



Gender Pay Report 2020

Foreword

At our best, Ruffer shares some of the qualities of a strong family – supportive, caring, and committed for the long term.

Ruffer is a place where people can excel – whoever they are, whatever their background and however they live. We want to create an environment where everyone is comfortable being themselves, sharing their perspective and expressing a different point of view.

This is our first Gender Pay Report. It shows encouraging progress and room for further improvement. I am both ambitious and realistic about what we can achieve, and in what timeframe. The pace of progress feels frustratingly slow at times, but we are confident we are focused on the right areas – based on our analysis of the data, and on what our people are telling us.

Ruffer's future success depends on our firm being inclusive and diverse; a place where everyone can thrive, personally and professionally. And part of being a more diverse and inclusive firm means addressing our gender pay gap.

This document sets out our gender pay gap for the year. I confirm the data contained in the Report is accurate and meets the requirement of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Clemmie Vaughan
Chief Executive



Understanding the gender pay gap

In 2017, the UK government introduced regulations requiring companies with 250 or more employees to publish data every year on the gender pay gap within their organisations. Ruffer grew beyond this threshold in 2020, and so this is our first report. Despite no requirement to report, we have been monitoring and addressing our gender pay gap for several years.

A gender pay gap is often confused with the issue of equal pay, but the two are fundamentally different.

EQUAL PAY

is being paid the same for similar or the same work.

GENDER PAY GAP

is the difference in the average pay for men and women in the workforce.

Therefore, the existence of a gender pay gap does not necessarily mean that there is unequal pay for men and women who are performing the same work.

IN BRIEF – RUFFER’S GENDER PAY GAP

Our overall gender pay gap is largely attributable to demographic factors. This means it reflects a disproportionate representation of men and women at different levels of the firm.

For example, we have a larger proportion of women in junior roles, relative to men. The converse is also true – there are fewer women in senior roles, relative to men. This means that our gender pay gap is likely to persist until we have a more balanced representation of men and women at all levels within the firm – something we are committed to addressing.

UNDERSTANDING THE DATA – KEY TERMS

MEAN PAY GAP

The difference in the average hourly rate of men’s and women’s pay.

MEDIAN PAY GAP

The difference between the midpoints in the ranges of men’s and women’s pay.

PAY QUARTILES

Shows the proportion of men and women in different pay bands, with the workforce divided into four equal pay bands (quartiles).

Employees

%	Mean	Median
Gender hourly pay gap	14.5	26.3

Our mean gender pay gap is 14.5% in favour of men, which is slightly below the latest national average mean pay gap of 14.6% reported by the Office of National Statistics (ONS).

Whilst this is the first year Ruffer is reporting its gender pay gap as required by the regulations, we have been carrying out internal annual gender pay gap analysis since 2016 and we have seen good progress in reducing our gender pay gap since then. Our gender pay gap of 14.5% this year is a decrease of 1.4% when compared to 2019. Our gender pay gap has reduced by 13.9% since 2018 when the mean hourly pay gap was 28.4%.

Our median gender pay gap is 26.3% in favour of men, which is a slight increase of 0.4% when compared to 2019.

It is common for the mean and median pay gaps to differ as the mean calculation includes all employees, whereas the median calculation reduces the impact of the highest and lowest paid employees. Overall, there is a positive downward trend in the mean gender pay gap over the last few years at Ruffer.

The make-up of our business — with more men at senior levels— means our average male pay hourly calculation is higher than our average female pay. As mentioned above, this is driven by the fact that we have a significantly larger proportion of women in our more junior, administrative roles. This is something we are striving to change and we have set out the steps we are taking to address this later in this report.

%	Mean	Median
Gender bonus gap	38.5	21.8

The mean bonus gap is 38.5%. This figure has slightly decreased from 41.3% in favour of men in 2019. Furthermore, when the impact of the highest and lowest bonuses is removed by considering the bonus pay gap across the mid-range of employees, the median bonus gap is significantly lower at 21.8% in favour of men. The bonus gap is partly driven by the under-representation of women at the most senior levels of the business.

All employees who have been employed from 1 January each year, and have passed their probation period, are eligible for a bonus. Proportionally more women than men receive a bonus at Ruffer.

Quartile %	Male	Female
Upper	68.2	31.8
Upper middle	69.7	30.3
Lower middle	49.4	50.6
Lower	42.4	57.6

The quartile analysis shows the proportions of male and female employees according to quartile pay bands.

The total employee population was 43% female and 57% male (as at April 2020) and therefore the quartile analysis above shows that women are over-represented in the lower and lower middle quartiles (which are lower paid) and under-represented the upper and upper middle quartiles. The over representation of women in the lower quartile is likely to be the key contributor to the pay gaps identified above and matches our demographic profile of more female employees in more administrative and junior level roles within the firm. However, this year, we saw a 6% increase in the proportion of women at the highest quartile compared to 2019 which shows we are moving in the right direction.

REPRESENTATION WITHIN GRADES

As mentioned above, the proportion of women in the lowest grades is significantly higher than the proportion of men. For example, the split of women to men in administrative roles is approximately 80% women to 20% men. However, since 2019, there has been a 5% increase in the proportion of men in administrative level roles so there has been some movement in this area.

“The pay gap statistics is a valuable tool and measure to add to what we are already doing at Ruffer to drive a more inclusive culture.”

