



ReedSmith

Driving progress
through partnership

Gender

pay gap report

2020/21

Foreword

Thanks to the hard work of our people and our inclusive policies that encourage individuals at the firm to reach their full potential, Reed Smith had another record year for global revenues and profits. This year's pay gap report reflects our current position on the path to achieving a fully egalitarian environment for everyone at the firm.

The firm's ongoing success depends on its ability to innovate and develop new ways of working to ensure that we can continue to deliver the very best service to our clients. We rely on our diversity of thought to innovate, which is why creating an environment of inclusion for everyone at the firm and all potential new candidates is business critical for Reed Smith.

When reading this year's report it is worth noting that the pay gap figures have been materially impacted by COVID-19 and the subsequent prudent financial management action we took to protect the firm against the immediate economic uncertainty caused by the pandemic.

Reed Smith was among the first of the "Big Law" firms to take precautionary compensation related action in April 2020, our snapshot figures reflect the action we took in freezing business services salary and bonus reviews for 2019 (noting associate compensation and bonus decisions had already been announced).

With all that said, we will not let the pandemic divert our attention from driving the change needed to achieve parity for all at the firm, and despite its impact there are still strong signs of progress.

Notably, this year the proportion of women leads that of men not only in the lower pay quartiles but also in the upper middle and highest pay quartile. This is testament to the measures we have in place to bring female talent into the firm and help to move them up the ranks into the most senior and higher earning positions.

The partnership gender pay gaps have increased this year, but the context for that is partly a positive one, as 100% of our new partnership positions in 2020 went to women. As a result, there is now a higher proportion of junior female partners; over time we expect these junior partners to move up the ranks, helping to narrow the gap.

For the second year running, we have chosen to report the ethnicity gap at Reed Smith. We have also gone a step further this year by reporting 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 some way to go to achieve our goal of complete parity for all at the firm but we are proud of the progress we have made and remain fully committed to achieving our objective.



Tamara Box

Managing Partner, Europe and Middle East

A dynamic international law firm

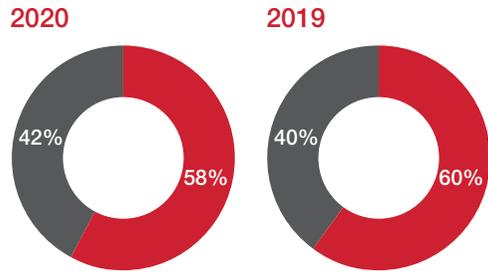
Reed Smith is a dynamic international law firm dedicated to helping clients move their businesses forward. Our people are our biggest asset. We are determined to attract people from the widest pool possible and enhance the diversity within the firm, which we know improves our ability to innovate and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

