

2019 UK pay gap report



Foreword

Reed Smith achieved another record year in revenues and profits, thanks to the individual contributions of our people and the policies we have incorporated to ensure that our workplace is fully inclusive. This pay gap report is a current snapshot of our efforts to create a completely egalitarian environment for everyone—men and women, staff and lawyers, diverse individuals of all types. Although we have fallen short of this goal in some areas, we are proud of the progress we have made and diligent about taking action to achieve our objective.

Critical to our continued success is diversity of thought. Our business will grow and evolve as we develop new ideas and innovative processes; consequently, diversity, equality, and inclusion must be central to the core business principles. When we celebrate ‘difference’, we are able to hire the best talent, create the most collaborative working environment, and deliver optimal results for our clients.

In the statutory data, we report this year an increase in the percentage of women employed in every job responsibility. Female fee-earners edge out males by 60% to 40%, a slight increase over last year. Support staff figures show a similar shift in the split between women and men.

Of particular note is that there are fewer women in the lowest pay quartile compared to last year and a greater proportion in each of the higher pay quartiles. In every quartile women lead men, but the numbers seem to indicate that women are moving up into the higher segments. We believe that the increase in the percentage of women in the top two quartiles is a direct result of the numerous talent programmes we have in place to ensure that an equal proportion of the most senior roles at Reed Smith are populated by women.

Both the mean and median gender pay gaps narrowed in 2019, although we still have work to do to reach parity.

Where we are closer to parity is in the partnership ranks, a category that is not part of the requisite reporting. In this group, both the mean and the median pay gaps are slightly in favour of women. In the future, we hope that women will constitute a larger percentage of the partnership, but for now we are pleased that the pay gap is negative.

For the first time, we have chosen to devise metrics to determine the ethnicity gap at Reed Smith. Since this is the initial reporting of this data, we are unable to give a progress report, but we expect to do that in subsequent years. Given our commitment to diversity and inclusion, I am sure that next year we will report improvement in each of these categories as well.

Our firm is committed to an inclusive working environment where we value, reward, and respect everyone’s diversity. As our clients, our colleagues, our business associates, and our community hold us accountable to these principles, they share in our success as we reach milestones along the way toward complete equality. After all, a rising tide lifts all boats!



M. Tamara Box
Managing Partner, Europe
and Middle East

About Reed Smith

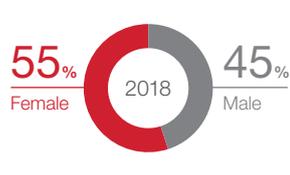
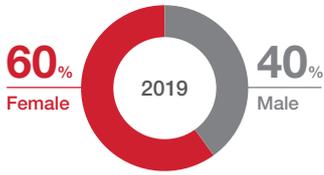
Reed Smith is a dynamic international law firm dedicated to helping clients move their businesses forward. Our people are our biggest asset. We are determined to attract people from the widest pool possible to remain competitive and to ensure the very best service for our clients.

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.

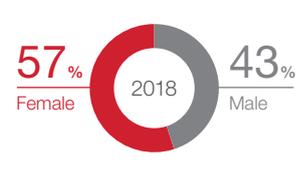
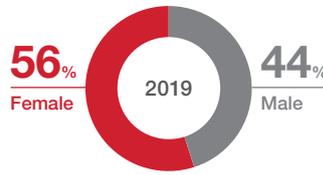
Statutory data

Gender split by job responsibility

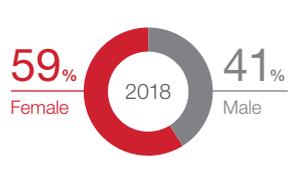
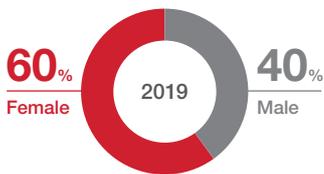
Fee earners



