

**YOU REAP WHAT YOU SOW:
REED SMITH'S RENEWED COMMITMENT TO RACIAL EQUITY**

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Reed Smith opened its Dallas office in May 2019. This is our third office in Texas. Across the United States and around the world, we have 30 offices with a total workforce of more than 3,200 people. Reed Smith has a long-standing commitment to a diverse workforce. The firm formalized this pledge approximately 20 years ago, when it launched a diversity and inclusion program. From the inception of the program, senior management has played an integral role in demonstrating the importance of diversity to our business. They developed policies to foster a culture that values and welcomes people from different backgrounds.

In recent months, we thoroughly examined every facet of our law firm and took stock of the progress we have made. A fair assessment tells us we have made tremendous strides and can be rightfully proud of many accomplishments. But, in fairness, it is clear there is much more we should do. After completing this review and receiving input from key constituencies within the firm, Reed Smith recently adopted a Racial Equity Action Plan, or REAP, that will redouble our efforts to expand the diversity of our workforce. In particular, the Action Plan sets clearly defined, date-specific goals to materially increase our recruitment and retention of Black lawyers and staff, as well as increase the number of Black lawyers and staff in leadership positions within the firm. At the same time, we are identifying and developing pro bono projects that are designed to make a meaningful impact within the Black community.

The Racial Equity Action Plan serves to renew Reed Smith's commitment to racial equality within our firm, in the communities where we work and with the clients whom we serve. We know that many companies in the Dallas/Fort Worth area are implementing similar plans in this regard. Reed Smith wants to partner with you. You can hold us accountable, and we will do the same for you.

Our Initial Response

The events that followed the tragic death of Mr. George Floyd were a flashpoint for many Americans, indeed for people around the world. As you know, that event was surrounded by the deaths of other Black Americans under circumstances that suggested the victims' race was the primary factor leading to the deadly outcome. A sense of outrage permeated the country at the apparent callous disrespect for human life. For many, these deaths served as a reminder of generations of widespread racial injustice against Black Americans.

Within days following the death of Mr. Floyd, our firm's Global Managing Partner, Alexander "Sandy" Thomas, circulated a firm-wide message. Sandy acknowledged the emotional pain that many were experiencing. He also affirmed Reed Smith's commitment to racial equity:

"Reed Smith has a collective conscience. Our Core Values call on us to treat each other with dignity and respect, to prize our differences, and to drive progress in our communities and our firm with impact. Therefore, our first response to racial injustice and the consequences of it that we see across the U.S. must be, openly and unambiguously, to reject it as antithetical to our values."

Sandy's message laid out the framework for our response to the groundswell outcry against the pervasive racism and racial inequality suffered by many Black Americans. This framework was refined to become our Racial Equity Action Plan. As discussed later, the REAP shapes Reed Smith's response to

racism and sets out concrete steps we will take to promote racial equality and foster an environment where our workforce and firm leadership reflect the diverse communities where we work.

As a preliminary matter, however, our senior management wished to convey the critical importance of this issue to everyone at our firm. Sandy Thomas and other members of management hosted a global town hall meeting to provide lawyers and staff with an opportunity to talk in an open, honest forum. Many of our Black colleagues shared their personal experiences with racial prejudice at work and elsewhere over the course of their lives. Sadly, there were many such stories. This conversation allowed us to begin to establish a base level understanding of racism in our communities and to develop a plan to combat racial inequality.

But that was just the beginning. We did not want the town hall meeting to be a “one and done” event. In order to effect real change within our firm and the 17 communities in which we operate in the U.S., we acknowledged the need for ongoing dialogue. One of our D&I groups, STAARS (Sustaining and Training African Americans at Reed Smith), has hosted a series of meetings on a variety of topics.

Admittedly, it has not been easy. The issue of racism and racial injustice are sensitive subjects that many people want to avoid. However, we believe an ongoing series of conversations will lessen the stigma of talking about racial inequality and foster deeper understandings. In the words of my colleague Peter Ellis, Reed Smith’s global chair of litigation, who is Black, we want to “create the kind of firm where it’s OK to talk about race, and to be uncomfortable sometimes getting to the place where we are more focused on equity.”

Racial Equity Action Plan

This summer, Reed Smith established a **Racial Equity Task Force**. This 36-member committee champions the cause of racial equity and will marshal the firm’s various efforts to make a real and positive impact within Reed Smith and the communities in which we operate. Sandy Thomas described the responsibility of the Task Force as “examining every function of the law firm clear down to the studs.” The aim is to holistically re-imagine our organizational business practices and habits to promote racial equity. REAP is designed to impact both lawyers and staff at Reed Smith.