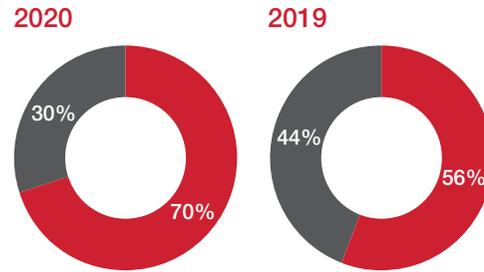
Statutory data

Gender split by job responsibility

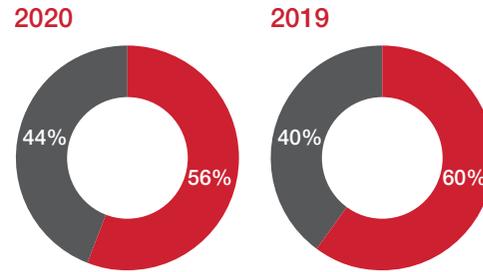
Fee earners



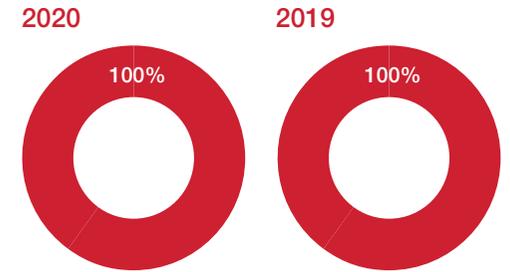
Business support staff



Associates only

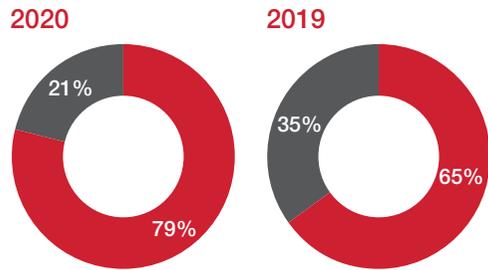


Secretarial support staff

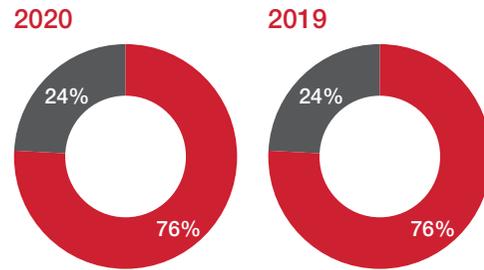


Gender split by quartile

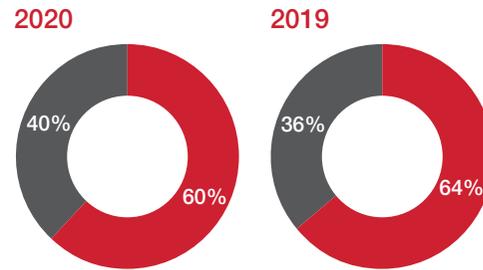
Lower pay quartile



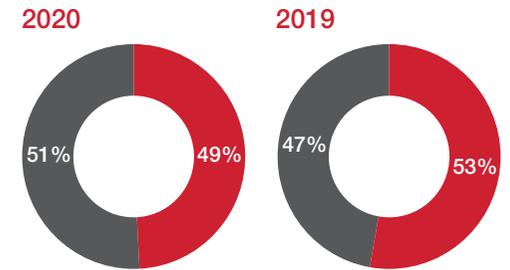
Lower middle pay quartile



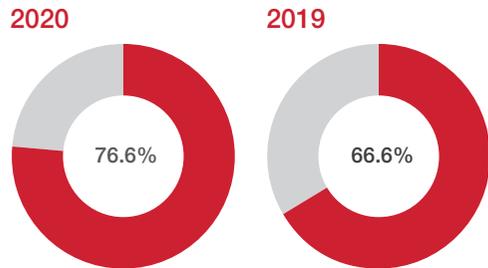
Upper middle pay quartile



Upper pay quartile

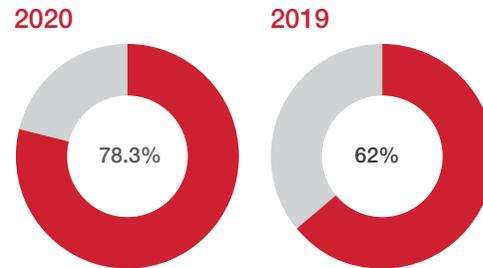


Proportion women receiving a bonus



More women were eligible for a bonus this year than last; as a result, the percentage of women receiving bonuses this year increased 15%, from 67% to 77%.

Proportion men receiving a bonus



■ 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.

In 2020, the annual pay reviews of business services staff, along with the linked salary increases and bonus payments that typically occur in April of each year, were suspended due to the pandemic, temporarily freezing compensation for business services staff at 2019 levels.

The freezing of business services staff compensation played a significant role in the widening of this year's mean and median gender pay gap because women represent a much higher proportion of that section of the firm's workforce than men.

