Understanding the gap

This report outlines the results of Rathbones’ second gender pay gap analysis, conducted in line with legislation which came into force in April 2017. The report additionally presents initiatives Rathbones has undertaken to improve female representation across our workforce.

What is the gender pay gap?
A gender pay gap is a measure that shows the difference in hourly earnings between women and men across the organisation, regardless of the nature or seniority of their work.

Why does Rathbones have a gender pay gap?
Although Rathbones employs 52% men and 48% women, we have historically had a much greater proportion of men in senior roles. This drives our gender pay gap figure, and very much reflects a general picture across the entire financial services sector.

The situation is improving, but we also have low turnover in senior roles which means our opportunity to change our gender balance is slower than we might wish. Similarly, our business model is built around long-term relationships with clients held for many years, which again means that change can be slow to happen.

While the lack of gender diversity is an industry-wide problem, we do recognise our own place in this trend, and strongly believe it’s our responsibility to improve both our own internal gender pay gap, and contribute to improvement across the industry as a whole.

What is the gender pay gap?
A gender pay gap does not show the differences in pay for the same or similar jobs. This is equal pay. Equal pay ensures men and women are paid equally for work of equal value.

Rathbones does not pay women less than men for comparable jobs (equal pay). We conduct regular analyses to ensure that men and women are paid equally for the same work.

We do, however, have a gender pay gap.

Why is the gender pay gap being measured?
The gender pay gap shows us the representation of women relative to men across the workforce using pay measures as a proxy.
Our results

Gender Pay Gap reporting
5 April 2018 snapshot date

The mean and median pay gaps show the difference in the average pay of all men and women, regardless of their role, across Rathbones.

The mean pay gap is calculated by comparing the average hourly pay rate for men with the average hourly pay rate for women. The median pay gap compares the mid-point in the entire range of hourly pay for men with the same for women.

To find the median, we list the hourly pay of men and the hourly pay of women, in order of lowest to highest.

The median gender pay gap is the difference in pay between the mid-point of each list.

Hourly rate of pay

Mean hourly rate of pay
All full-pay relevant employees

**44.5% (46.5%)**

The *mean* difference in average hourly pay between men and women

Median hourly rate of pay
All full-pay relevant employees

**43.0% (47.2%)**

The *median* difference in average hourly pay between men and women

Figures in brackets show 2017 data.
Our results

Gender Pay Gap reporting
5 April 2018 snapshot date

Quartile pay
Proportion of gender per quartile
All full-pay relevant employees

This bar chart shows the total population of Rathbones divided into four quartiles. We have proportionally more women in administrative roles and proportionally more men in higher paid management and investment roles.
Our results

Gender Pay Gap reporting
5 April 2018 snapshot date

We have also analysed the difference in bonuses received by male employees and female employees. Again, the mean gap compares the average bonus and the median compares the mid-point in the range of bonuses awarded. The bonus pay gap again reflects the greater proportion of men in senior investment and management roles at Rathbones.

### Bonus pay

**Bonus pay distribution**
Proportion of relevant employees receiving bonus

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<th>Male</th>
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| **Mean bonus pay**
  All relevant employees | 78.5% (80.5%) |        |       |
| **Median bonus pay**
  Proportion of relevant employees receiving bonus | 79.2% (84.7%) |        |       |

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<th>Female</th>
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| **97.2% (89.9%)**
  of eligible men receiving a bonus |        |        |       |
| **96.2% (92.2%)**
  of eligible women receiving a bonus |        |        |       |

**Bonus eligibility**
These figures cover everyone employed by Rathbones on 5 April 2018 as stipulated in the guidelines and do not take into account our own bonus policy, which links duration of employment and part-time working arrangements to a pro rated bonus. Figures in brackets show 2017 data.
What is Rathbones doing to increase female representation?

In 2018 we achieved our commitment to meet Lord Davies’ target of 25% female board representation. Rathbones is also a signatory to the HM Treasury’s Women in Finance Charter, committing to having our senior management comprised of 25% women by 2023.

We have established a cross-departmental diversity taskforce called Rathbones Included. This group will merge with our existing women’s network to examine all aspects of diversity. They will review current policies, help formulate new ones, identify training needs and promote change to help us move forward.

Rathbones is undertaking much-needed unconscious bias training across the organisation to help colleagues recognise their own unconscious biases and the impact this has on decision-making, leadership, recruitment, career progression and relationships. Additionally we have introduced an inclusive working course to help our people understand the benefits of a diverse workplace and how to recognise and challenge inappropriate behaviour.

Rathbones continues its endeavours to increase the visibility and number of women as senior role models. Terri Duhon recently joined as a non-executive director, and we will welcome Jennifer Mathias as our Chief Financial Officer in April 2019. Our existing talent has received industry plaudits: Madhu Kalia was named PR Professional of 2018 in the HeadlineMoney Awards; Alexandra Jackson was given the Honorary Freedom of the City of London; and Emma Saunders was recognised in the Citywire Wealth Manager Top 30 Under 30 annual poll of the sector’s rising stars.

As part of our efforts to develop the pipeline of female talent, Rathbones participated in the Lord Mayor’s ‘She Can Be’ programme, which aims to introduce young women to career options in the City. The event saw Rathbones’ staff host a group of young female students from diverse backgrounds, who simulated an investment manager’s typical working day.

In addition, Rathbones sponsors Investment Week’s Women in Investment Awards, which recognise the achievements of women in the sector.

All of these initiatives are valuable but we are not complacent and recognise that, without a sustained commitment to change, the situation will not improve. We continue to tackle the causes of our gender imbalance and are resolute in our endeavours to bring about lasting change.
Declaration

As chief executive of Rathbone Brothers Plc, I confirm that the information contained herein is accurate.

Philip Howell,
Chief Executive