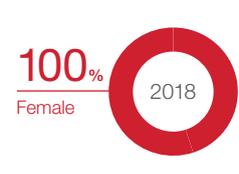
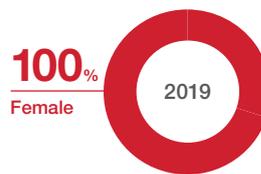
Business support staff



Associates

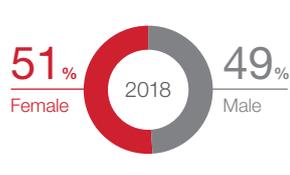
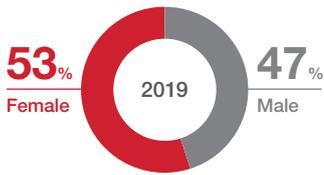


Secretarial support staff

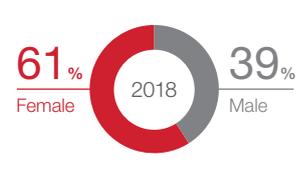
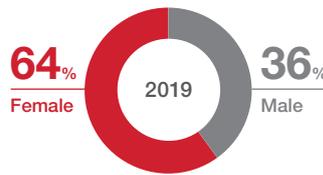


Gender split by pay quartile

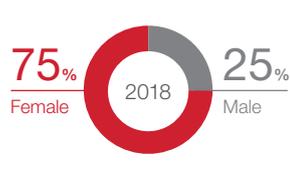
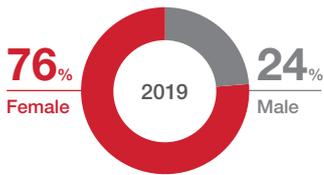
Upper pay quartile



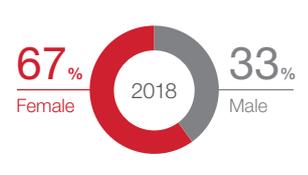
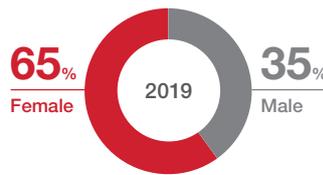
Upper middle pay quartile



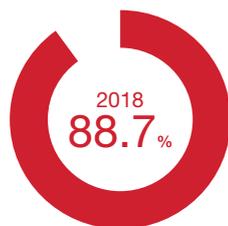
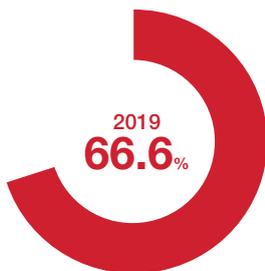
Lower middle pay quartile



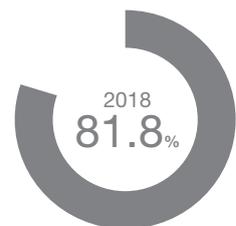
Lower pay quartile



Proportion of women receiving a bonus



Proportion of men receiving a bonus



The proportion of individuals receiving a bonus this year has decreased. This is due to the opening of a new, approximately 50-person office in Leeds, which means the total number of staff included in these calculations has increased but as they have not yet been with the firm for a full year, they are not eligible for a bonus.

Statutory data

Mean and median pay and bonus gap

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.

Both the mean and median gender pay gaps have decreased since last year.

Mean gender pay gap (staff) has decreased from **14.9%** to

14.4%

Median gender pay gap (staff) has decreased from **40.4%** to

38.4%

Mean gender bonus gap (staff) has increased from **17.4%** to

25.9%

Median gender bonus gap (staff) has increased from **53%** to

64.3%

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.

Findings from this report

- The mean and median gender pay gaps for staff have narrowed.
- The proportion of women leads that of men not only in the lower pay quartiles but also in the higher quartiles.
- Women appear to have moved up the pay quartiles, with fewer in the lowest pay quartile compared to last year and a greater proportion in each of higher 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. 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.
- Although we still have a 100 per cent female team of secretaries, we will continue to review the role and make it more attractive to candidates of all genders.

Partnership gender pay gap

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.

Our partnership, like that of most large law firms, has a strong male majority. But unlike many of our competitors, we have a negative mean gender pay gap, meaning that, on average, our female partners earn more than their male counterparts.