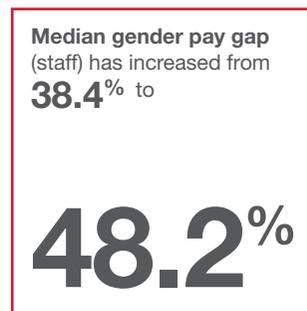
In this same reporting period, the firm's associates did have their annual pay reviews and subsequently receive salary increases and bonus payments because those reviews had been completed prior to the pandemic striking the UK. The firm also significantly increased associates' salaries at the start of 2020 to match the growing market rate.

Due to the fact that there is a much smaller proportion of male business services staff (30%) compared to male associates (44%), the above meant that a higher proportion of women had their salaries and bonus payments frozen, while a higher proportion of men received a standalone pay rise at the start of 2020 as well as their annual pay reviews and salary and bonus payments.

The metrics are also influenced by a greater emphasis on hiring junior female talent to strengthen the pipeline of potential women leaders at the firm. This initiative swells the pool of female talent but in the short term increases the gender pay gap as they are not yet in the more senior and higher earning positions in the firm.

Additional context can be gained by noting that the firm's commitment to women's careers means that more senior women are on leaves of absence this year; for example, over twenty women are currently on maternity leave. This has also contributed towards the widening of the mean and the median gender pay gaps.

The mean bonus pay gap also increased this year, again in part due to the reasons stated above. However, the median bonus pay gap decreased because the lower earners at the firm did not receive a bonus payment for 2019 while higher earners did. This means there was less of a difference in the mid points in the range of bonus received by males and females.



Statutory data

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.

“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.**”

Findings from this report

- The mean and median gender pay gaps have widened. The likely cause is the salary increase freeze imposed on staff, which did not impact fee earners, coupled with the increase in associate salaries to match market rates, as explained above.
- We have increased the pool of junior female talent joining the firm and this year we also have more women at senior levels on leave of absence.
- 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 pay quartile attests to the continued success of those programmes. In addition, all of 2020's partner promotions were women.
- 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 we continue to have a 100 per cent female team of secretaries, we will continue to review the role in order to make it more attractive to candidates of both genders.



Partnership gender pay gap

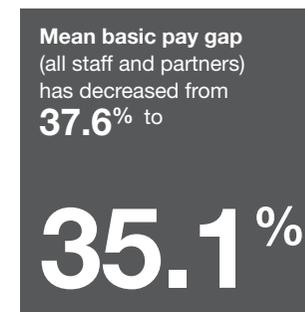
Our partnership

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 wanted to report any gender pay gaps that may be revealed in an analysis of their pay and bonuses.

There is an increase in the mean and median pay gap this year due to the successful promotion of more females into junior partner positions. Over time we expect this will result in a greater percentage of female partners in senior positions.

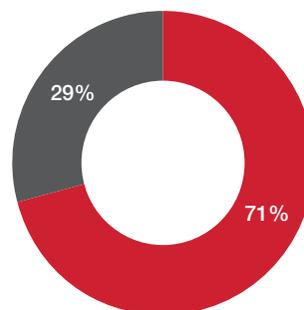
Reed Smith has long recognised the advantages of having a diverse group of leaders; nearly fifty per cent of our most senior leadership roles are held by women. We know that gender equality brings benefits in innovation, teamwork and aspiration, as young women see women in leadership positions as role models and as career options 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 aimed at bringing more women into the partnership, and particularly into the equity partnership, so that women and men can share equally in decision-making roles. Today, the percentage split of men and women in the partnership is still in favour of men, but we are gradually closing the gap.

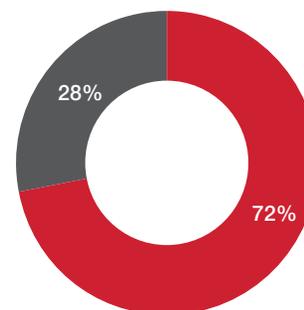


Gender split of male and female partners

2020



2019



■ Female ■ Male

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.

