39.5%	44.7%	40.0%	41.2%
Male	23.3%	26.6%	43.5%	42.4%	60.5%	55.3%	60.0%	58.8%

This chart illustrates the pay distribution by gender across the firm in four equally sized quartiles.

As previously explained, there are a number of factors behind the significant gender imbalance within our lower pay quartile, particularly the high number of women in Secretarial Support, junior Business Services and part-time roles.

The differences across the other quartiles reflect the fact that the firm has more men than women across all levels of fee-earner (see "Gender breakdown by grade", below), and in the most senior Business Services roles.

Gender breakdown by grade:

	Total		Partners (fixed-share and Equity)		Associates and Senior Associates		Trainees		Business Services		Secretarial Services	
	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17
Female	47%	47%	13%	11%	43%	41%	40%	42%	48%	51%	98%	95%
Male	52%	53%	85%	89%	56%	59%	60%	58%	51%	49%	2%	5%
Prefer not to say	1%	N/A	2%	N/A	1%	N/A	0%	N/A	1%	N/A	0%	N/A

This shows that there are more men than women across all levels of fee-earning at the firm, which further distorts our all-staff pay gap data.

It also shows that there is a significant under-representation of women among our partnership. Since the publication of our 2016/17 Gender Pay Gap Report, the percentage of female Fixed-Share Partners (all new partners at HFW are promoted as Fixed-Share) at the firm globally has increased from 25% to 28% as of 31 March 2019, and the percentage of all Partners (Fixed-Share and Equity) has increased from 11% to 13% over the same period. We remain focused on increasing female representation at Partner level.

These are some of the ways in which we are actively seeking to improve gender diversity at the firm:

- The firm operates a transparent recruitment and promotion process based on clear criteria that are communicated to all candidates on application. Our HR team use tools such as interview guides, interviewer training, post-application feedback, and assessment based on competence and technical ability, to ensure that these processes do not unintentionally limit opportunities for women. Globally, 52% of our Associates and 50% of our Senior Associates are women, which shows we have a strong pipeline of female talent.
- We aim for gender balance among the participants in our annual Associate Leadership Programme – our development programme for those seeking promotion to Partner or Legal Director.
- We use Talent Mapping – reviewing all of our staff in relation to their Performance and Potential – to identify and then support our most talented lawyers, female and male.

- We carry out annual reviews of the firm's female and male salary and bonus data to ensure that there is no conscious or unconscious bias.
- Our gender equality network provides an opportunity for male and female colleagues to share their experiences, contribute to the firm's diversity and inclusion initiatives and give feedback on the firm's progress. The network also reviews the firm's policies and processes to ensure that they are inclusive.
- Our MyFamily initiative and parental transition coaching for parents in London supports parents before, during and after parental leave.
- Female colleagues are actively encouraged to develop their external networks, which is key to their development, by engaging with external industry groups such as WISTA (the Women's International Shipping & Trade Association).
- We celebrate International Women's Day and International Men's Day annually and run internal events across the firm's office network to highlight the importance of gender equality.
- We have run a series of internal discussion groups with Dr Jill Armstrong, a research fellow at Murray Edwards College, Cambridge University, in relation to her research on how to change workplace culture to be more inclusive for women.

Additional information:

The firm is not required to publish the following data, but we have chosen to publish it in the interests of transparency.

Hourly pay gap:

	Mean		Median	
	2017/18	2016/17	2017/18	2016/17
Fee-earners	4.2%	0.0%	11.6%	2.5%
Associates	-4.7%	-5.3%	-4.5%	-6.8%
Partners	9.4%	8.7%	34.1%	28.2%

This shows that there is no difference in average hourly pay for our male and female fee-earners. This includes associates, paralegals, senior managers, trainees and legal executives.

It also shows that our female associates are paid 5.3% more on average than our male associates. This is partly because we have a high number of long-serving female senior associates, which suggests that we need to do better in ensuring that our most talented female lawyers have access to partnership.

Finally, it shows that our male partners are paid 8.7% more on average than our female partners. This is because we have a greater proportion of male equity partners than female equity partners. We need to improve female representation at the highest level of the firm.

About HFW

HFW is a leading global law firm in the aerospace, commodities, construction, energy, insurance and shipping sectors. The firm has almost 600 fee-earners, including 180 partners, based in 18 offices across the Americas, Europe, the Middle East, Asia and Australia.

We take a progressive approach to our roles in commercial business – thinking creatively and pragmatically to support our clients.

hfw.com

HFW prides itself on its deep industry expertise and its entrepreneurial, creative and collaborative culture.

It is our policy to:

- Treat all with whom we interact, internally or externally, with dignity, courtesy, respect and fairness
- Encourage talented individuals from diverse backgrounds to flourish and develop their careers in an environment of mutual support

- Promote equal opportunity in all areas of employment and prohibit discrimination against, or harassment of, members of the firm, prospective employees and those with whom the firm engages
- Regularly monitor the effectiveness of our diversity policy and take proactive measures to advance it

To find out more about our commitment to diversity and inclusion, or to read our global diversity statement, click here: <http://www.hfw.com/Diversity>

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