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 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, so we have work to do to reach parity.

Gender split of partnership – all partners



Mean and median basic pay gap – all partners

Mean gender pay gap (partners) has decreased from **-13.5%** to

-8.7%

Median gender pay gap (partners) has widened in favour of women from **0.6%** to

-1.3%

Combined gender pay gap for our partnership and employees

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 basic pay gap (all staff & partners) has stayed almost flat - from **37.4%** to

37.6%

Median basic pay gap (all staff & partners) has decreased from **54.4%** to

52%

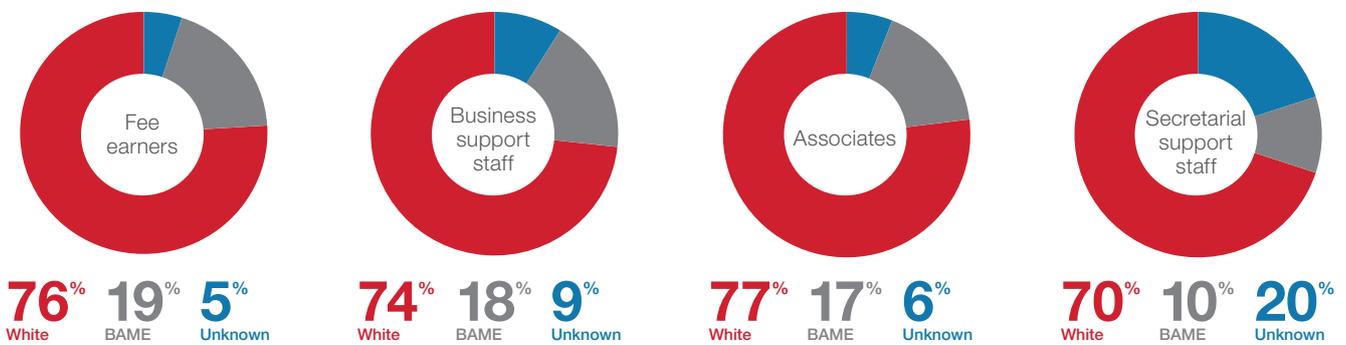
Ethnicity pay gap

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. Following an extensive data collection exercise, we have collated the self-identified ethnicity of 90 per cent of all staff and partners in the London and Leeds offices. We are very pleased to have such a high declaration rate.

The ethnicity pay gap is the difference between the average hourly pay of all white and all BAME employees. It does not compare pay for white and BAME staff in the same or similar roles; rather, it measures the gap between the entire white staff and the entire BAME staff.

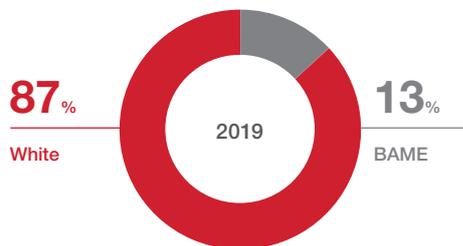
As this is the first year we have recorded this information we are unable to show change from the previous year.