MIRANDA BEST, HEAD OF INVESTMENTS

Within the most senior grades, the proportion of men is higher than women. For example, at the Director level, the split is 37% women to 63% men. However, the proportion of female external hires who joined at Director-level is 66.7% in 2020 so we are making progress in this area as well. The increase in the number of female Director hires has contributed to the year-on-year decrease in Ruffer's overall mean gender pay gap.

Partners

%	Mean	Median
Partners pay gap	18.9	17.1

Ruffer is an independent private partnership, and majority owned by people who work here. Although the regulations do not extend to mandatory reporting on partners' pay, we have chosen to disclose this to give a picture of the whole firm.

As at April 2020, the partner profile was 70% male, 30% female.

As at April 2020, Ruffer's Executive Committee has equal male and female representation.

The partner level data takes into account the income allocation of individual partners.

The under-representation of women at partner level in the organisation is a factor contributing to the overall partner pay gap, in favour of men. However, we are pleased to have seen progress in this area, as the number of female partners has increased by 40% between 2016 and 2020.

The number of female partners increased by 40% between 2016 and 2020.

What does our pay gap data tell us?

There is a gender pay gap at Ruffer, albeit a narrowing one.

The make-up of our business — with more men at senior levels — means our average male pay (median or mean) is higher than our average female pay. We have a significantly larger proportion of women in our more junior, administrative roles. Our remuneration structure is linked closely to performance and seniority. Active steps are taken during performance management review and compensation process to remove bias (including, but not limited to gender). Our bonus pay gap therefore reflects the lower female representation across the firm's more senior levels.

Therefore, like most firms in the investment management industry, our issue is a demographic one, with more men at senior levels within the firm and more women at the administrative and junior levels.

There are also societal factors which contribute to the gender pay gap, at our firm and others. Caring responsibilities still tend to fall mostly to women. The majority of part-time employees and those on flexible working contracts are female. We're determined to ensure that these working arrangements do not limit opportunity for progression.

“Diversity at Ruffer isn't a 'nice-to-have', it's a 'must-have'. For the good of our people and so we can serve our clients to the best of our ability”

GILLIAN VAN MAAREN
HEAD OF HR



Creating an environment where women and men can excel

We want our people to play to their strengths. We do not see diversity and inclusion as a separate initiative but seek to integrate it into all our people processes. Here are some of the key things we are doing to that end

Reviewing our HR processes for inclusion

We have reviewed our recruitment, performance management and promotion processes to minimise bias. For example, we work with recruitment agencies to identify diverse talent for our vacancies, including actively identifying external female talent for senior roles, where possible.

We want recruitment, compensation and promotion processes that are fair, transparent and as robust as possible. Our HR team have undertaken training to coach managers and encourage them to be more inclusive in their thinking and actions.

Recruiting diverse talent

Over the past three years we have taken steps to evolve the way we hire graduates to increase the diversity of the group. This has involved reviewing and amending our assessment processes and training our assessors on competency-based interviewing.

We have actively added new recruitment sources to our graduate programme including partnerships with The Bright Network Women and Sanctuary Graduates. As a result of this work, we have seen a notable shift in the number of females applying to graduate roles and, in turn, the number that are hired.

- In 2018, one woman was included in our graduate intake. In 2021, four of our five graduates are female
 - We are engaging with Investment Management 100 Black Interns programme to help bring more diverse talent into the firm
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Paying staff fairly

We start from a position that our staff should be paid fairly for their contribution to the firm, and progression in their career at Ruffer should be based on merit.

We use external market benchmark data to help ensure that we are paying staff appropriately for their role, experience level and contribution to the firm. During the annual performance review we introduced processes to challenge any inconsistencies with equal pay principles, this includes reviewing pay changes by for example gender, role, location and level in the organisation to identify any potential anomalies.

New flexible working arrangements

We introduced a new flexible working policy in 2019 which resulted in more than doubling of the number of employees (both men and women) under formal flexible working arrangements.

Supporting staff through covid-19

In line with government guidance, all staff began working from home in March 2020. We are committing to helping staff achieve a healthy work-life balance in much-changed circumstances and have been engaging our staff on what will work for them when the time comes to return to the office.

Our most recent staff survey suggests that our proposed hybrid office/ home flexible working arrangement (to be introduced this year when restrictions are lifted) meets the personal needs of 78% of women and 70% of men at Ruffer.

Generally, we are moving away from the more traditional practice of almost always working from the office to improved flexibility for both men and women. Our Diversity & Inclusion network has provided helpful insight into topics such as balancing work and caring responsibilities and mental wellbeing.

Developing our talent

We are carrying out an analysis of how men and women join and progress through the firm to help inform our people development programmes and talent management. We have a strong track record in developing our talent internally. We aim to increase the diversity of our talent in the future and will look to invest in the development and opportunities of females in Ruffer to build a strong diverse talent bench for the future.

Supporting working parents

Ruffer provides extensive support and benefits for working parents; taking leave to look after a child doesn't hold back their career. We are continually looking at ways to evolve this and aim to review our family friendly policies (for both men and women) in light of the impact of the pandemic and our proposed hybrid working arrangements.

About Ruffer

Ruffer looks after investments for private clients, financial planners, institutions and charities, in the UK and internationally.

Our aim is to deliver positive returns, whatever happens in the financial markets.

For more on what we do and how we do it, please visit ruffer.co.uk

“Being an inclusive employer is a fundamental part of our business strategy. To serve our clients well, Ruffer needs people with a diverse range of backgrounds, skills, thoughts and experiences.”

OMAR KODMANI
HEAD OF INTERNATIONAL
AND INSTITUTIONAL

