



Gender Pay Report 2022

Foreword

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.

Generally, people hide away legal boilerplate like that. So why am I putting it up front?

We take both gender pay and data accuracy seriously at Ruffer. But sometimes data can be accurate and yet misleading. Here's a case in point.

Ruffer is a partnership. We believe this is the best model for fostering both our long-term commercial success and a healthy, respectful work culture – all to the benefit of our clients.

When someone is elected partner, they leave employment at Ruffer and instead become one of its owners. And the regulations exclude partners' pay from gender pay gap calculations and therefore the movement of employees to the partnership can impact our gender pay gap calculations.

In April 2022, we elected five new partners, four of them female. While these partners should earn more than they did as employees, they are no longer counted in Ruffer's workforce for the purposes of the gender pay gap calculations in accordance with the regulations. This reduces women's representation in the highest-paid quartile. To ensure that full pay transparency is maintained, Ruffer has chosen to again voluntarily report its partnership pay figure.

Similarly, our success in recruiting more women has actually widened the gender bonus gap – because new employees only qualify for a bonus after their three month probationary period.

Yes, we have further work to do on gender pay in the years ahead. But we are laying the foundations for success.



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, so this is our third report. However, we had already been monitoring and addressing our gender pay gap for several years before being required to do so.

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

EQUAL PAY

is the legal obligation to award equal pay for the same or similar work.

GENDER PAY GAP

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

A gender pay gap does not mean there is unequal pay for men and women who are performing the same work. At Ruffer, we are committed to ensuring that our colleagues are paid equally for doing equivalent jobs, and we take action to address any gaps and to ensure our policies and practices are fair and consistently applied.

IN BRIEF – RUFFER’S GENDER PAY GAP

Our overall gender pay gap is partly attributable to demographic factors. These demographic factors reflect the disproportionate representation of

men and women at different levels of the firm. For example, based on the employee population as at 5 April 2022, we have a larger proportion of men in management roles, relative to women.

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 through our diversity, equity and inclusion (DEI) plans, which we set out in this report.

Other factors are also driving the gap, including the specific roles, responsibilities and performance of employees at similar levels. We have analysed these differences and we are confident that 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 (quartiles)

Employees

%	Mean	Median
Gender hourly pay gap	13.1	30.1

Our mean gender pay gap is 13.1% in favour of male employees, which is an improvement of 1% since 2021. Our median gender pay gap of 30.1% has increased since last year and is above the latest national average median pay gap of 15.4% reported by the Office for National Statistics (ONS). However, this figure is generally similar to or lower than other institutions within the financial services sector.

We have been carrying out internal annual analysis since 2016 and have seen good progress on reducing our gender pay gap since then, with a decrease in our mean gap in favour of male employees by 50%. Overall, there has been a positive downward trend in the mean gender pay gap over the last few years at Ruffer.

%	Mean	Median
Gender bonus gap	36.6	26.9

The mean bonus gap is 36.6% in favour of male employees. This has increased from 26.7% in 2021. 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 26.9% in favour of men. Bonus gaps are calculated on a cash paid basis, so they are affected by new joiners, part time working and those who have had significant periods of absence, such as maternity leave. We have a greater proportion of females working part time and have recruited more females than males this year which has adversely affected the bonus pay gaps this year.

Since 2016, when we started monitoring our data, both our mean and median pay gaps have improved thanks to the significant focus upon diversity and inclusion. We are confident that the bonus eligibility criteria remain fair and non-discriminatory.

Quartile %	Male	Female
Upper	66.2	33.8
Upper middle	66.9	33.1
Lower middle	47.8	52.2
Lower	35.3	64.7

The total employee population at 5 April 2022 was 47% female and 53% 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 the key contributor to the gender pay gaps.

REPRESENTATION WITHIN GRADES

Since the last gender pay report, the firm has continued to embed its competency frameworks as part of our job architecture. These changes more fully reflect the firm's organisational structure. There are more men than women in some job levels and this imbalance is impacting our overall gender pay position.

As noted above, improving gender balance across the organisation will help Ruffer to reduce its gender pay gaps.

%	Male	Female
Proportion of employees receiving a bonus	83.0	76.3

As with our bonus gaps, this disclosure highlights the difference between the 5 April 2022 employee population for which the pay gap is calculated in accordance with the regulations and the population that received a bonus during the year. At Ruffer, all individuals who have been employed for more than three months at 1 April each year (our financial year end) and have passed their probation period are eligible for a bonus. This gap is driven by recruitment, with the lower figure for our female proportion reflecting our success in recruiting more female employees this year compared with the demographics of our existing population.

Partners

%	Mean	Median
Partners pay gap	30.2	-1.9

Ruffer is an independent private partnership, majority owned by people who work here. Although the regulations do not require us to report on partners' pay, we have chosen to continue voluntarily disclosing the pay gap for our partners to support our intentions on pay transparency. This year, we have updated the methodology of the voluntary partner pay gap calculation to align the partner threshold date with the Gender Pay Regulations and the employee population. As a result, the comparison figures for 2021 in the commentary below have been changed from last year's report.

Our mean partner pay gap is 30.2% in favour of men, which is an increase of 8.7% from last year. Our median gender pay gap has decreased to a 1.9% gap in favour of females from a 14.8% pay gap in favour of males in 2021.

