



2023

Gender Pay Gap Report

Rothschild & Co is committed to providing an inclusive and supportive environment where diversity and different perspectives are valued and respected. 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 individuals that bring diverse perspectives and experiences to our business and clients.

In 2022, our focus has been to deepen the reach and build on the impact of initiatives implemented in prior years. A specific impetus was given in 2022 to:

- expanding the new role-based training curriculum focused on **building inclusive behaviours** and habits, including the launch of a revised 'Inclusive Interview Skills' training for those involved in recruiting.
- engaging a broad group of leaders by sponsoring the second **Women's Leadership Forum** to mark progress to date and set out ambitions for the future, and
- commitment to run the Balance & Inclusion Survey annually to **measure progress and colleague sentiment on these important topics** and identify areas for continued focus.

We take a long-term view in all aspects of our business, and our focus on Balance and Inclusion is no exception. Whilst the impact of our efforts may take time to materialise, we remain committed to our strategy 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.

Recruitment

Rothschild & Co is committed to **attracting and retaining high-potential**, team-oriented and self-motivated individuals and provide all employees with training and development opportunities which support them to maximise their performance and potential by developing the skills required to meet business goals and progress in their careers.

Inclusive recruitment is a key initiative for all business divisions Building on changes made to the hiring processes in 2021, this year Rothschild & Co launched an **inclusive interview skills training**, targeting those actively involved in recruitment efforts. By ensuring recruitment and development of a diverse team, Rothschild & Co is better able to respond to its global business needs, ensure effective interactions with colleagues across the world and create value for clients. By identifying the very best talent and having a recruitment process that ensures that the values of meritocracy and fair opportunity are upheld, Rothschild & Co ensures the future prosperity of the Group and its people. We will continue to roll out interview skills training more broadly across Rothschild & Co in 2023.

Rothschild & Co has implemented a blended strengths-based assessment as part of the application process. The assessment focuses on key strengths as well as numerical ability.

Recognising the lack of gender diversity across Investment Banking industry in general, Rothschild & Co initiated a programme to increase the female talent in Global Advisory. The programme aimed at hiring ACA qualified accountants in the UK and included a 'Virtual ACA Women's Event' which allowed current ACA qualified colleagues to provide an insight to Rothschild & Co and their personal transitions, along with hearing from partners in the firm.

Rothschild & Co has maintained its focus on **direct sourcing** for experienced hires, allowing the recruitment team to tailor their approach on behalf of the business and ensuring consideration of a diverse set of candidates. In 2022, 48% of direct hires were women.

This year, the **Early Careers** team have continued to partner with student organisations in the UK such as SEO London, Bright Network, GTI, upReach and #10000blackinterns to broaden and diversify their candidate pool by participating in female specific and black talent recruitment events as well as running an insight programme with upReach for students from low-income households across the United Kingdom.

Graduates, interns and apprentices play a crucial part in shaping the business from their first day and throughout their career with us. When recruiting experienced professionals, the focus is on people who can add intellectual strength, offer a distinct perspective, and have a genuine passion for what they do, and have the drive and determination to deliver excellence consistently.

Development & Retention

One of the signature initiatives for 2022 was the expansion of the existing training programmes in the **Inclusion Curriculum**, to include content specifically for Managing Directors and Directors. The Inclusive Leadership Academy introduces core concepts to shape mindsets, build skills and create accountability to foster a culture that unleashes the value of difference in teams and drives performance. This modular programme runs over 12 weeks with action-oriented nudge coaching throughout to crystallise the development of new habits and day-to-day application. With the addition of this programme, the Inclusion Curriculum includes content that is applicable and available to colleagues from Business Support to Managing Director grades.

To ensure that the Inclusion Curriculum is achieving its objectives and to amplify its effectiveness, its key themes feed into Rothschild & Co's employee evaluation process. With changes made to the Career Framework, Rothschild & Co aims to emphasise inclusive behaviours and effective management in the criteria used to assess how people interact, manage and lead. A specific question on contribution to a diverse and inclusive workplace has been added to the global employee **Performance Review process for 2022** in the self-evaluation section, to drive reflection and reinforce the expectation that inclusive behaviour is core to Rothschild & Co's culture. This focus is also reflected in the promotion criteria and selection process for Managing Directors and Partners.

