


# Gender Pay Gap report

April 2020





“Our people are the lifeblood of our organisation. We strive to create an environment where they can live up to their potential.”

**PAUL BARRY**  
Group Head of HR

Rothschild & Co is committed to ensuring that we create a working environment where everyone irrespective of gender, age, belief, sexual orientation, disability or ethnicity has the same opportunity to thrive.

The Financial Services sector suffers from the legacy of being traditionally male-dominated. It will take time to correct the imbalance and we continue to take meaningful and sustainable steps to bring about change across the whole group. Our approach includes, but is not limited to, the following initiatives:

### **Employee Development**

In 2018 we introduced the Shine for Women programme, a residential programme aimed at maximising individual potential and delivering impact. By the end of 2019, over 70% of our senior female staff had participated.

During 2020 our remaining senior females will experience the programme and we will extend the programme to a broader audience.

We have introduced Unconscious Bias Training to Associates, Assistant Directors and Directors as part of our Promotion Programmes. The training is designed to increase awareness and help colleagues recognise unconscious bias in its different forms. To date, more than 400 employees globally have participated in the training.

We are launching the first phase of a sponsorship programme in Spring 2020 for selected women at Assistant Director and Director level globally which will provide specific support and opportunities to create a workplace where everyone can thrive and reach their potential.

We provide mentoring assignments, allowing men and women to benefit from more senior support and guidance as they progress through the firm.

We continue to offer active support for parents embarking on and returning from maternity, paternity and adoption leave in the UK. We have conducted a review of our maternity, paternity and parental leave policies which has already resulted in changes in our largest locations.

### **Recruitment**

We have reviewed and enhanced our lateral recruitment processes, focusing on how to increase female representation at all stages of recruitment especially through the use of direct sourcing. This proactive method of recruitment is proving successful as it relates to female candidate identification and hiring.

We are committed to helping young people of all backgrounds to develop the skills that will help them to succeed and give them early access to our industry. In the US we offer a women's Sophomore programme and in France we hold events for female students to inform themselves on our businesses.

In the UK, we have partnered with the Bright Network in order to attract candidates from underrepresented groups into our internship pipeline and to expose these students to the opportunities, insights and advice needed to succeed as the workforce of tomorrow. Through this partnership we are able to connect with over 200,000 Bright Network student members, of which 76% are state educated, 59% are female, 26% STEM and 40% BAME.

### Career Development

In 2019, we published our promotion policies on our intranet to increase transparency for all employees globally. These policies are implemented by divisional committees who oversee promotions on a global basis. The decisions made at these benchmarking committees are a critical input into promotion decisions, and diversity is a critical component as we evaluate our people.

In order to support our managers and provide a clear perspective on talent development, we provided a Career Framework from which they can assess performance at all levels across six core competencies:

- Leadership
- Technical proficiency
- Commercial awareness
- Rothschild & Co way
- Communication
- Compliance & Risk

The framework is embedded into our ways of working, talent development and career progression and have been carefully crafted to ensure they are appropriate across all categories of diverse talent.

### Diversity and Inclusion

We have created a Global Balance & Inclusion Committee, with a clear goal: to have a balanced, inclusive and flexible workplace which enables all colleagues to achieve their personal and professional aspirations and to ensure that Rothschild & Co provides long-term opportunities for our talent to flourish and grow.

We have completed an in-depth consultation with employees and our senior leadership team globally in terms of inclusion in the workplace. As a result, we have defined a business plan to ensure we maintain an inclusive workforce.

We have relaunched the Rothschild & Co UK Women's Network and are initiating Women's Networks across the globe, which seek to ensure female employees are supported and their skills developed. We have also launched a Family Network in the UK to support the various needs families experience from childcare to eldercare topics. Our networks hold regular events and initiatives based on topics suggested by the membership. A recent "Coffee Connect" initiative organised by the UK Women's Network to connect women of all levels, proved very popular.

In the UK, we have enrolled senior female colleagues on the FTSE 100@Cross-Company Mentoring programme. These women are matched with mentors who are chairs or senior leaders in other companies. We also have colleagues from Rothschild & Co acting as mentors.

### Measurement

In late 2019, Rothschild & Co signed the Women in Finance Charter. This is an important commitment made by the firm to HM Treasury to build a more balanced workforce.

