



ReedSmith

Driving progress
through partnership

Gender

pay gap report

2021/22

Foreword

Reed Smith achieved the best financial results in its 145 year history, thanks to the hard work of our talented people and the inclusive policies in place that support them in reaching their full potential.

This year's gender pay gap report is a reflection of the firm's current position on our journey toward creating a completely egalitarian environment for everyone in the firm.

We know our future success depends on our ability to innovate to ensure that we can continue to deliver the highest level of service to our clients. This is why it is business critical for Reed Smith to continue to develop a fully inclusive environment that enables everyone at the firm and provide the diversity of thought that drives innovation.

The data demonstrates that this year we have increased the percentage of women employed in every job responsibility. Female fee-earners edge out males by 61% to 39%, a slight increase over last year. Support staff figures show a similar shift with women now making up 73% and men 23%.

This year, we are pleased that both the mean and median gender pay gaps have narrowed. This is in part due to more women moving up the ranks into the higher paid roles. Notably, there is a smaller proportion of women in the lower pay quartile compared to last year. There has also been an increase in the proportion of women in the upper middle quartile, while the upper quartile remains an almost even split of men and women.

We believe this change is a direct result of the numerous talent development programmes we have in place to support our efforts to ensure that an equal proportion of the most senior roles at Reed Smith are populated by women.

For the third year running, we have chosen to report the ethnicity gap at Reed Smith. We have also once again gone a step further by reporting for the second year our disability pay gap figures as part of our continued commitment to transparency for all areas of diversity, equity and inclusion.

We know we have much work to do to achieve our goal of complete parity at the firm but we are proud of the progress we have made and remain fully committed to achieving our objective of total parity for all at the firm.

Tamara Box

Managing Partner, Europe and Middle East



A dynamic international law firm

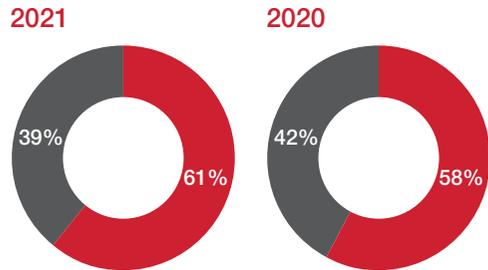
Reed Smith is a dynamic international law firm dedicated to helping clients drive progress in their businesses. Our people are our biggest asset. We are determined to attract people from the widest pool possible and to enhance the diversity within the firm, which we know improves our ability to innovate and to provide the best service to our clients

We monitor our diversity statistics across the entire firm to ensure that we are utilising the best talent possible in every one of our 30 offices, but the London and Leeds offices are the only ones that fall under the UK regulations for gender pay gap reporting in this reporting period.