Ethnicity split by job responsibility

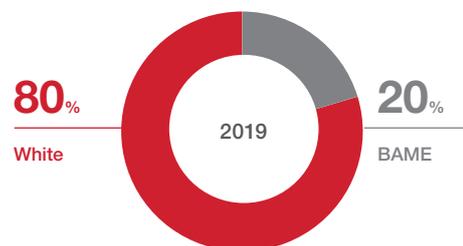


Ethnicity split by pay quartile

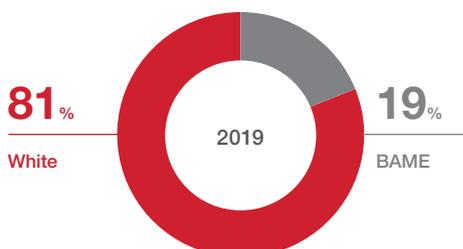
Upper pay quartile



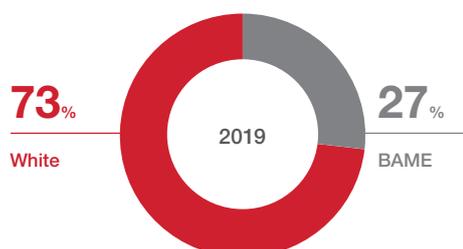
Upper middle pay quartile



Lower middle pay quartile



Lower pay quartile

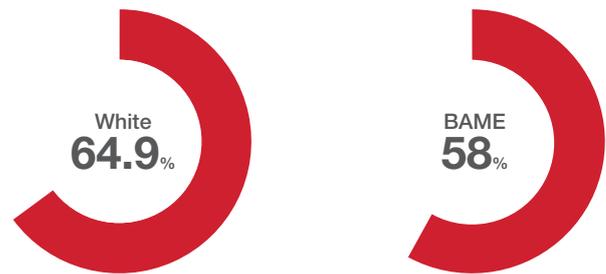


Ethnicity pay gap

Mean and median ethnicity pay gap – staff



Proportion of white and BAME staff receiving a bonus



For the first time we are able to report our mean and median pay and bonus ethnicity pay gaps for staff.

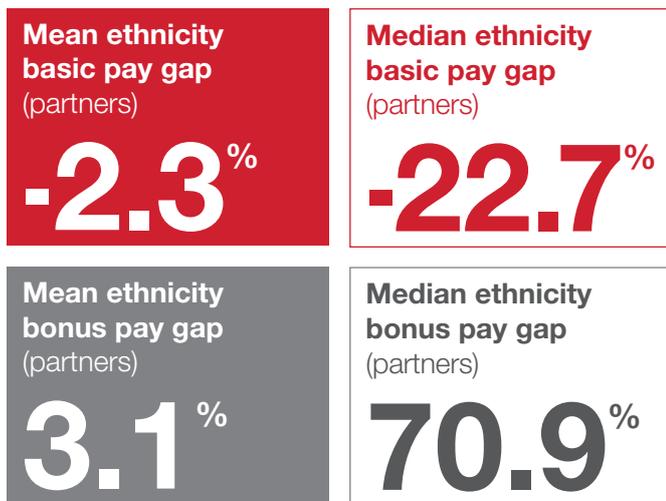
The data shows there is a mean ethnicity pay gap of 11.9 per cent and median ethnicity pay gap of 21.3 per cent.

The mean ethnicity bonus pay gap is 8.8 per cent in favour of BAME staff. There is a median ethnicity bonus pay gap of 33.2 per cent.

We look forward to reporting next year's data so we can consider the change trends and hope to report progress.

Partnership ethnicity pay gap

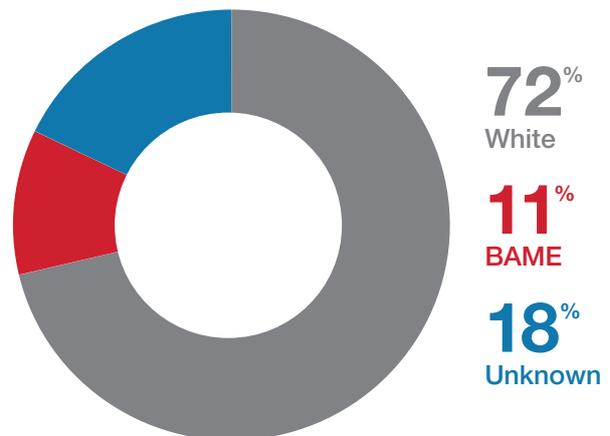
Mean and median ethnicity pay gap – all partners



The data shows that the mean ethnicity pay gap for partners is 2.3 per cent in favour of BAME partners. The median pay gap is also in favour of BAME partners by 22.7 per cent.

There is a mean ethnicity bonus pay gap of 3.1 per cent and 70.9 per cent median ethnicity bonus pay gap for partners.

Ethnicity split of partnership – all partners



Our commitment to closing the gap

What is Reed Smith doing?