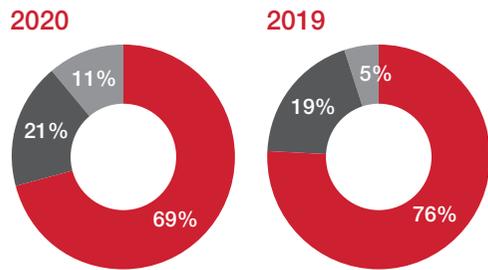
Ethnicity pay gap

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.

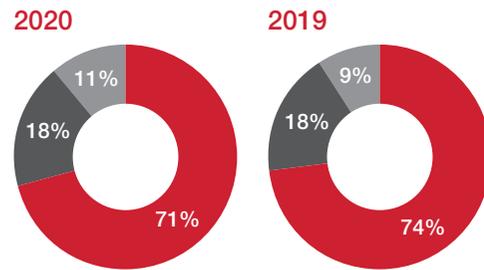
In response to an internal campaign we launched in 2019, eighty-nine per cent of all staff and partners have declared their ethnicity to the firm. This high declaration rate allows us to improve the accuracy of the data we collect around ethnicity as well as to focus on areas for diversity improvement.

Ethnicity split by job responsibility

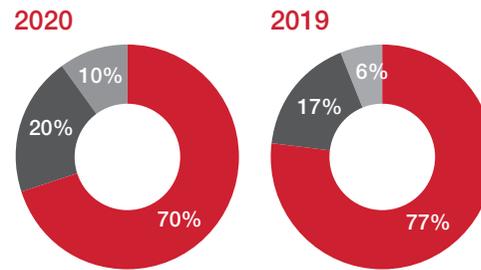
Fee earners



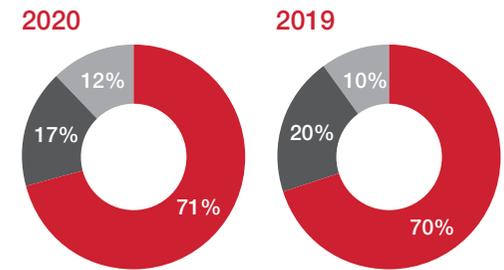
Business support staff



Associates only

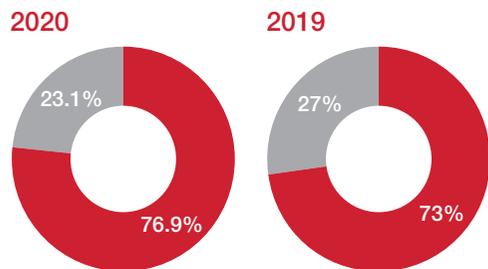


Secretarial support staff

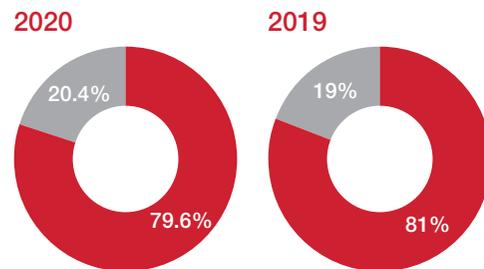


Ethnicity split by quartile

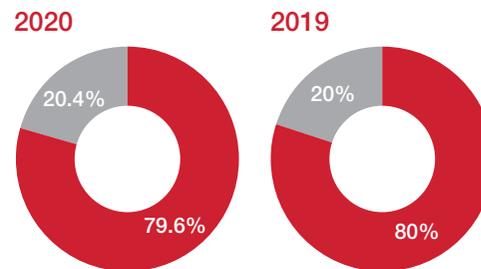
Lower quartile



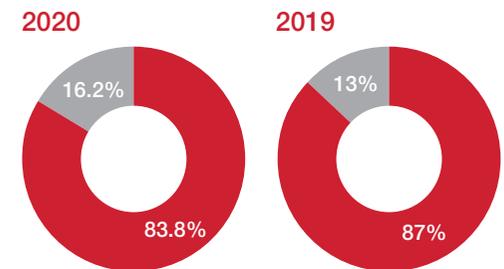
Lower middle quartile



Upper middle quartile



Upper quartile



Unknown BAME White

Ethnicity pay gap

Ethnicity pay gap (staff)