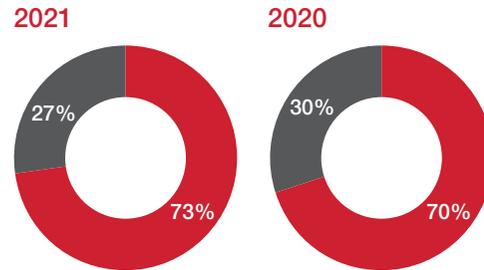
Statutory data

Gender split by job responsibility

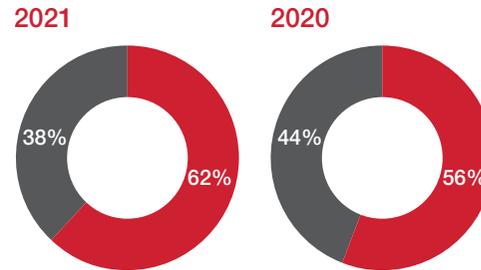
Fee earners



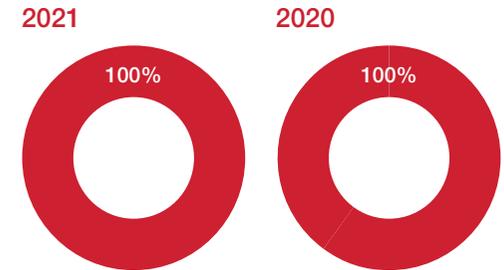
Business support staff



Associates only

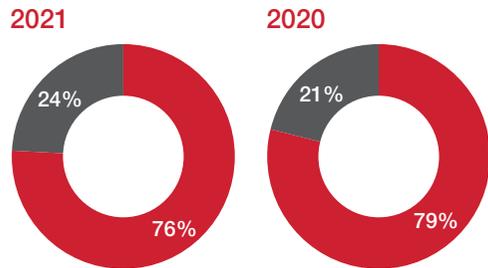


Secretarial support staff

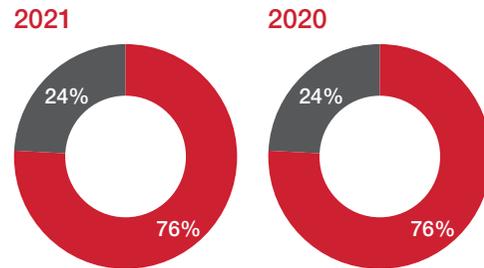


Gender split by quartile

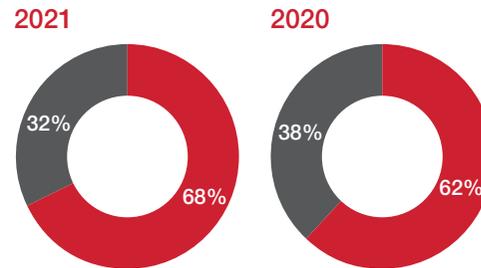
Lower pay quartile



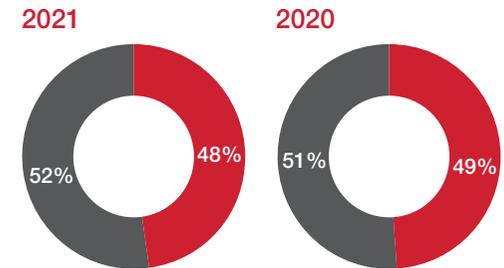
Lower middle pay quartile



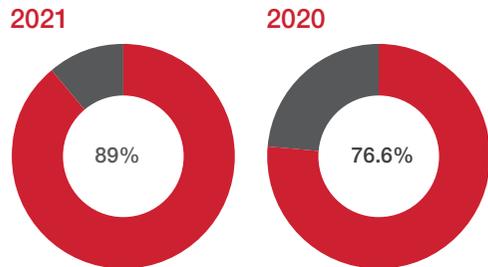
Upper middle pay quartile



Upper pay quartile



Proportion women receiving a bonus



The proportion of women receiving a bonus has notably increased by 12 percentage points since last year.

■ Male ■ Female

Statutory data

Mean and median pay and bonus gaps

The gender pay gap is the difference between the average hourly pay for all male and female employees. It does not compare pay for men and women in the same or similar roles; rather, it measures the gap between the entire male staff and the entire female staff.

The mean and median gender pay gaps have decreased since last year. We put this down to the firm's longstanding commitment - and the actions we've taken in pursuit of that commitment - to achieving gender equality. We have numerous programmes and initiatives in place to support and encourage women to develop and advance to the most senior and highest paid positions in the firm and seek to remove the barriers that prevent women from achieving their full potential.

The mean bonus pay gap has slightly increased this year, while the median bonus pay gap has stayed the same.

Understanding our results

Reed Smith is committed to the principle of equal pay for all employees; remuneration and conditions of employment are constantly monitored to ensure that they are non-discriminatory and free from gender bias. We are not satisfied with the current gender pay gap, and we are actively working to achieve greater equality throughout the firm. We have reported on hourly pay, as defined in the UK regulations for gender pay gap reporting, for the mean and median pay gaps and pay quartiles.

