

Rothestay

Rothestay Limited Gender pay gap report 2023



The commitment and quality of our people are integral to Rothestay's success. To have the very best talent, it's vital that we're proactive in creating equality of opportunity at Rothestay and that we promote a culture that actively values difference.

Tom Pearce
Chief Executive Officer



Introduction

Rothesay is committed to promoting diversity, inclusivity and equality, and a culture that actively values difference. Our cultural values speak to how we treat everyone as an individual, with equal opportunity to thrive, and guide us to create a stronger, more dynamic business today and for the long term.

The Gender Pay Gap report measures the difference between the aggregate pay for all men and women employed by Rothesay in the UK regardless of the nature of their work. It does not compare pay on an individual level for males and females undertaking the same role – men and women in the same roles at Rothesay are paid equally.

The main driver of Rothesay's gender pay gap is workforce composition; in common with other financial services companies, there are more men than women in leadership roles and the company has a low attrition rate. Over the course of 2023, we have increased the number of women in our business at Executive Committee level through recruitment and are pleased to see, as set out in this report, improvement in the gender pay gap which suggests that our efforts are bringing about positive change. The gap in mean bonus pay increased in 2023 due to the retirement of our female CEO and the median is a more accurate reflection of how the gender pay gap has moved over the year.

Who this data covers

The results in this report are based on our permanent UK employees as at 5 April 2023. All 406 employees are employed by our service company, Rothesay Pensions Management Limited. As at 5 April 2023, 69% (2022: 69%) of our employees were male and 31% (2022: 31%) female.

Gender pay gap 2023

Fixed pay

19.9%

(2022: 23.4% -3.5%)

The average (mean) hourly rate of fixed pay received by female employees is 19.9% lower than the average (mean) hourly rate received by male employees.

15.4%

(2022: 22.7% -7.3%)

The midpoint (median) hourly rate of fixed pay received by female employees is 15.4% lower than the midpoint (median) hourly rate received by male employees.

Bonus pay

60.9%

(2022: 51.7% +9.2%)

The average (mean) bonus pay received by female employees is 60.9% lower than the average (mean) bonus pay received by male employees.

25.7%

(2022: 44.1% -18.4%)

The midpoint (median) bonus pay received by female employees is 25.7% lower than the midpoint (median) bonus pay received by male employees.

93% of male employees and 86% of female employees received bonuses. (2022: 98%/95%)

Proportion of men and women by pay quartile

(dividing employees into four equal bands)

Lowest:

61% male / 39% female
(2022: 57%/43% -4% female)

Quartile 2:

65% male / 35% female
(2022: 64%/36% -1% female)

Quartile 3:

68% male / 32% female
(2022: 70%/30% +2% female)

Highest:

82% male / 18% female
(2022: 89%/11% +7% female)

The reasons for Rothesay's gender pay gap

Comparison of like-for-like roles shows that our gender pay gap is not as a result of equal pay issues.

The results in this report reflect the demographic issues facing Rothesay and the pensions and insurance industry as a whole, namely:

- there are more men than women in leadership and senior roles;
- there are more men than women in highly remunerated roles such as technology and quantitative analysis;
- there are more women than men in administrative and support roles; and
- there are more men than women in roles where variable pay is a significant part of total compensation.

We support part-time and flexible working to provide employees with the opportunity to balance their personal and professional lives. Part-time salaries are adjusted pro rata to reflect the hours worked, but this pro rating is not reflected in the data we use to calculate the gender bonus gap, so it looks as if part-time workers are paid less than full-time workers. Of the 13 employees who were working part-time in 2023, 11 were female.

Closing the gender pay gap

The actions that we are taking in order to continue to narrow our gender pay gap are driven by our Diversity and Inclusivity strategy which is based around three pillars:

- **Culture** – ensuring we have a working environment where everyone feels valued;
- **People** – having a clear and transparent approach to talent development along with inclusive workplace and recruitment policies; and
- **Community** – supporting the communities we work in, and businesses we partner with, to promote equality and inclusivity.

We have increased the number of women in our business at Executive Committee level through recruitment and this has brought more diversity to the top-level decision-making process, as well as wider industry experience. Our compensation structure, which defers a high proportion of compensation over several years, means that the impact of changes in senior level diversity will take some years to be fully reflected in the data. Flexible working is now embedded in the business which we believe is key to employee retention, particularly of those of our employees with caring responsibilities, and in the same way, increases Rothesay's attractiveness to a more diverse pool of candidates.

We continue to focus on more inclusive recruitment and have improved our interview framework with the aim of hiring more diverse talent. We targeted female focused talent events as part of our 2023/24 Graduate campus strategy, ensured that all candidates are interviewed by a diverse interview panel, and delivered training to current employees who interview candidates to ensure that all candidates' experience of Rothesay is consistent and high quality.

In July 2023 we announced the formation of the Executive Diversity & Inclusion Working Group, with new Executive members and with the remit to determine and then implement the D&I strategy for Rothesay and ensure targeted action to raise awareness and support behavioural change so that best practice continues to be embedded. Since July we have made good progress including: launching our 2024 D&I calendar of events, hosting forums and training, and most recently improving and expanding our medical insurance benefit to support neurodiversity diagnoses and gender dysmorphia.

We also continue to introduce initiatives designed to enhance Rothesay's family-friendly environment, including providing fertility support, professional coaching to all employees taking extended parental leave, and, in 2023, introduced emergency back-up family care benefit which provides employees with up to 10 days of back-up care per annum. We believe that by implementing these initiatives, and others, we will stay competitive in the recruitment and retention of a more diverse workforce.

We support the industry-wide initiative, led by the Association of British Insurers, aimed at ensuring transparent, easily accessible information is available on parental leave and pay policies.

Declaration

I confirm that the gender pay gap information contained in this report is accurate.

A handwritten signature in black ink, appearing to read 'Graham Butcher', with a horizontal line extending to the right.

Graham Butcher
Chief Financial Officer