



Gender Pay Report 2021

Foreword

It is easy to eliminate a gender pay gap – by making blunt, unfair, adjustments to our payroll. Virtue might be signalled. But would real progress be made?

At Ruffer, we're interested in engaging with knotty realities in pursuit of our cause – delivering investment performance and service that put our clients first.

These knotty realities range from fragile markets and the distorted price of money to societal inequalities and threats to the climate.

Gender pay reporting (helpfully) focuses attention on one specific knot – the difference in average male pay compared with average female pay across Ruffer. Based on a snapshot date, it includes some useful measures, enabling apple-to-apple comparisons between industries and firms, and helping to inform and guide work we are doing.

I'm pleased to be introducing Ruffer's annual gender pay report. We recognise our gender pay gap will vary year on year due to a number of factors, but it gives a feel for where we are now, and areas in which progress is still to be made.

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.



Chris Bacon
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 second 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 partly attributable to both demographic and non-demographic factors. Demographic factors reflect a disproportionate representation of men and women at different levels of the firm.

For example, based on the population as at 5 April 2021, we have a larger proportion of men in management roles, relative to women at this time. Whilst the management roles held by men and women may be at the same level within the firm, they may sit within different functions or business areas and accordingly attract different pay.

Our gender pay gap is likely to persist until we have a more balanced representation of men and women at all levels and across functions within the firm — we are committed to addressing this.

The remaining non-demographic gap is due to other relevant factors like different roles, responsibilities, and performance levels amongst employees at similar levels. We believe employees performing the same roles are paid fairly, irrespective of gender.

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 QUANTILES

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

Employees

%	Mean	Median
Gender hourly pay gap	14.1	20.9

Our mean gender pay gap is 14.1% in favour of men, which is a decrease of 0.4% since 2020. Our mean gender pay gap is slightly below the latest national average mean pay gap of 14.9% reported by the Office of National Statistics (ONS) and significantly below the mean gap of 33.2% reported by the ONS within the financial services sector.

Our median gender pay gap is 20.9% in favour of men, which is a 5.4% reduction from 2020's median pay gap.

Whilst this is the second 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 have seen good progress in reducing our gender pay gap since then. 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.

%	Mean	Median
Gender bonus gap	26.7	16.5

The mean bonus gap is 26.7%. This has reduced significantly from 38.5% in 2020. 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 16.5% in favour of men. This has also reduced from last year, when it was 21.8%.

At Ruffer, all individuals who have been employed for more than three months as at 1 April each year (our financial year end), and have passed their probation period, are eligible for a bonus. Similar to last year, proportionally more women than men received a bonus. We believe that the bonus eligibility criteria remains fair and non-discriminatory.

Quartile %	Male	Female
Upper	71.4	28.6
Upper middle	63.2	36.8
Lower middle	54.3	45.7
Lower	39.0	61.0

The total employee population as at 5 April 2021 was 44.8% female and 55.2% male. The quartile analysis shows that women are over-represented in the lower quartile (which is lowest paid) and under-represented in the upper quartile. This is likely to be the key contributor to the gender pay gaps covered above.

REPRESENTATION WITHIN GRADES

Since the last gender pay report, the firm has undertaken a review of its job levels and the roles that sit at each level. These levels more fully reflect the firm's organisation structure. There are more men than women in some job levels and this imbalance is impacting our overall gender pay position.

As noted previously, improving gender balance across the organisation will help Ruffer to make positive improvements to its gender pay gaps.

“ We're in the business of judgement and decision making, in the service of our clients. An inclusive and diverse environment will help us keep making good judgements and good decisions in the service of our clients and help us get the best from our people. ”

MIRANDA BEST, DEPUTY CEO



Partners

%	Mean	Median
Partners pay gap	14.3	12.0

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. Our mean gender pay gap is 14.3% in favour of men, which is a decrease of 4.6% since 2020. Our median gender pay gap has also decreased by 5.1% to 12% in 2021.

As at April 2021, the partner profile was 73% male and 27% female.

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 made progress in this area as the number of female partners has increased by 60% between 2016 and 2021.

Total annual partner income for the financial year ending March 2021 was used as the basis for the data.

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 means our average male pay (median or mean) is higher than our average female pay. We have a smaller proportion of women in supervisory and management roles and a higher proportion of women in post entry-level roles at this time. Active steps are taken during our performance management, promotion and compensation processes to ensure fair, transparent and robust practices and to remove any bias (including but not limited to gender). Our pay and promotions processes are subject to moderation at the Executive Committee.

We are committed to continuing to attract female talent and to ensure that all staff have the opportunity to develop and progress their careers.

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 our 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.

“It is crucial for us to understand our diversity data to inform what action would have the greatest impact.”

GILLIAN VAN MAAREN
HEAD OF HR



Creating an environment where everyone 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.