Mean gender pay gap (staff) has decreased from 26.8% to

24.3%

Median gender pay gap (staff) has decreased from 48.2% to

43.1%

Mean gender bonus gap (staff) has increased from 37.6% to

40.1%

Median gender bonus gap (staff) has stayed the same at

50.9%



Statutory data

“It is vitally important to the firm that we are encouraging and supporting our women to move up through the ranks. **The increase again this year in the percentage of women in the upper middle pay quartile** attests to the continued success of those programmes.”

Findings from this report

- The mean and median gender pay gaps have narrowed since last year.
- The firm has numerous talent programmes designed to ensure that an equal proportion of the most senior roles at Reed Smith are populated by women. It is vitally important to the firm that we are encouraging and supporting our women to move up through the ranks. The increase again this year in the percentage of women in the upper middle pay quartile attests to the continued success of those programmes.
- The proportion of women leads that of men not only in the lower pay quartiles but also in the upper middle pay quartile. The highest pay quartile has an almost even split of women and men.
- Although women still account for 100% of secretarial roles, we remain committed to making this role more attractive to candidates of all genders.



Partnership gender pay gap

Our partnership

Because partners are considered owners and are compensated in part on the profitability of the firm in any given year, the uncertainty of their remuneration led the regulators to exempt them from the statutory requirements. But since they are an integral and essential part of our business, we also determined it is right to report any gender pay gaps that may be revealed in an analysis of their pay and bonuses.

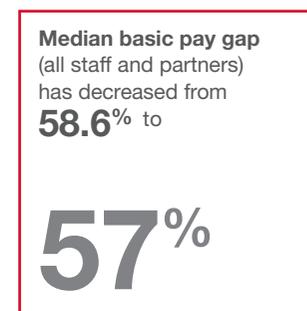
While we are disappointed that there is an increase in the mean and median pay gap for our partners this year, we have determined that this is due to the successful promotion of more females into our junior partner positions. Over time, as we expect these female partners to move into our more senior positions with attendant greater compensation, we expect this gap to again narrow.

Reed Smith has long recognised the advantages of having a diverse group of leaders; nearly 50 per cent of our most senior leadership roles are held by women. We know that gender equality brings benefits in innovation, teamwork and aspiration, as young women see women in leadership positions as role models and as having career options they can choose for themselves. We think gender parity is the key to future-proofing our business.

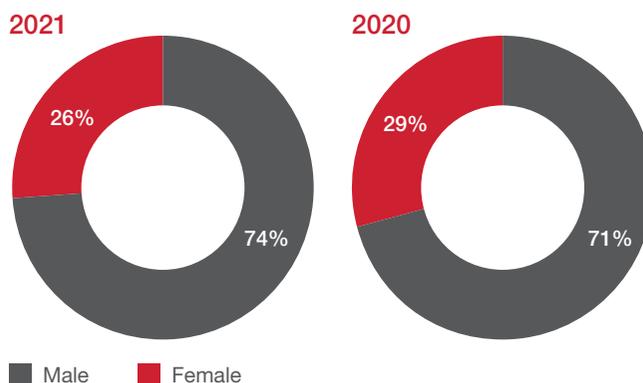
Of course, all of our partners are leaders; for this reason, we have more work to do to reach the balance for which we are striving. We have in place many programmes (WINRS Mastermind Programme, Pre Partner Talent Initiative, Counsel Development Programme, Career Milestone Based Coaching) aimed at bringing more women into the partnership, and particularly into the equity partnership, so that women and men can share equally in the higher end of our compensation and reward. Currently the percentage split of men and women in the partnership is still in favour of men but we are gradually closing the gap.