In November 2022, to mark the fifth anniversary of the inaugural Forum, over 150 Partners and Managing Directors from Rothschild & Co attended the Women's Leadership Forum (WLF), for two days of stimulating discussion, debate and reflection. The gathering built upon the legacy of the inaugural Forum in 2017 and provided the opportunity to reflect on the many steps forward Rothschild & Co has made since then, including the creation of Balance & Inclusion committees, a focus on developing inclusive leadership behaviours, policy enhancements, the launch of the Sponsorship and Shine programmes and the Balance & Inclusion survey, to name a few.

This year's theme was how to **lead together better** and how to build a culture of leadership that promotes and strengthens diverse teams, drives innovation and improves performance. Benefitting from the advice of academic experts, and external and internal experience, this was an important opportunity to engage a broad group of senior leaders in person around the challenges and opportunities ahead and to reinforce the critical role they play, individually and collectively, as custodians of the Rothschild & Co's culture and colleagues. The Forum generated rich discussion, and, amongst other themes, the importance and value of a culture of increased candour and feedback has emerged as something to take forward.

The **Shine programme** is a key element of Rothschild & Co's Balance and Inclusion strategy, underpinning the commitment to the retention and career progression of women to more senior leadership positions.

At its core is a two-day workshop for women, designed to **maximise individual potential and personal impact**. Managers of the participants attend a series of workshops which are designed to build their understanding of the content of the programme and appreciation of the common themes raised by women about their workplace and career experience, and to equip them to actively support their team member's development and progression through and beyond the programme.

Employee networks remain an important part of the Rothschild & Co's culture and are critical in reinforcing its Balance & Inclusion strategy. Each network provides the opportunity for connection and education to ensure employees are fairly represented and to strengthen Rothschild & Co's position as a diverse and inclusive place of work. The network groups represent the interest of the firm's employee communities and are sponsored by the Balance & Inclusion Committee to amplify their voice, strengthen collaboration and increase geographic reach.

Whilst Rothschild & Co recognises that policies alone do not drive change, they remain an important element in furthering implementation of Rothschild & Co's strategy.

Rothschild & Co's **Flexible Working Policy** allows for discussions around accommodating adaptable work schedules, reducing working days and job sharing. Several policies are supportive of occasions where employees need to be away from the office, such as for a period of sabbatical leave, to care for dependents or to take compassionate leave.

Since 2020, Rothschild & Co has learned a great deal about the adaptability, commitment and resilience of its people. Moving forward, Rothschild & Co believes there are opportunities for everyone to enhance working lives and outcomes, by applying a more flexible approach to work. Adopting more varied and agile working patterns has proven to be the right evolution for the firm.

Rothschild & Co's **Agile Working** approach allows for flexible patterns to work remotely or flexibly.

Rothschild & Co. is committed to continually reviewing its policies and people processes to ensure they remain free from bias and to take actions to promote better gender balance at all levels of the firm. UK & France's Family Friendly Leave policies have been updated to increase the quantity of weeks employees are eligible to full pay and bonuses.

Progression

Talent identification and succession planning remains a key priority for all businesses and greater focus has been given to active talent management plans in 2022. Potential successors for some of the most senior roles in the firm have been supported in their development through coaching and leadership programmes.

Sponsorship is widely considered a critical success factor in career progression. For Rothschild & Co this is an important programme to increase engagement with over 50 participating senior women, to better understand their career aspirations, challenges and opportunities and ensure advocacy for them as they navigate their careers. A review of the programme, since its launch in 2020 has led to a number of updates. These include deepening the involvement of managers as accountable partners in the programme and regular touch-points with all participants to ensure they are making the most of their sponsorship relationship and it is meeting expectations.