- **We believe that diversity, equality 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, thus allowing us to hire the very best talent and become a stronger workforce that delivers the best results for our clients.



Margaret Campbell, UK chair of WINRS:

"Creating an environment where our women lawyers have an equal opportunity to succeed and excel is critical to Reed Smith's culture and values. 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. I am proud that our WINRS initiative helps equality of pay and opportunity to be promoted at all levels. Our statistics for promotion of female attorneys to partnership in London of 50 per cent of equity partners and 100 per cent of fixed share partners this year are clear evidence of our commitment to equal opportunity."

- **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 backup childcare. We continue to encourage greater uptake of shared parental leave, and we have an active parental networking group.
- **In our latest round of promotions in London, all three were female.** Globally, women comprise almost half of the 29 new partner class, and of the 35 new counsel, 19 are women.



Karen Butler
Partner, London



Karen Ellison
Partner, London



Sophie Goossens
Partner, London

- **In 2019, we were one of 64 trailblazing law firms to achieve new Mansfield standards,** further broadening opportunities for women and LGBTQ+ lawyers, as well as lawyers with other underrepresented profiles. In 2018 and 2019, we achieved the highest designation of the Mansfield Plus Certification, meaning that we successfully reached at least 30 per cent women and minority lawyer representation within our current leadership roles and management 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** (www.youtube.com/watch?v=vqEecRfGGPk), 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 20 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.
- On 3 October 2019 in London, we hosted our third annual Diversity Summit. The summit, the first to be held outside of the United States, afforded us an opportunity to explore areas within diversity and inclusion that have received a significant amount of attention lately, namely wellbeing and mental health, parental leave, and pay gap reporting. More than 20 panellists and speakers participated in candid discussions on each of these issues, reflecting on personal stories and anecdotes before a standing-room-only crowd of more than 150 clients, contacts and colleagues.



Associate and co-chair of the Multicultural Network committee, Nicolle Odutoye, born and raised in London to Nigerian parents:

“Women have to take account of issues looking forward, such as factoring in what impact marriage and the possibility of kids may have on our careers. My experience at Reed Smith has gone well because partners and senior lawyers are actively addressing diversity, asking questions and finding ways issues can be overcome.

“Reed Smith agrees with me that it’s important to showcase differences. For example, it is good to celebrate my African origin when I interact with lawyers and clients and I’m supported in that because senior people here often think about diversity.

“And while law firms have the reputation of being an ‘old boys club’ that excludes women – and I see that is historically true – from what I see here at Reed Smith, we have senior women I can point to and say they do serve as a role model for women in law. This is not an all-male environment; the inclusion of women in the financial industry group, for example, makes it an even more comfortable working environment.”

- We continue to support our staff through a number of Business Inclusion Groups (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. This year we have widened our university outreach programme from a pool of nine universities to nearly 20.

We confirm the data in this report to be accurate.

Tamara Box
Managing Partner - Europe and Middle East

Jeni Taylor
Director of Human Resources

Awards in 2019



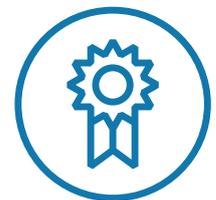
Named to the **2018/2019 Inclusive Top 50 UK Employers** list based on recruitment procedures, training and a host of diversity related initiatives.

In 2019 not only was Reed Smith named among the winners of the **FT European Innovative Lawyer Awards** in the Innovation in Diversity and Inclusion category for our work with the *Reignite Academy*, but the firm also won the Excellence in Direct Recruitment category and the Grand Prix award at **The HR in Law Awards**.



Two of our leading executives were named in the **2019 HERoes Women Role Model** lists – Casey Ryan, global head of legal personnel; and Tamara Box, managing partner EME.

In 2019 our firm 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.



Earned a perfect score for the sixth consecutive year on the **Human Rights Campaign Foundation’s 2019 Corporate Equality Index**, a national benchmarking survey and report on corporate policies and practices related to LGBTQ+ workplace equality.

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 the exception of Hong Kong, which trades as Reed Smith Richards Butler.

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