Mean ethnicity basic pay gap (staff): has decreased from 11.9% to

5.9%

Median ethnicity basic pay gap (staff): has decreased from 21.3% to

9.5%

Mean ethnicity bonus pay gap (staff): has decreased from -8.8% to

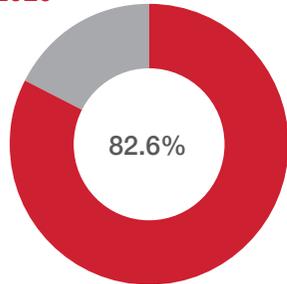
-18.4%

Median ethnicity bonus pay gap (staff): has decreased from 33.2% to

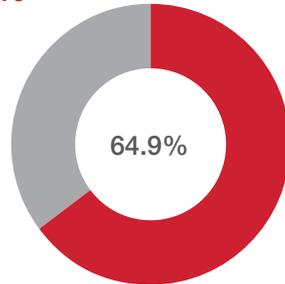
15.7%

Proportion of white staff receiving a bonus

2020

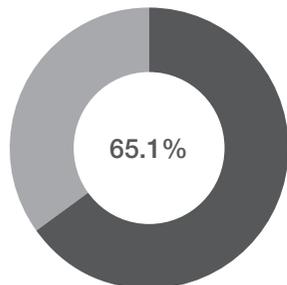


2019

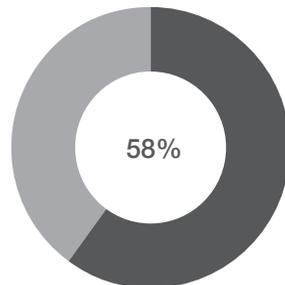


Proportion of BAME staff receiving a bonus

2020

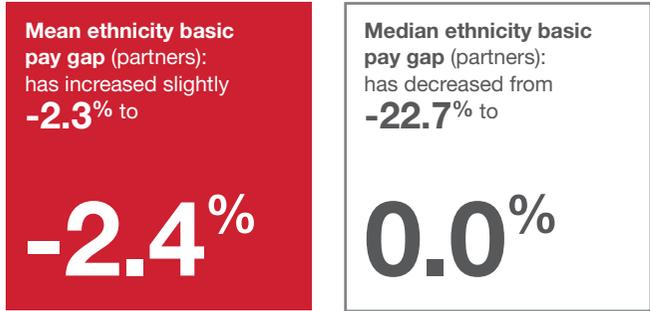


2019



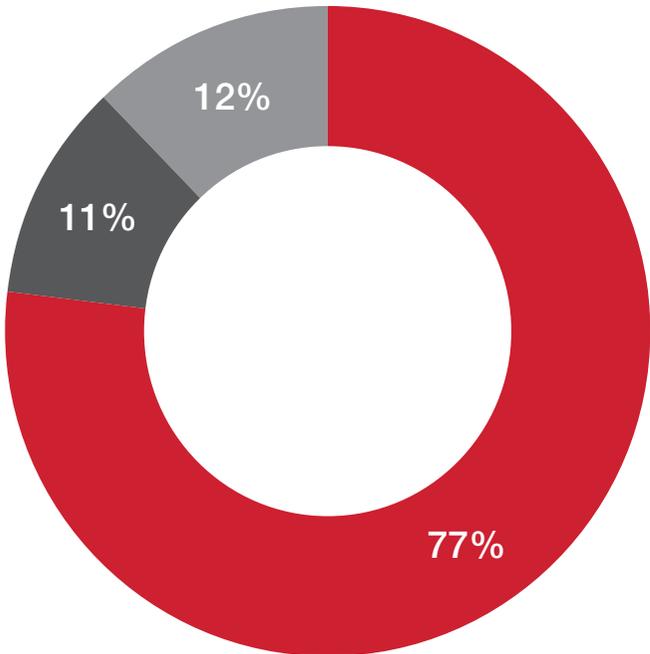
Partnership ethnicity pay gap

Ethnicity pay gap (partners)