Overall this programme has improved awareness of what sponsorship is and is not and we are being purposeful in creating a greater culture of sponsorship for everyone. We have also found sponsorship has provided the opportunity to synergise business relationships across divisions and geographies and created networking opportunities beyond the sponsorship pairing.

We are preparing to launch a new cohort of over 50 men and women into the programme for 2023 and have improved the onboarding process, invested further time in clarifying the roles, responsibilities, and expectations of each party.

The Rothschild & Co **career framework** reflects the Group's guiding principles and provides employees with a clear and consistent set of expectations across all divisions, geographies and career paths.

Throughout 2022, Rothschild & Co has been working across its businesses to develop an enhanced career framework. Employee feedback through the 2021 Balance and Inclusion survey highlighted the importance of clarity and transparency regarding career development and consistent expectations for people managers.

The framework has been comprehensively redeveloped in 2022 to make it easier to navigate and apply development paths and progression and maintain alignment with business priorities. Enhancements include the addition of a new section to highlight Rothschild & Co's expectations of managers, and greater emphasis on inclusive behaviours at all levels, demonstrating the ongoing commitment to creating an environment which enables all colleagues to achieve their personal and professional aspirations.

In 2022, Rothschild & Co conducted its second **Balance & Inclusion Survey**, and the Managing Partners made a commitment to run this survey annually to drive transparency and accountability for progress. There was a positive increase in engagement with the survey from 2021.

Overall, ratings and comments in this year's survey showed a positive development. The results speak to increased awareness of the initiatives that have been implemented and indicate a positive impact from the changes that are being made.

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 2022, 26.2%, an improvement of 2.7% 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



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 obscured by other factors. For example, as a result of our sustained focus on recruitment, for the third consecutive year, 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 the full impact is masked due to other changes, including relative changes in market rates of pay for client-facing and non-client facing roles.

Similarly, our bonus gaps will remain volatile, due in part to the higher levels of bonus volatility for senior employees, most of whom are male. Our bonus gap will continue to be disproportionately affected by our results whilst we address the imbalance

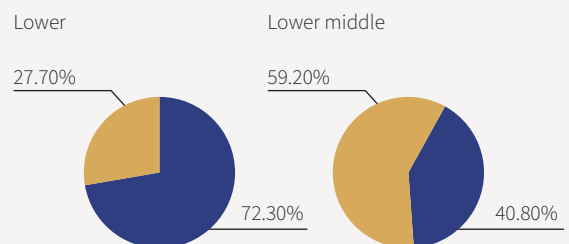
As the bonuses of these senior employees are subject to the greatest levels of deferral, the impact of strong results is seen both in the year of the results and a number of years following.

Hourly Pay and Bonus Gap

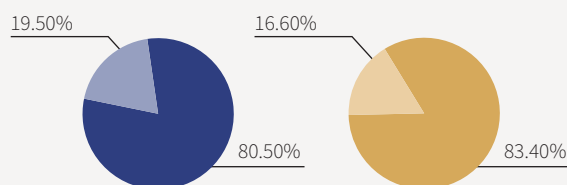
The table below shows the mean and median hourly gender pay and bonus gap between all men and women within NM Rothschild.

	Mean	Median
Hourly pay	49.2%	49.0%
Bonus	84.8%	86.0%

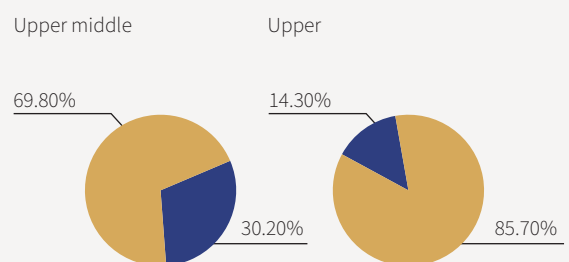
Pay Quartiles



Proportion of Employees Receiving a Bonus



Key
■ Women - bonus ■ Men - bonus
■ Women - no bonus ■ Men - no bonus



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 remain ambitious in our aim to ensure a balanced and inclusive work environment for all and believe the initiatives we have put in place will accelerate our progress in the coming years ”

Paul Barry
Group Head of HR