Combined gender pay gap for our partnership and employees

For the second year running, we are reporting the gender pay gap of the entire London and Leeds offices, including partners, associates and business services staff. This data is not required by the regulations, since partners are specifically exempt for reasons stated previously. However, in the interests of transparency we are reporting this combined gender pay gap figure to help us see a broader picture of our progress toward gender equality.



Gender split of male and female partners



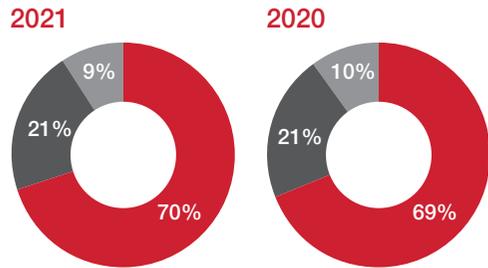
Ethnicity pay gap

This year we are again going beyond the legal requirements by reporting our ethnicity pay gap. We appreciate that issues around diversity must be addressed from all angles and we want to ensure that we are being as transparent as possible with the data that we collect. It permits us to be strategic in how we address the issue and seek to close the gaps that exist.

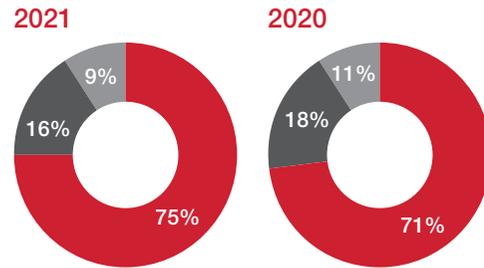
With 92% per cent of all staff and partners declaring their ethnicity to the firm, we are very pleased to have such a high declaration rate. This is due to an internal campaign that we launched in 2019 in order to improve the accuracy of the data we collect.