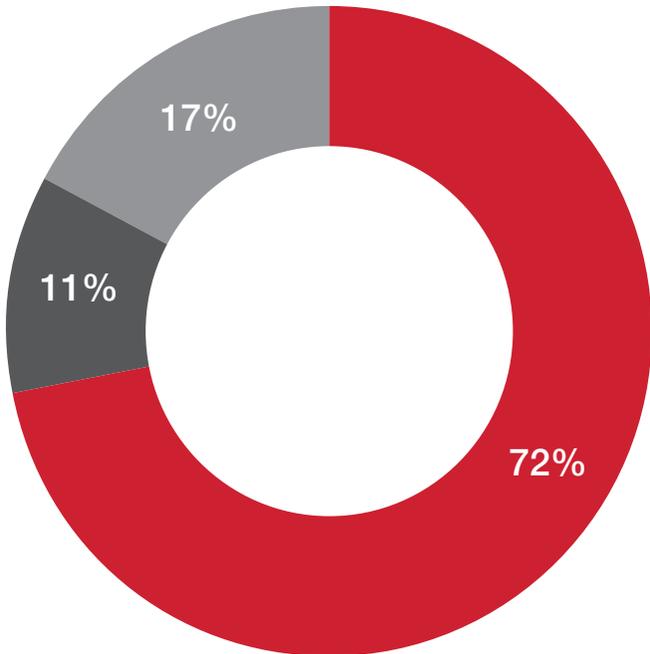


Ethnicity split of partners

2020



2019



■ BAME ■ Unknown ■ White

Disability pay gap

This year we 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 seventy-one per cent, of which 2 per cent of employees declaring a disability.



Our **commitment** to closing the gap

What are we
doing?

We believe that diversity, equity and inclusion should align with a business's 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, hiring 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 behaviour and actions.

- **We are committed to supporting our working parents and carers to effectively balance their work and home life.** In addition to promoting agile working, we also offer emergency back up childcare. We continue to encourage greater uptake of shared parental leave, and we have an active Parental Networking Group.
- **In the 2020 round of promotions in London, all three were female.** Globally, women comprise almost half of the twenty-nine new partner class, and of the thirty-five new counsel nineteen are women.
- In October 2020 Reed Smith formalised its Racial Equity Action Plan (REAP). The firm has created specific benchmarks for hiring, retaining and promoting Black lawyers and 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 third 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 thirty per cent 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 2018 Reed Smith became the first law firm member of the #SeeHer movement**, led by the Association of National Advertisers (ANA). #SeeHer’s goal is to increase accurate portrayals of women and girls in U.S. advertising and media by twenty per cent by 2020, the hundredth anniversary of women in the U.S. winning the right to vote. At the midpoint, the group announced that they were more than halfway to their goal.
- **Reed Smith’s 2020 Diversity Summit** – in October 2020, we hosted our fourth annual Diversity Summit. The summit was hosted online and focused on racial justice and intersectionality. The virtual nature of this year’s Summit let us cast a wider net for attendance. We were delighted that there were over 1,100 registrants 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 staff, not just lawyers. 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 offers 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

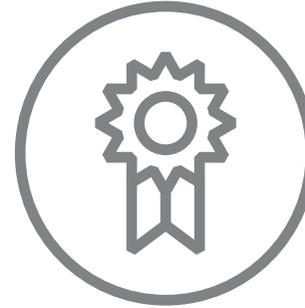
Awards in 2020



Legal Innovation Awards 2020

In 2020 Reed Smith won the **Diversity Innovation category at the Legal Week Innovation Awards**. The judges acknowledged the group for enhancing collaboration between the firm's Responsible Business and Graduate Recruitment/HR teams, helping us create strategies to attract candidates with disabilities and provide appropriate support once they join the firm.

