

RRA Gender pay gap report.

UK 2023

We continue to build a diverse and inclusive workplace where everyone belongs.

Russell Reynolds Associates (RRA) is committed to fostering an inclusive workplace where all colleagues belong and can advance their careers. We believe that a diverse and inclusive workplace is essential to our continued success and to creating a culture that fosters innovation, creativity, and collaboration.

In the UK, companies with 250 or more employees are required by law to calculate and report their gender pay gap figures. This is our second year of mandatory reporting.

The firm, including in the UK, continued its growth trend into April of 2023 with over eighty new colleagues in preceding 12 months for a net gain of about 40 individuals.

We continue to focus on creating meaningful workspaces and experiences in which all colleagues feel seen, respected, and included. Over the course of 2022 and into 2023, we have held a number of targeted training sessions aimed at inclusivity and continue to look for opportunities to refine our hiring and development practices to ensure an equitable approach.

Overview

The gender pay gap reflects the average hourly pay of all women compared to the average of all men, expressed as a percentage relative to the average of men in each group. The mean figure is calculated from the arithmetic average and can be impacted by outliers. The median figure represents the middle hourly pay rate when they are put in order.

In a positive trend, as of April 2023, our mean gender pay gap is 25%, which has declined by 1% over the prior reporting period. Our median pay gap is 40%, which has declined by 2% over the prior reporting period.

It is critical to understand that the existence of a gender pay gap should not be confused with the concept of pay inequality. Equal pay issues can arise when there are differences between men and women's earnings for performing the same or similar work; the gender pay gap is the difference between the average earnings of men and women across an organization regardless of the nature of their work; this can also be expressed across sectors, or markets.

UK gender pay gap regulations mandate that we report the pay gap as a figure that combines average salary at all levels across our workforce over a set period, regardless of role.

While this is an important comparison, it only tells a portion of the story. Further analysis reveals that when we look at RRA data for similar roles, the pay difference becomes much smaller, and differences can be explained by objective criteria. It is therefore important to understand how our organization is structured to understand the gender pay gap.

Looking at the breakdown of gender across the pay quartiles

Research shows a persistent gender imbalance at senior leadership levels across many professional service organizations. RRA, continues to have a higher prevalence of women in the upper and upper middle pay quartiles, including several key senior leaders of the firm holding prominent positions.

The lower pay quartiles continue to hold a higher portion of women. This imbalance remains attributable to the fact the positions in the lower quartiles are occupations that tend to be dominated by women, not only at our firm, but across other professional services organizations and the UK in general.

The table below shows the percentage of men and women in each of our pay quartiles.

Pay Quartile	Men	Women
Upper Quartile	45%	55%
Upper Middle Quartile	49%	51%
Lower Middle Quartile	18%	82%
Lower Quartile	16%	84%

Bonus Pay

In the reporting year 2023, 92% of men received a bonus and 92% of women received a bonus. The mean bonus pay gap is 44% (which is down 1% from the last reporting period) and the median is 57% (which is down a very meaningful 21% over the last reporting period). These gaps can once again be attributed to the composition of gender within specific roles, not a differentiation of bonus within similar roles. Greater consistency in the year-over-year population has also led to better consistency within the bonus awards.

Our path to accelerate progress in the future

We are committed to reducing our gender pay gap and continuing to promote gender equality in the workplace. To further this effort, we are committed to the following:

1. Continuing to ensure we recruit potential employees from diverse pools of qualified candidates, including across gender and other historically underrepresented groups.
2. Reviewing our promotion processes to ensure they are fair and free from bias.

3. Providing specific and targeted training towards our managers, new joiners and for all colleagues addressing topics such as inclusive leadership, micro behaviors, unconscious bias, and inclusive hiring practices.
4. Encouraging flexible working arrangements to support work-life balance.
5. Continuing review of our benefits program to enhance our portfolio of offerings, improve access and eligibility, and maximize equity across employee cohorts.
6. Continuing review of our bonus structures to ensure they are equitable and free from bias.

We believe these initiatives will help reduce our gender pay gap and create a more diverse and inclusive workplace.

I confirm that the information is accurate and has been calculated in line with the Equality Act 2010 (Gender Pay Gap Information Regulations 2017).

Signed 

Eric Allen
General Counsel

Statutory reporting for 2023:

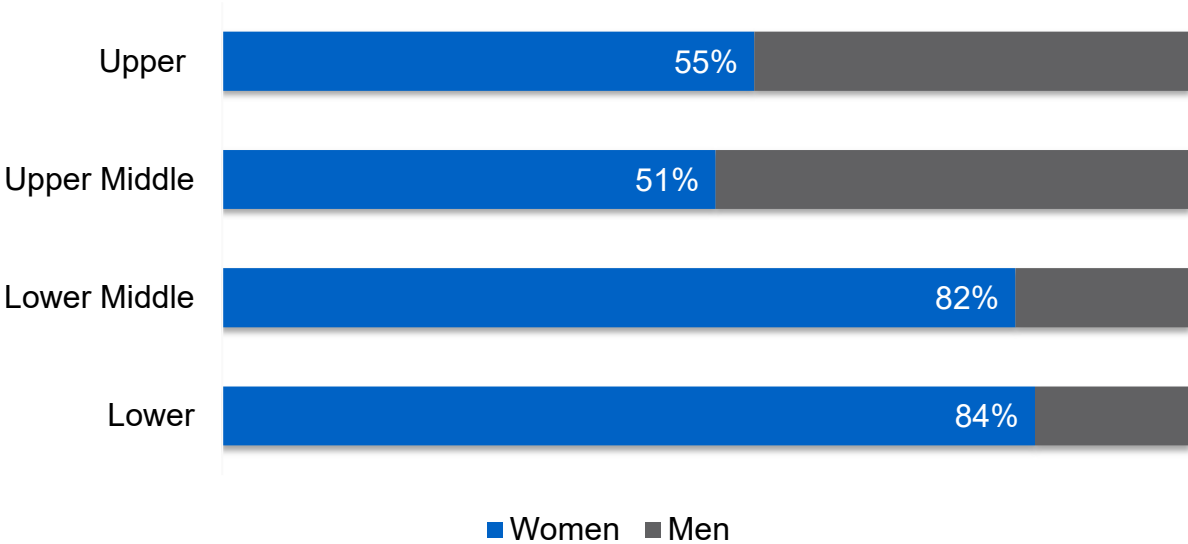
Hourly Pay Gap

Mean **25%**
Median **40%**

Bonus pay Gap

Mean **44%**
Median **57%**

Pay Quartiles



Portion of Workforce Receiving Bonus Pay

92%
Women

92%
Men