



Gender Pay Gap Report

2022

Rothschild & Co is committed to an inclusive and supportive environment where diversity and different perspectives are valued. The three core pillars of our Balance & Inclusion strategy remain unchanged. We are focused on the attraction and recruitment; development and retention; and progression of high calibre, diverse talent to ensure we and our clients benefit from the value of difference.

In 2021 we initiated the launch of several new initiatives aimed at improving diversity at all levels and nurturing an **inclusive culture**. We are pleased to report more progress this year, but we recognise, in building for the long-term, we have more to do and that the impact and benefit of our efforts will take time to fully materialise. We are committed to these initiatives and are confident that, over time and in combination, they will help accelerate our progress towards greater balance and a culture of inclusion in which all colleagues can professionally thrive.

To further inform our strategy and gather valuable insights and ideas from colleagues, an employee survey on **balance and inclusion** was conducted in May 2021. This survey provided a baseline measure, to better understand how effective the actions being taken are in creating a balanced and inclusive workplace. The feedback from the 2021 survey highlighted that a large majority of employees experience an inclusive working environment as well as identifying particular areas for focus in the coming years. The survey reinforced the importance of maintaining our focus on recruitment, development and retention, and progression.

Recruitment

A continued priority for leadership and our Balance and Inclusion Committee is ensuring we attract and hire diverse talent. This includes, but goes beyond, a focus on women. We recognise that building a diverse pipeline of talent is a critical element of our business strategy. We are committed to engaging with young people of all backgrounds to give them early access to our industry and to develop the skills that will help them to succeed. For graduate hiring, **a new interview framework** and **assessment materials** have been implemented which has modernised and enhanced our selection process and helped us minimise unconscious bias in decision making.

We have continued with our key partnerships, for example:

- In the US and UK, we continue to offer **Insight Programmes** for women both before and during their time at university and in France we hold events for women students to demystify the industry
- In the UK, we partner with the **Bright Network** to attract candidates from underrepresented groups to our intern programmes and showcase to these students the opportunities, insights and advice needed to succeed in the workforce of tomorrow

- In 2020, we joined the **#10000BlackInterns** programme to help address the underrepresentation of Black talent in our sector. Through the programme we offer Black students paid internship opportunities as part of our regular summer internship programme
- In the UK, we partner with **UpReach**, an award-winning social mobility charity that provides personalised support helping to broaden horizons, raise aspirations and enable students with socio-economically challenged backgrounds to develop the skills, networks, and experiences to succeed on their merit
- We have an established partnership with **SEO London**, an organisation which aims to prepare students from underrepresented backgrounds for career success

Lateral recruiting constitutes a high proportion of our hiring activity, as we look to build, reinforce, and complement the strengths of existing teams. Direct sourcing continues to be an important strategy in our efforts to source experienced professionals. Introduced in 2021, a clear **Competency Based Interview Framework** underpins our lateral recruiting efforts. The aim of implementing this framework is to ensure we test for broader skillsets through the interviewing process which in turn helps us hire colleagues with the diversity of perspective, thought and experience that we value.

Development & Retention

Effective leadership and people management remains critical to the ongoing success of our business and to shaping a culture of high performance, innovation, and inclusion in which all colleagues can thrive. To equip and empower those assuming people management responsibilities for the first time, a new **Management Development Programme**, spanning four months, was launched. This modular programme includes workshops, self-paced learning and 1:1 coaching to deepen critical management skills such as delegation, coaching, feedback and managing inclusively.

Launched in 2018, the **Shine for Women Programme**, continues to be a flagship programme for Rothschild & Co. Designed to empower women in leadership, to drive their careers' forward, this programme was originally offered to those women who were already in senior positions. Today, this immersive workshop continues to be offered annually to newly promoted and recruited Assistant Directors. In recent years, several enhancements have been made, including the addition of group coaching pods for participants to build their network and share experiences and a parallel track of workshops for the managers of participants.

We recognise that everyone has an important role to play in creating an inclusive workplace and culture. In support of this the following development initiatives were launched and will be built upon in the years ahead:

- a pilot workshop for leaders and senior influencers focused on **building active allyship** and exploring the spectrum of advantage (or lack thereof) individuals may experience and the impact this can have
- an **'inclusion fundamentals' workshop** for all global colleagues at Senior Associate grade and below to learn about similarity, bystander, and stereotype biases and discover conscious techniques to remove biases from decisions and contribute to a culture of inclusion
- a module for new managers outlining **the value of difference** (perspectives, experiences, styles) to the creativity and performance of a team and the role of managers in creating the conditions for optimal performance in all team members

The global pandemic provided a catalyst for change in attitudes to agile working practices. As employees in offices around the world started to return to the office during 2021, the opportunity for the incorporation of **more agile ways of working** into regular working patterns for the long term was embraced. While some people do their best work in the office, there are times when employees feel more productive working remotely. We believe that remaining agile and flexible in working patterns is good for our people and allows everyone to be efficient and dynamic in delivering exceptional client service.

In parallel, the dedicated **'Workplace of the Future' project** aims to review the design of the physical future workplace, to ensure that offices meet the needs of our workforce of today and the future. This includes a group approach for the development of a blueprint for workplace design principles and parameters, that can be applied flexibly based on regional and cultural considerations and incorporates global design principles that link employees together. Pilot studies are being undertaken to prove workplace design principles in 2022.