At 5 April 2022, the actual partner profile was 69% male and 31% female (72% male and 28% female at 5 April 2021). However, under the methodology applied, new partners are not included in the partner pay gap calculation as they have not received a full income allocation at the snapshot date. The under-representation of women at partner level in the organisation contributes to the overall partner pay gap.

What does our pay gap data tell us?

This year, our reported figures and analysis shows that where there are areas of deterioration, they are due to the changing demographics of our population following our success in recruiting more female staff.

Our sector still has an imbalance between genders, with a greater proportion of males in both more senior and higher paid roles compared to females. We are a firm that seeks to grow our own talent and have focussed on better balance in recruitment onto our early careers programmes. Paradoxically, the initial impact has been an increase in our gender pay gaps. However, through continued focus on inclusive development processes, we expect to see improvements in the coming years. We remain committed to ensuring that all staff

have the opportunity to develop and progress their careers with us, whilst retaining our focus on attracting and retaining female talent.

Our performance management, promotion and compensation processes ensure fair, transparent and robust practices and to remove bias (including gender). Further details are provided in the following pages. Our pay and promotions processes are subject to moderation at the Executive Committee.

Creating an environment where everyone can excel

We want our people to play to their strengths. We do not see diversity, equity and inclusion as separate initiatives and seek to integrate them into all our people processes. Our preoccupation is keeping our clients' capital safe. To that end, we're in the business of judgement and decision making in the service of our clients. We need our people to do their best work, so we aim to foster a culture where all our people can be themselves and succeed. We firmly believe that emphasising DEI will strengthen our culture.

We're actively seeking to open up opportunities at Ruffer to people who are under-represented in our industry and to create an environment where everyone can thrive. We want to be more representative of the society we live in and the cities where we operate.

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

DEI GOVERNANCE AND POLICY

Our approach to diversity starts with accountability, story-telling and training, all underpinned with policies that support our staff. We offer a wide range of benefits to support wellbeing and learning that help our colleagues to be themselves and better support our clients' ambitions.

- we have implemented a new governance structure, with the formal sponsorship of the Executive Committee and representation from across the firm.
- we launched our new diversity, equity and inclusion policy and our staff diversity data collection survey. Access to our diversity data will enable us to monitor under-represented groups in our workforce and take appropriate action.
- we have updated our hybrid working policy and enhanced our maternity and paternity pay and leave policies.
- we have held diversity and discrimination training for all our partners, with our people managers to follow.

AN INCLUSIVE RECRUITMENT PHILOSOPHY

We have invested in a new system to help us track the diversity of our candidates through the recruitment process. We have also delivered workshops for our hiring managers, with a focus on inclusive hiring and improving diversity through hiring. This helps to ensure that our recruitment processes are fair and that our managers are aware of the legal framework in which we operate.

- to help ensure that our recruitment processes are more inclusive, we have partnered with agencies that share our commitment to a diverse workforce and have undertaken direct sourcing to broaden our pool of candidates.
- we aim to use gender neutral language in our job advertisements, ensuring that the job criteria reflect the skills and competencies required for the role and include hybrid working
- we seek to ensure a diverse range of candidates are shortlisted for interviews, allowing reasonable adjustments at interviews for candidates who require them.

All candidates are assessed for relevant job-related skills and competencies, with offers made to the candidate most suitable for role.

CREATING ACCESS TO OPPORTUNITIES

We are seeking to attract, recruit and develop a diverse pool of early careers talent to meet our current and future needs. To develop and retain our people, we aim to provide recruits with a comprehensive development programme which focuses on both investment knowledge and soft skills. To that end, we have

- committed to a diverse Ruffer Academy for 2023 offering work experience to a mixed group of 16 to 20 years olds to give them an understanding of Ruffer and the finance industry
- a commitment between Ruffer and partners who specialise in social mobility to hire a diverse cohort of 2023 participants for all early careers programmes
- committed to GAIN and have offered two internships to their candidates for summer 2023, as well as delivering talks to female students to help them consider a career in finance
- added new recruitment sources to our graduate programme, including additional partnerships. We have already seen a notable increase in the number of females graduates applying to Ruffer.

SUPPORTING OUR COMMUNITY

We believe that giving our staff the opportunity to interact with their local community and support their passions will encourage the connections that can break down boundaries. So we offer paid volunteering leave to all employees and actively encourage them to use this allowance. This has focused on our local communities and socio-economic inclusion. We have

- provided work experience opportunities in partnership with a social mobility charity which will combine with Ruffer Academy for summer 2023
- provided education on personal finance to young people, working with two charities
- provided tutoring to students who wouldn't otherwise be able to access this to support their education.

ENCOURAGING MENTORING

The Executive Committee are currently individually participating in reverse mentoring in order to increase their knowledge and understanding of DEI. They are also being asked to make an additional commitment to involvement in DEI for 2023. Ruffer has also signed up to participate in Moving Ahead's Gender Equity mentoring programme as a way of supporting the development of our females into more senior leadership roles.

DIVERSITY IN PERFORMANCE AND REWARD

We believe that our people should be recognised for the contribution they make to our firm, with rewards reflecting their service to our clients. We start from the position that career progression should be based on merit.

After previous years of change, 2022 has been about embedding and reinforcing these processes. This year, we provided a promotions framework to support promotion, career development and pay, with clear and objective competency-based assessments being rolled out. Our HR teams support our Executive Committee members through their pay calibration sessions, ensuring that fairness is paramount throughout our processes.

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