Named in the **2019/2020 Inclusive Top 50 UK Employers** list based on recruitment procedures, training and a host of diversity related initiatives.

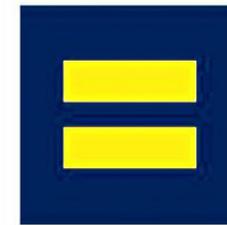


In 2020 Reed Smith was again ranked by the **Women in Law Empowerment Forum** as 'Gold Standard Certified' for its long-standing commitment to women's career advancement and diversity and inclusion.



Tamara Box
Reed Smith's EME managing partner, was for the fourth year running named in the **2020 HERoes Women Role Model lists**

The firm earned a perfect score for the eight consecutive year on the **Human Rights Campaign Foundation's 2020 Corporate Equality Index**, a national benchmarking survey and report on corporate policies and practices related to LGBTQ workplace equality.



HUMAN RIGHTS CAMPAIGN



Views from within the firm

Parisa Clovis, associate and co-chair of Reed Smith's MCN Committee:

"Diversity in the workplace is hugely important. It provides businesses with the diversity of thought required to innovate and develop new ideas that ensure their long term success."

"Since joining Reed Smith I have been impressed with the dedication from both senior management and the partners to keep diversity and inclusion firmly on the agenda. While the legal sector as a whole is lacking in diversity, particularly in the most senior positions, it is encouraging to see both women and ethnic minorities in some of the most senior positions within the firm. There is clearly still much work to be done but Reed Smith is certainly a firm that is looking to change the status quo."



Carole Mehigan, Reed Smith's EMEA responsible business manager:

"The legal profession has come a long way in terms of improving gender and ethnic diversity but there remain barriers inhibiting both women and ethnic minorities from fulfilling their full potential and obtaining the most senior positions in law firms. For several years Reed Smith has made a concerted effort to address the issue and remove these barriers. It is not something that can change overnight and it requires hard work and true commitment to force the change. Reed Smith remains a leader in forcing change and I am confident it will continue to work to improve diversity & inclusion throughout the firm."

Margaret Campbell, partner and Reed Smith's UK chair of WINRS:

"Achieving true gender equality in the workplace is of huge importance to Reed Smith and we constantly strive to remove any barriers that inhibit women from reaching their full potential. We must remove these barriers to ensure all of our people can thrive. It is not just the right thing to do but makes business sense to retain immensely talented women and maintain our ability to continue to deliver the very best possible service to our clients.. Our Women's Initiative Network (WINRS) provides a number of unique programmes that are specifically designed to support and advance our female lawyers throughout their legal careers. A clear example of the success of the WINRS initiative is the fact that in 2020 all the London partner promotions were women. We continue to introduce new and innovative ways of support and we remain firmly committed to achieving gender parity."



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.

All rights reserved.

Phone: +44 (0)20 3116 3000
Fax: +44 (0)20 3116 3999
DX 1066 City/DX18 London

ABU DHABI
ATHENS
AUSTIN
BEIJING
BRUSSELS
CENTURY CITY
CHICAGO
DALLAS
DUBAI
FRANKFURT
HONG KONG
HOUSTON
KAZAKHSTAN
LONDON
LOS ANGELES
MIAMI
MUNICH
NEW YORK
PARIS
PHILADELPHIA
PITTSBURGH
PRINCETON
RICHMOND
SAN FRANCISCO
SHANGHAI
SILICON VALLEY
SINGAPORE
TYSONS
WASHINGTON, D.C.
WILMINGTON

reedsmith.com