We continue to value the important role **Network Groups** play in engaging colleagues on matters relating to diversity, balance, and inclusion, and in supporting the group with the delivery of its wider Balance and Inclusion strategy. Within the UK we are proud to have a number of active networks, focused on women, race, LGBT and family, that work collaboratively, to raise awareness of the issues different constituencies face in their working lives, to provide a forum for sharing common issues and opportunities for networking and mentoring, and to bring about positive change in the workplace.

Active **support for parents** embarking on and returning from maternity, paternity and adoption leave in the UK is offered, and we regularly monitor our parental leave policies, healthcare and wellbeing provisions to ensure they support our colleagues through these important life events. Recent enhancements include discretionary bonus eligibility for primary caregivers during periods of parental leave immediately post birth/adoption, financial support for assisted fertility, extended provision for individuals diagnosed with gender dysphoria, and enhanced emergency care for those with caring responsibilities.

Progression

Talent identification and succession planning has been a key priority for all businesses this year. We have reviewed and updated the succession plans for senior management roles in our divisions and are developing career development and recruitment plans for key individuals, as appropriate.

In 2020, we launched a **Global Sponsorship Programme** which matches high performing, talented women at the Assistant Director and Director grades with a senior leader across the organisation. Feedback from participants, sponsors and managers has been positive and has highlighted a few small enhancements to be made as this programme continues and expands, including strengthening the connection between those three parties. We will continue to develop this programme and recognise the importance of ensuring advocacy for the 51 women participating, as they navigate their careers.

We publish our **promotion policies** on our intranet to increase transparency for all colleagues globally. These policies are implemented by divisional committees who oversee promotions on a global basis. The decisions made at these benchmarking committees are based on clear criteria and are critical to promotion decisions. In 2021 we revamped how we assessed Managing Director promotions in a number of businesses to increase the focus on leadership and management behaviours.

In summary, we remain resolute in our commitment to improve diversity at all levels within Rothschild & Co and continue to be ambitious in our aspirations.

Our Women in Finance Charter commitments are:

- The firm's Managing Partners are responsible and accountable for gender, diversity and inclusion
- We set ourselves a target that 30% of our Assistant Directors and above should be women by the end of 2024
- We publish progress annually against this target in reports on our website
- At 31 December 2021, 25.4%, an improvement of 1.9% from 2019, of our Assistant Directors and above globally were women
- 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.

Rothschild & Co promotes equal opportunity and inclusion throughout the group. Our approach to compensation remains gender, race, age, religion and belief, sexual orientation, gender identity, disability and nationality neutral. All permanent employees who have worked at NM Rothschild during the financial year are bonus eligible.

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.

We remain committed to increasing the number of women in senior roles and, as detailed earlier, have a number of initiatives which aim to do this and which we are confident, overtime, will lead to a narrowing of the gap.

Progress on narrowing the gap will not be linear as improvements due to increased representation of women at senior levels can be masked by other factors. For example, as a result of our focus on recruitment, more than 40% of our NM Rothschild hires at Assistant Director and above in this reporting period were women which, of itself had a positive impact on both our hourly pay and bonus gaps but other changes, including changes in market rates of pay for client-facing and non-client facing roles, resulted in these improvements being negated.

Similarly, the bonuses of our most senior people are subject to the greatest fluctuation based on our results and, 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 the imbalance. In this regard, we are expecting to see a widening of our Gender Pay Gap statistics in 2022 based on the strength of our 2021 results.

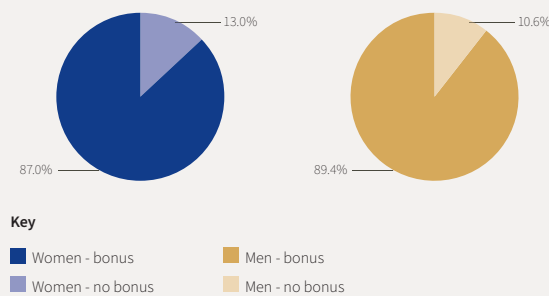
In addition, senior management are subject to the greatest levels of deferred pay and, as a result, the impact of strong results can be seen both in the year of the results and a number of years following.

Hourly Pay and Bonus Gap

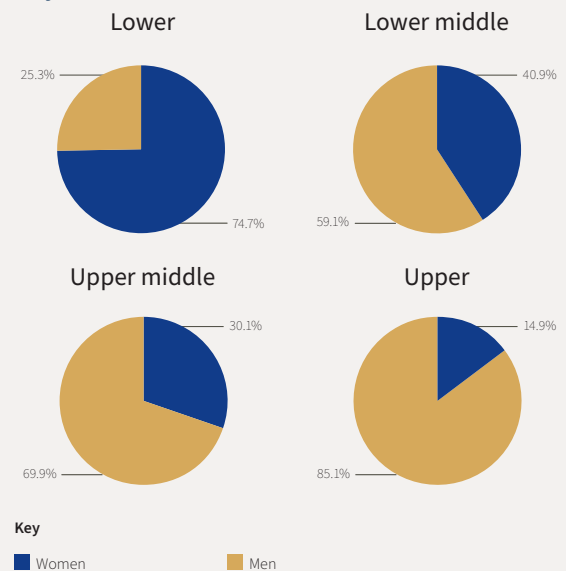
The table below shows the mean and median hourly gender pay and bonus gap between all men and women within NM Rothschild.

	Mean	Median
Hourly pay	47.1%	50.4%
Bonus	85.7%	86.7%

Proportion of Employees Receiving a Bonus



Pay Quartiles



Key
■ Women ■ Men

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

“ We continue to be ambitious in our commitment to ensure a balanced and inclusive work environment, it is critical for the future of our business.

Paul Barry
Group Head of HR

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