Ethnicity split by job responsibility

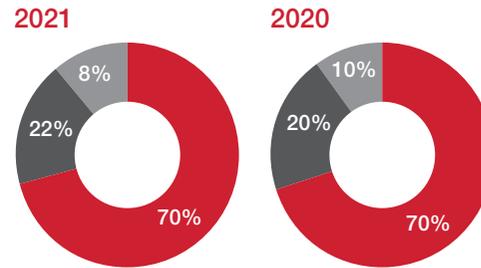
Fee earners



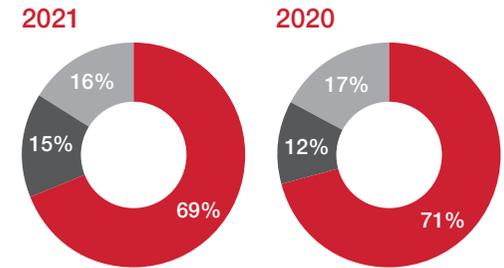
Business support staff



Associates only

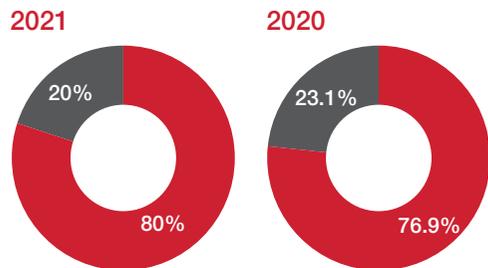


Secretarial support staff

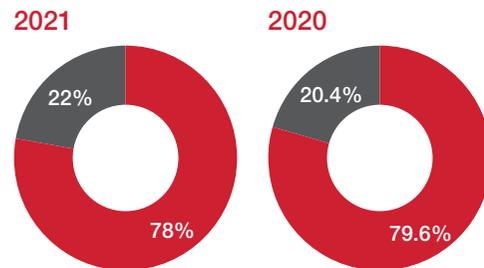


Ethnicity split by quartile

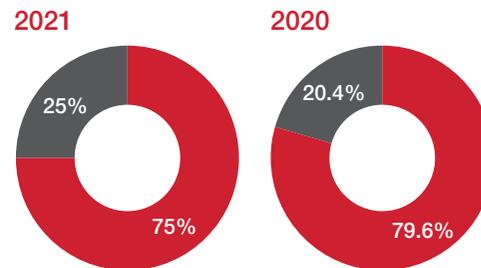
Lower quartile



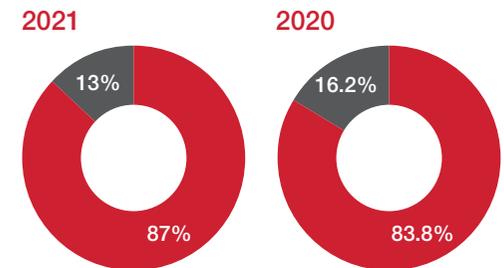
Lower middle quartile



Upper middle quartile



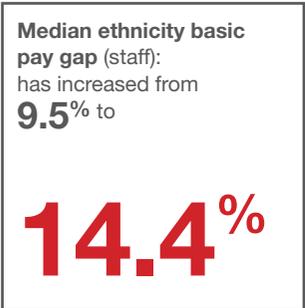
Upper quartile



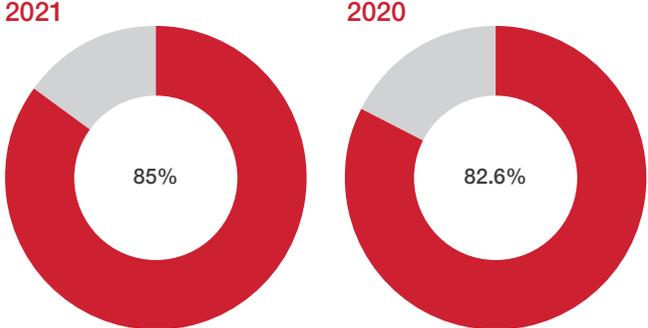
■ BAME ■ Unknown ■ White

Ethnicity pay gap

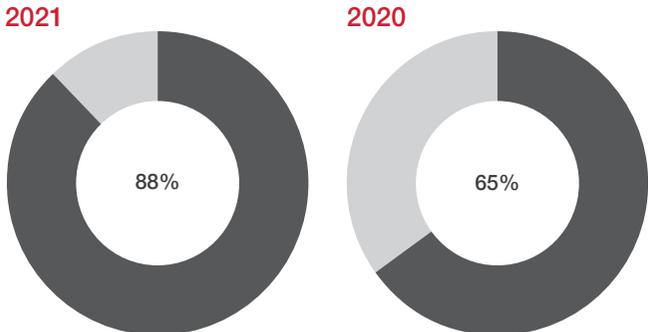
Ethnicity pay gap (staff)



Proportion of white staff receiving a bonus:



Proportion of BAME staff receiving a bonus:



