



HFW GENDER PAY GAP REPORT: 2020/21 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. We see this as something that is critical to the future success of our business.

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As in our previous Gender Pay Gap reports, we have again chosen to report significantly more detailed data than is required in order to provide a full and frank assessment of our performance. That includes data on our self-employed partners, as well as our global gender pay gap data.

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.

Since we published our first Gender Pay Gap Report in 2016/17, the percentage of female partners at the firm globally has gone from 11% to 16%.

Women currently account for 33% of our Business Services heads and 44% of our Legal Director and Of Counsel roles, which offer our lawyers

either an alternative career path or a stepping stone to partnership.

Women also account for almost 90% of participants in our Associate Leadership Programme – our development initiative for those focused on securing a more senior role within the firm. Women have accounted for 42% of all ALP participants since it was launched in 2017.

We now have three female members of our global Management Board, with our Global Head of Construction, Carolyn Chudleigh, serving as the Board's dedicated equality representative.

But we acknowledge that we have much more work to do. As such, in 2020 we launched a new gender equality strategy for the firm, backed by a series of ambitious targets that include women accounting for at least 40% of all lateral hires and internal promotions over the following three years. We commit to full transparency in reporting our progress towards these goals.

Our new strategy is based on seven core principles for gender equality, which form the foundation of gender action plans that have been adopted by each of our six global industry groups: Aerospace, Commodities, Construction, Energy and Resources, Insurance, and Shipping. They are:

- Each pitch team to include female and male representation.
- Each matter team to include female and male representation.

(If these two points aren't achievable at any point due to our mix of lawyers and team members, we will look to training and development programmes to upskill where necessary.)

- Women and men within matter teams to be given fair opportunity to participate in tasks.
- Clearly identify and put in place plans to support top female and male talent in preparation for promotion, and at the same time work towards the firm's Partner and Legal Director 2023 target.
- Actively include women candidates for role recruitment – including lateral Partners and Legal Directors.
- Each major marketing event to consider suitability for women and men to be able to participate and the need for gender-balanced panels.
- Each industry group to identify an equality champion or champions, to work with group management and Partners to achieve the above KPIs.



Here are some of the other 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, 56% of our Associates and 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, holding multi-layered moderation sessions across groups and offices, to ensure that there is no conscious or unconscious bias.
 - We work with our external recruiters to ensure that they are actively identifying female candidates and those from diverse backgrounds for opportunities at HFW.
 - 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 engage as a firm in open discussion around gender and other diversity issues – both internally and with clients.

We continually review our approach to gender equality – and diversity and inclusion more broadly – in order to identify further actions that will help bring about meaningful and lasting change.

JEREMY SHEBSON
Managing Partner

CORRIN KAYE
Global HR Director

CAROLYN CHUDLEIGH
Management Board
Equality Representative

Gender pay and bonus data

The following data shows the difference in average hourly pay and average bonus pay of male and female employees in the UK during the 12 months to 5 April 2021.

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 and Inclusion”).

We confirm that the following data is accurate.

All Staff:

	Mean		Median	
	2020/21	2019/20	2020/21	2019/20
Hourly Pay	17.9%	20.0%	33.0%	37.4%
Bonus	48.8%	48.7%	67.0%	0.0%

This shows that our male employees were paid 17.9% more on average than our female employees in the UK during 2020/21 – down from 20% in 2019/20. (This data excludes partners, who are self-employed and do not receive a salary. Partner data is provided later in this report.)

Our hourly pay and bonus figures continue to be heavily distorted by a significant gender imbalance across our Secretarial Support and Business Services teams. Women account for 96% of our Secretarial Support roles and more than 75% of the most junior roles in Business Services. If you remove Secretarial Support from our all-staff data, the mean hourly pay gap for 2020/21 drops from 17.9% to 9.2% and the median gap drops from 33.0% to 4.0%.

Our median bonus gap, which has moved from 0% to 67%, highlights the danger of viewing gender pay gap figures in isolation. If the median for male bonuses in 2020/21 was moved by just eight places (remember, the median is the ‘middle’ value if all bonus payments were listed in numerical order), the median bonus gap would have remained at 0%.