Whilst this is a purely UK governmental initiative, the group has decided to implement the pledge at a global level, as we believe that to make a real difference it is important to measure and report our progress groupwide on excellent initiatives like this one. Our commitments are:

- The firm's Managing Partners are responsible and accountable for gender diversity and inclusion
- At 31 December 2019, 23.4% of our Assistant Directors and above globally were women. We have set ourselves a target that 30% of our Assistant Directors and above should be female by the end of 2024
- We will publish progress annually against this target in reports on our website
- We will ensure that the pay of the senior executive team is linked to delivery against our Balance & Inclusion initiatives.

## At Rothschild & Co we work hard to create a unique and inclusive atmosphere, style and culture that encourages the highest standards of quality, collegiality, professionalism and ethics.

To cultivate our distinct perspective as a business, we need a team that can respond to our clients' business requirements in various circumstances around the world. This means building a supportive environment where diversity and difference are valued and respected.

### Pay & Bonus Gap

Our approach to compensation is gender, age, belief, sexual orientation, disability and ethnicity neutral. As part of our annual compensation process, we review compensation across the firm to ensure that we pay equally for equivalent roles/experience and levels of contribution.

The gender pay gap that exists in NM Rothschild is not a result of unequal pay. It is a reflection of the higher proportion of men in senior, client facing and revenue generating roles.

The table below shows the mean and median hourly gender pay and bonus gap between all men and women within NM Rothschild.

|            | Mean  | Median |
|------------|-------|--------|
| Hourly pay | 51.3% | 56.1%  |
| Bonus      | 84.3% | 84.9%  |

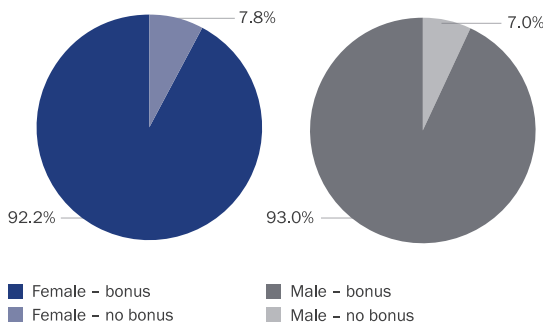
Senior management bonuses are most impacted by the fluctuations in our results and are hence greater when we announce strong results.

Senior management are also subject to the greatest levels of deferral and, as a result, the impact of strong results can be seen both in the year of the results and a number of years following. As we currently have a higher proportion of men at senior levels within the firm, our bonus gap will continue to be disproportionately affected by our results whilst we address this structural imbalance.

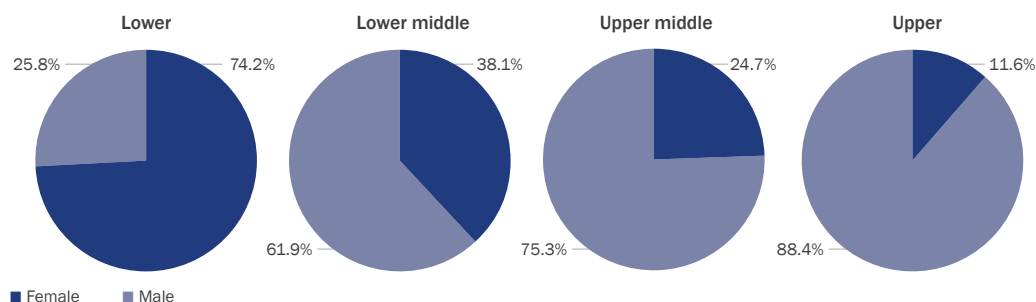
### Proportion of employees receiving a bonus

Rothschild & Co promotes equal opportunity and inclusion throughout the group. All permanent employees, regardless of their gender, age, belief, sexual orientation, disability or ethnicity who have worked at NM Rothschild during the financial year are bonus eligible.

92.2% of females received a bonus award; compared to 93.0% of males in the same period at NM Rothschild.



### Pay Quartiles – proportion of females and males



This data illustrates the gender distribution at NM Rothschild in the UK across four equally sized quartiles, each containing fewer than 200 employees. This shows that NM Rothschild has more senior men in higher paying roles than women in the UK business.