■ White ■ BAME

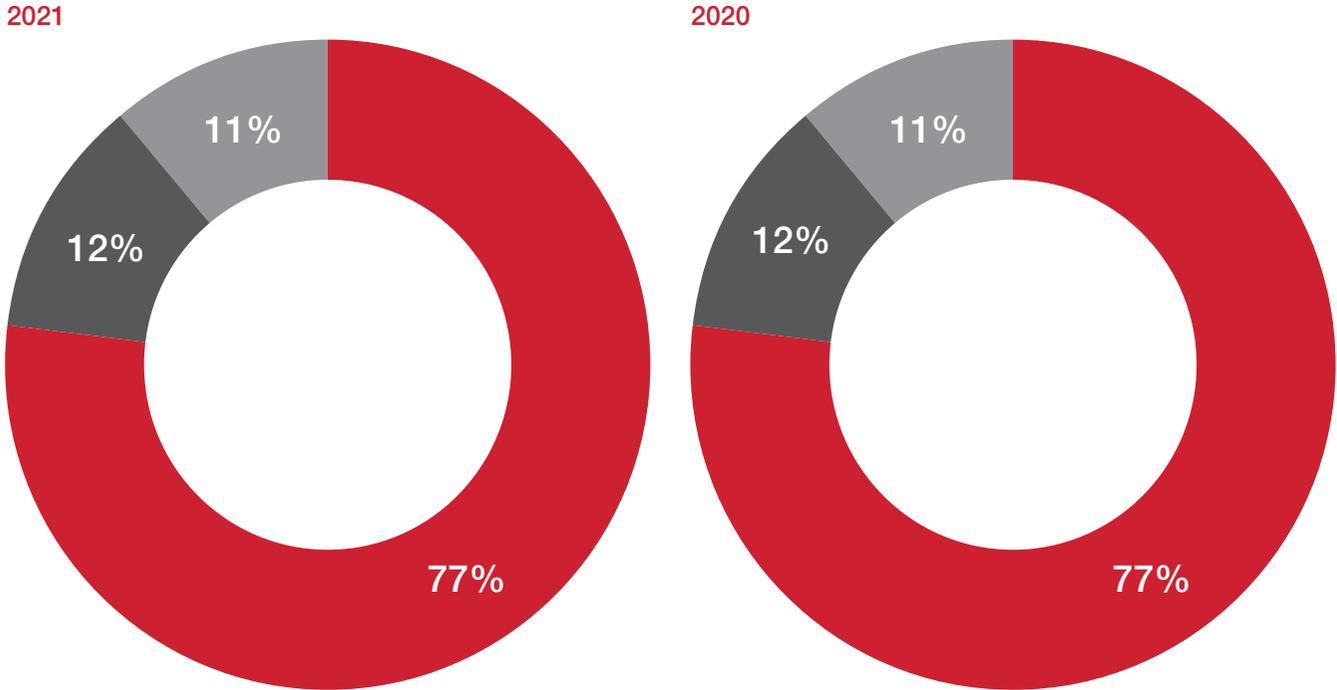


Partnership ethnicity pay gap

Ethnicity pay gap (partners)

| | |
|--|---|
| Mean ethnicity basic pay gap (partners): has increased 13% (2021) -2.3% (2020) | Median ethnicity basic pay gap (partners): has increased 10% (2021) 0% (2020) |
|--|---|

Ethnicity split of partners



■ BAME ■ Unknown ■ White



Disability pay gap

This year we have again decided go a step further in our reporting by providing our disability pay gap figures as part of our continued commitment to transparency for all areas of diversity and inclusion. The reported figures are impacted by the low representation of employees reporting a disability. On a positive note our declaration rate is 66% of which there are 2% of employees declaring a disability.

Mean disability pay gap
(staff and partners): has increased from 5.9% to

10%

Median disability pay gap
(staff and partners): has increased from -15.4% to

6%

Mean disability bonus pay gap
(staff and partners): has decreased from 43.7% to

25%

Median disability bonus pay gap
(staff and partners): has decreased from -9.4% to

-26%



Our **commitment** to closing the gap
What is Reed Smith
doing?

We believe that diversity, equity and inclusion should align with a business' core objectives and be central to every aspect of a business to be successful and sustainable.

We have cultivated an inclusive working environment where we value, reward, respect and celebrate everyone's diversity, and hire the very best talent, which makes us a stronger workforce and leads to the best results for our clients.

Our **commitment** to closing the gap

Our mission is focused on the recruitment, retention, promotion and professional development of our diverse talent. We are transforming our culture through “tone at the top” messaging and innovative programming focused on inclusive behaviours and actions.