Each functional area of the firm is represented on the Task Force. It includes our seven-member Senior Management Team, select members of the Executive Committee (the firm’s governing body), and other lawyers and professional staff. The Task Force will carry out the firm’s newly created Racial Equity Action Plan, which has three macro priorities:

- **Wellbeing and learning:** The primary goal is to improve fairness and wellbeing for our Black colleagues, and to solicit ideas on how to uphold racial equity as a fundamental value of the firm and foster discussion about racism’s toll.
- **Pro bono and community engagement:** On our own initiative and in partnership with clients and other companies, we will identify opportunities to pursue community engagement and legal advocacy with the specific goal of advancing a more equitable society, including criminal justice reform, voting rights and other important efforts.
- **Client engagement:** We will collaborate with clients to invest in Black lawyer talent, starting from law school recruiting efforts, to secondment engagements, to creating high-level relationship development opportunities.

REAP in Dallas

The Task Force recognized the importance of a firm-wide implementation of REAP, but acknowledged it would be more successful if each office assumed responsibility for carrying out certain

aspects of the Plan at the local level. The idea is that we will gain greater participation among our employees if we tailor the REAP to the prevailing circumstances and needs in our respective communities.

In Dallas, we held a unique town hall meeting in partnership with Project Unity, which hosted its signature Together We Dine program for our office via Zoom. We were divided into breakout groups, each moderated by a facilitator trained to lead discussions on race relations in an open, structured forum. Over the course of the lunch hour, we had frank discussions where each person could share their concerns, questions and recommendations.

Our office also circulated an extensive survey to each employee (as did our colleagues in Austin and Houston). Between the dining event and the survey responses, we identified topics that will be discussed in a series of regularly scheduled meetings. In addition, the feedback narrowed the list of community organizations we will partner with over the coming year. As your organization rolls out its plan of action, we would be happy to share with you our thoughts on things that have worked (and not worked) for us.

REAP Across our Firm

On a national level, Reed Smith has taken initial steps to implement REAP. Some of these include:

- **Empowering Reed Smith's pro bono team** to provide increased focus, time and effort toward programs and partnerships that prioritize racial justice. For example, Reed Smith is supporting the NAACP Legal Defense and Education Fund's monitoring of the Department of Housing and Urban Development's eviction moratoriums and potential racial discrimination.
- **Teaming up with over 250 other law firms to form the Law Firm Antiracism Alliance**, whose goal is to amplify the voices of communities and individuals oppressed by racism; to help communities of color use the law more effectively as a vehicle for beneficial change; and to promote racial equity in the law.

These and other steps will be beneficial to the communities in which we work. Just as important, we have established several, measurable goals under the Racial Equity Action Plan for expanding the diversity in our workforce and leadership ranks. All of the goals that have been set are directly tied to the core of our business – this is not an initiative. They include:

- **Recruiting:** We will increase by 50% the number of Black lawyers across the Reed Smith platform by 2024.
- **Retention:** We will improve the Black lawyer and staff attrition rates so they are consistent with firm-wide attrition rate by 2024.
- **Leadership:** We will increase the percentage of Black leadership in the firm by 30% by 2024.
- **Community:** We will seek to implement national and local pro bono projects designed to positively impact the Black community.

These are clear, measurable goals that are ambitious and worthy. We encourage other businesses in the DFW Metroplex to develop action plans that are equally ambitious, if not more so. If you have questions, it would be an honor for us to work with you to formulate or implement your plan.

You Reap What You Sow

We shared the goals of our Action Plan with every person at our firm because, in many respects, our ability to realize each one requires a concerted effort. We are sharing them with you to demonstrate our renewed commitment to achieve racial equity. Our Global Managing Partner said it best, “We are proud to declare who we are and what we stand for – and on an issue of such importance, we do so unequivocally. While we appreciate that there are limits to the contribution one law firm can make, we are determined to realize change wherever possible.”

Reed Smith has a proud history going back nearly 150 years. Now, with the adoption of REAP and its near-term goals to materially expand the diversity in our workforce and leadership ranks, we are even more excited to see what the next 150 years holds in store. Reed Smith is a firm that truly believes you reap what you sow. We hope you will hold us to our word.

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