The Board and Executive team have set several goals within the scope of diversity and inclusion. Our three year goals are

- increase confidence and transparency regarding performance, promotion and pay
- evolve our recruitment processes and skills to attract more diverse talent
- build leadership and management capability to encourage and listen to diverse ideas
- deepen our awareness and knowledge of D&I through external relationships and internal sessions
- improve judgement and decision making by seeking different views and opinions.

These priorities have guided our efforts in making Ruffer a better and fairer place to work. Our regular staff engagement surveys provide feedback from our teams regarding a range of people programmes and issues. The results from these surveys are used by the Executive team, working groups and HR team to inform policies, programmes and communications.

We have made progress against some of our goals in the year since we published our last Gender Pay report and we recognise there is more to do. In the past 12 months we have

- enhanced our pay processes
- supported our staff with multiple wellbeing initiatives
- implemented enhanced family friendly policies
- introduced a hybrid working policy and guidance to help ensure it is inclusive and helps strengthen Ruffer's culture.

Here are some of the steps we have taken as part of this.

Review of compensation processes

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

We have revamped our compensation processes to ensure that our employees are being paid fairly, irrespective of gender or other protected characteristics. Practically, this has involved

- developing employee salary review and bonus process guidelines for managers
- introducing firmwide job levelling to enhance our pay moderation and ability to compare roles and pay across the firm. This is supported by external benchmarking
- moving to an annual compensation cycle for the current financial year. This will allow us to review total compensation once a year and in a more holistic way. The timing of our performance management, promotions and talent processes are aligning accordingly
- working with Executive Committee members, Heads of Teams and the Remuneration Committee to help differentiate performance and ensure fairness and consistency in the pay review process. This includes holding moderation sessions, calibrating bonus awards and salary increases and a more rigorous review of pay proposals against enhanced criteria.

Updating our HR processes for inclusion

Our aim is for our recruitment, compensation and promotion processes to be as fair, transparent and as robust as possible. We have

- changed our Performance Development Review to include six month goal setting, a mid-year review for everyone and a simplified online record to focus on the conversation rather than process. This is part of a transition to continuous performance management which we aim to formalise in 2022
 - moved to a single annual promotion cycle in 2021. We published high level principles to support greater consistency and transparency and have provided training for managers to help guide staff through the promotions process
 - reviewed the diversity of our talent pool for future Ruffer leaders through succession planning and talent mapping
 - joined The Diversity Project to share ideas on key areas such as data collection.
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Developing our talent

We have a strong track record in developing our talent internally. We have launched a new People Manager Development Programme to enhance a consistent approach to managing our people through curiosity, care and clarity. Its aim is to encourage current and future leaders at Ruffer to embrace difference, build trust and deliver performance.

In 2021 we introduced ‘power hours’ to educate staff on various aspects of mental health, work-life balance, inclusion and neurodiversity. This has been invaluable in opening up dialogue on important issues.

New hybrid working arrangements

We introduced a hybrid model for working in the office and remotely. Following regular engagement surveys with our people, we landed on a 60:40 model – whereby staff are expected to spend at least 60% of their working time in the office. This has allowed us to improve work-life integration without compromising our ability to

- put our clients’ needs first
- care for ourselves and each other
- meet our business and regulatory requirements
- be collaborative, innovative and productive
- successfully deliver on our purpose.

Where appropriate, we look to accommodate flexible working outside of this expectation and engage regularly with staff to inform and evolve hybrid working policies and practices. We consider our hybrid working arrangement an important retention tool which provides our people with a greater opportunity to achieve a work-life balance that works for them.

Supporting working parents

Following feedback from one of our surveys, we ran workshops focused on part-time workers to inform our flexible working process and practices. Ruffer provides extensive support and benefits for working parents. As part of our flexible working review, we have looked closely at improving our family friendly policies. In the last year we have enhanced our maternity and paternity policies to support employees in balancing their work, childcare and family commitments.

**Attract
diverse talent**

Over the past three years we have taken steps to evolve the way we hire graduates to increase diversity. 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 a partnership with Sanctuary Graduates. As a result of this work, we have seen a notable shift in the number of females applying for graduate roles and, in turn, the number that are hired. In 2021, four of our five graduates are female.

We are engaging with the Investment Management 10000 Black Interns programme to help bring more diverse talent into the firm, and through a range of financial education initiatives hope to provide introductions to both Ruffer and the industry to individuals outside of the traditionally narrow talent pool.

We want to better understand our staff demographic to ensure we are a truly inclusive employer and to do this we need to improve our diversity data collection. We are currently working on launching a campaign to encourage staff to share their diversity data to form a baseline and so we can track progress.

“As Ruffer grows into new markets and welcomes new clients and staff from around the world, we recognise the benefits of embracing new cultures and perspectives to strengthen our culture.”

OMAR KODMANI
HEAD OF INTERNATIONAL
AND INSTITUTIONAL



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