- **We are committed to supporting our working parents and carers to effectively balance their work and home life.** In 2021, we launched a firmwide flexible working policy that enables our people to both work from the office and remotely. The number of days spent in the office is dependent on the individual’s role at the firm, but we have sought to give as much autonomy to our talent as possible.
- **In 2021 we launched our Family Network initiative,** which helps our people through all stages of life, from family planning and childcare (ages 0–18) through to planning and elder care.
- We continue to encourage greater uptake of shared parental leave and we have an active Parental Networking Group.
- In our latest round of **partner promotions in London, half were female.**
- We launched our **Racial Equity Action Plan** – in October 2020 to seek to improve racial and ethnic diversity in the workplace. Reed Smith formalised its Racial Equity Action Plan (REAP) by creating specific targets for hiring, retaining and promoting Black lawyers as well as for advancing pro bono initiatives impacting the Black community – all designed to deconstruct barriers to equity in the legal industry and in our communities.
- For the fourth consecutive year since the launch of the Mansfield Rule, **Reed Smith has achieved Mansfield “Certified Plus” status,** which requires that a firm reach at least 30 percent diverse lawyer representation in a notable number of their current leadership roles and committees.
- **Reed Smith is a founding member of the Reignite Academy,** a collaboration between six City law firms to enable career-break lawyers to return to private practice. Founded in June 2018, the project was driven by a desire to take practical steps to address the lack of women at senior levels in law firms by tapping into the potential of experienced lawyers who are ready to return after a career hiatus.
- In September 2021, we hosted our fifth annual Diversity Summit. The summit was hosted online and focused on racial inequality, social justice, and representation issues. We were delighted that there were over 900 attendees that included our clients and all Reed Smith personnel
- **We continue to support our staff** through a number of Business Inclusion Group (BIGs), which are open to all of our talent, regardless of location or role. These groups, which include LEADRS (disability), PRISM (LGBT+) and the Multicultural Network (BAME), are in addition to the Women’s Initiative Network of Reed Smith (WINRS) and our strong focus on social mobility. We have deliberately taken a broad interpretation of diversity and tried to apply focus on often-neglected strands. For example, we were one of the first firms to set up a support group for disability.
- **We continually review our approach to recruitment** to ensure we are receiving as diverse a pool of applicants as possible. We continually widen our university outreach programme which has led to an increase in the number of applications and successful offer of training contracts to females.

We confirm the data in this report to be accurate.



M. Tamara Box
Managing Partner, Europe and Middle East



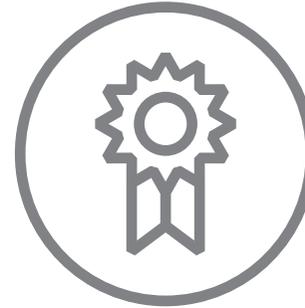
Jeni Taylor
Director of Human Resources

Accolades in 2021

Bloomberg Law[®]

The firm was named on Bloomberg Law's inaugural DEI Framework list, which assesses law firm performance against a set of DE&I criteria including demographics, leadership and talent pipeline, recruitment and retention, business innovation and strategy, marketing and diversity and inclusion in the community

Reed Smith was named a **2021 Inclusion Blueprint Champion by Diversity Lab**, an incubator for innovative ideas that boost diversity and inclusion in law through data and behavioural science.



In 2021 Reed Smith was again ranked by the **Women in Law Empowerment Forum** as 'Gold Standard Certified' for its long-standing commitment to women's career advancement and diversity and inclusion.



The firm earned a perfect score for the ninth consecutive year on the **Human Rights Campaign Foundation's 2021 Corporate Equality Index**, a national benchmarking survey and report on corporate policies and practices related to LGBTQ workplace equality.



HUMAN RIGHTS CAMPAIGN



In 2021 Reed Smith shortlisted for 'excellence in diversity & inclusion' in Law Society Awards



Tamara Box
Reed Smith's EME managing partner, was for the fifth year running named in the **2021 HERoes Women Role Model lists**

Reed Smith LLP is associated with Reed Smith LLP of Delaware, USA and the offices listed below are offices of either Reed Smith LLP or Reed Smith LLP of Delaware, USA, with exception of Hong Kong, which trades as Reed Smith Richards Butler.

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