Proportion of colleagues who receive a bonus:

	2020/21	2019/20
Female	92.9%	88.8%
Male	94.1%	91.5%

This shows a 1.2 percentage point difference in the number of our male and female colleagues in the UK who received a bonus in 2020/21.

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	
	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
Female	73.9%	69.2%	60.2%	64.0%	46.0%	42.9%	48.8%	41.1%
Male	26.1%	30.8%	39.8%	36.0%	54.0%	57.1%	55.2%	58.9%

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

There remains a significant imbalance in the Lower quartile. As previously explained, this is due to several factors, particularly the high number of women in Secretarial Support and junior Business Services roles.

The differences across the other quartiles reflect the fact that the firm has more male lawyers than female lawyers (see “Gender breakdown by grade”, below), and more men in the most senior Business Services roles.

Gender breakdown by grade

	Total		Partners		Associates		Trainees		Business Services		Secretarial Services	
	20/21	19/20	20/21	19/20	20/21	19/20	20/21	19/20	20/21	19/20	20/21	19/20
Female	49%	47%	13%	15%	48%	43%	62%	59%	46%	45%	96%	96%
Male	50%	52%	86%	84%	51%	56%	38%	37%	53%	54%	2%	4%
Other preferred description	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%
Prefer not to say	1%	1%	1%	2%	0%	1%	0%	4%	1%	1%	2%	0%

The key issue highlighted by this data is the significant under-representation of women within our partnership. Since the publication of our first Gender Pay Gap Report in 2016/17, the percentage of female partners at the firm globally has increased from 11% to 16% (the data in the above table is for the UK only). We remain focused on increasing female representation at partner level.

Additional data

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

Hourly pay gap by lawyer grade

	Mean		Median	
	2020/21	2019/20	2020/21	2019/20
Partners	20.7%	29.5%	-20.3%	20.1%
Associates	3.1%	1.3%	-0.6%	1.6%
Other fee-earners	10.4%	12.1%	10.8%	12.4%

This section breaks down the hourly pay gap by fee-earner grade to ensure a more relevant, like-for-like comparison.

The data shows that there is virtually no difference in average hourly pay between our male and female associates in the UK.

It also shows that our male partners were paid 20.7% more on average than our female partners in the UK. This is because we continue to have a greater proportion of male equity partners than female equity partners, who are paid more on average than their fixed-share counterparts. The female partner median is 20% higher than the male partner median, as the female median (the 'middle' individual in a list of pay from highest to lowest) is an equity partner, whereas the male median is a fixed-share partner. We recognise the need to improve female representation at the highest level of the firm.

The 'other' fee-earners category comprises paralegals, professional support lawyers and trainees.

Global gender pay gap

	Mean		Median	
	2020/21	2019/20	2020/21	2019/20
Hourly Pay	18.3%	18.8%	31.2%	8.0%
Bonus	38.7%	40.7%	33.5%	24.7%

HFW is one firm globally, and we are committed to creating a diverse and inclusive environment in all of our offices around the world. As such, we have decided to publish global hourly pay gap data, even though we are only legally required to publish data for the UK.

These calculations are based on gross annual pay, with all currencies converted to GBP using average exchange rates for the 2020/21 fiscal year. The figures do not include partners, consultants, contractors, temporary workers, or work experience roles.

The data shows that the average hourly pay and bonus gaps across our international offices were broadly in line with the position in London. This reflects the fact that we apply a consistent approach to remuneration across the firm globally.

The global median hourly pay and bonus pay gaps both saw significant change in 2020/21 compared to the previous year. As illustrated by the UK all staff median bonus pay gap figure earlier in the report, median averages are more susceptible to large swings from year to year because they just look at a single point in a large set of data. If the male bonus median was moved by just four places, the gap would drop from 33.5% to 0.0%.

About HFW

HFW is a leading global law firm in the aerospace, commodities, construction, energy and resources, insurance, and shipping sectors. The firm has more than 600 lawyers, including 185 partners, based in offices across the Americas, Europe, the Middle East and Asia-Pacific. 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, visit: <https://www.hfw.com/Responsible-Business>

HFW has over 600 lawyers working in offices across the Americas, Europe, the Middle East and Asia Pacific. For further information about our capabilities, please visit [hfw.com](https://www.hfw.com)

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