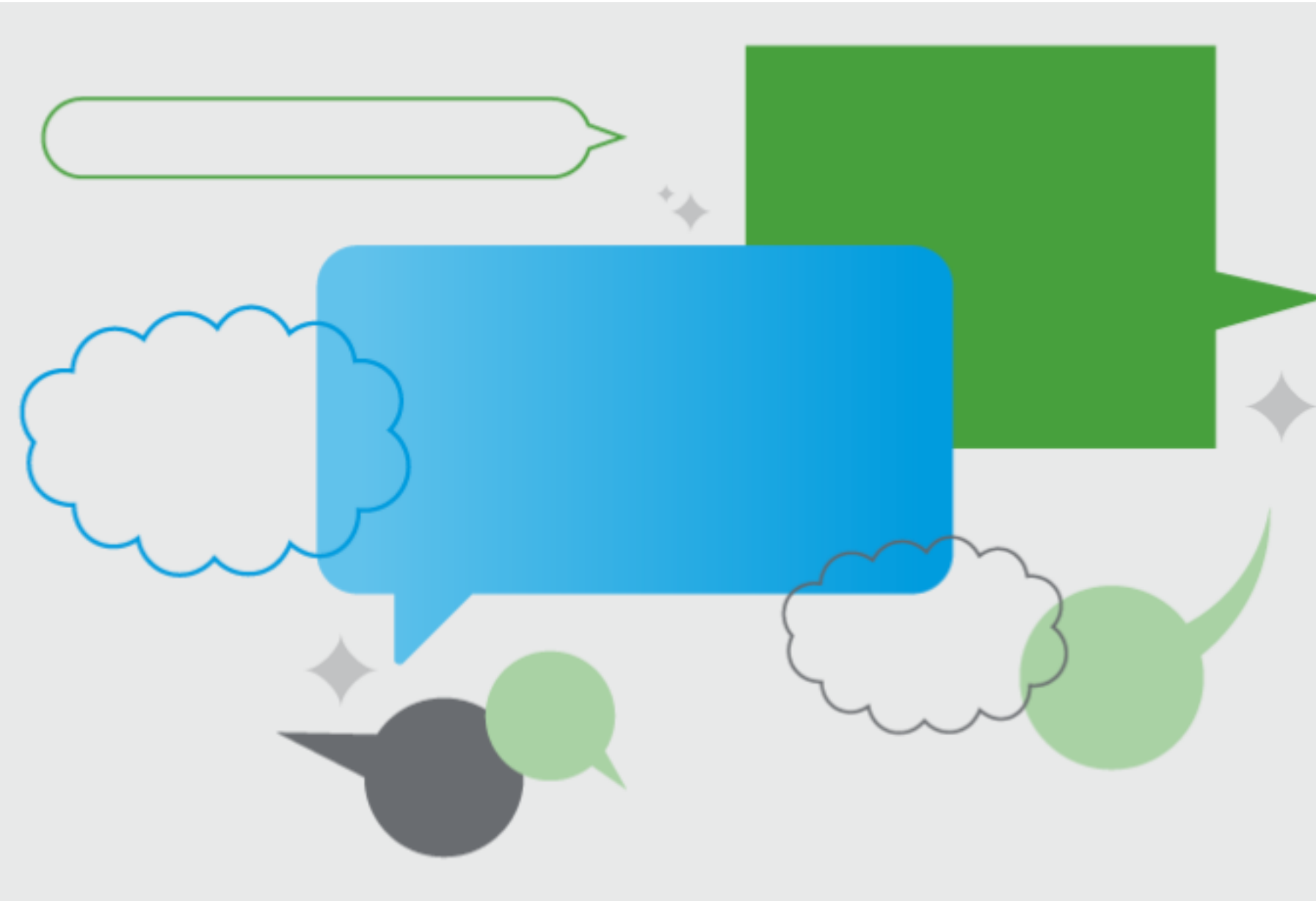


Diversity pay gap reporting 2021

At RSM, we foster an environment where everyone can thrive and be themselves.

We support all our people to be their best. Every one of us has a role to play in advancing and fostering an inclusive culture.

Our pay gap reporting is an important strand of our wider diversity and inclusion agenda and strategy. Being a more diverse and inclusive organisation means addressing pay gaps at RSM.



“ Challenges brought about by the coronavirus pandemic accelerated change, and we've harnessed positive lessons from it. Flexibility works, and we have all become more supportive of our colleagues who are juggling various priorities and we've become a more inclusive workplace as a result. We have also developed initiatives where we actively encourage our people to take time to focus on themselves and highlight the importance of maintaining our wellbeing.

While we continue to make meaningful changes, we still have a lot to do. Our leadership team is working with our people and our diversity networks to continue driving equality and fairness across RSM. We're using the results of our first all-staff Inclusion and Belonging survey, conducted at the end of 2020, to focus our action plans.

This year our pay gap report has evolved, so we can better identify and remove the barriers that our people may encounter. It now includes our pay gaps for our employees of Black, Asian, Mixed heritage, and Other ethnicities. Calculating our data at this granular level enables us to better tailor our action plans so everyone can thrive.



Victoria Kirkhope
People Partner



Hannah Catchpool
National Head of Inclusion

The pay gap explained

The pay gap is different to equal pay.

A gender and ethnicity pay gap is a measure of the difference between the average rates of pay for men and women, and for ethnic minority and non-ethnic minority employees.

Equal pay is an employer's legal obligation to give men and women equal pay for equal work.

Future reporting ambitions

As part of our evolving inclusion strategy, we are constantly reviewing our approach to reporting. We encourage all our people to share diversity data so that we can continue to make improvements that benefit everyone.

Methodology

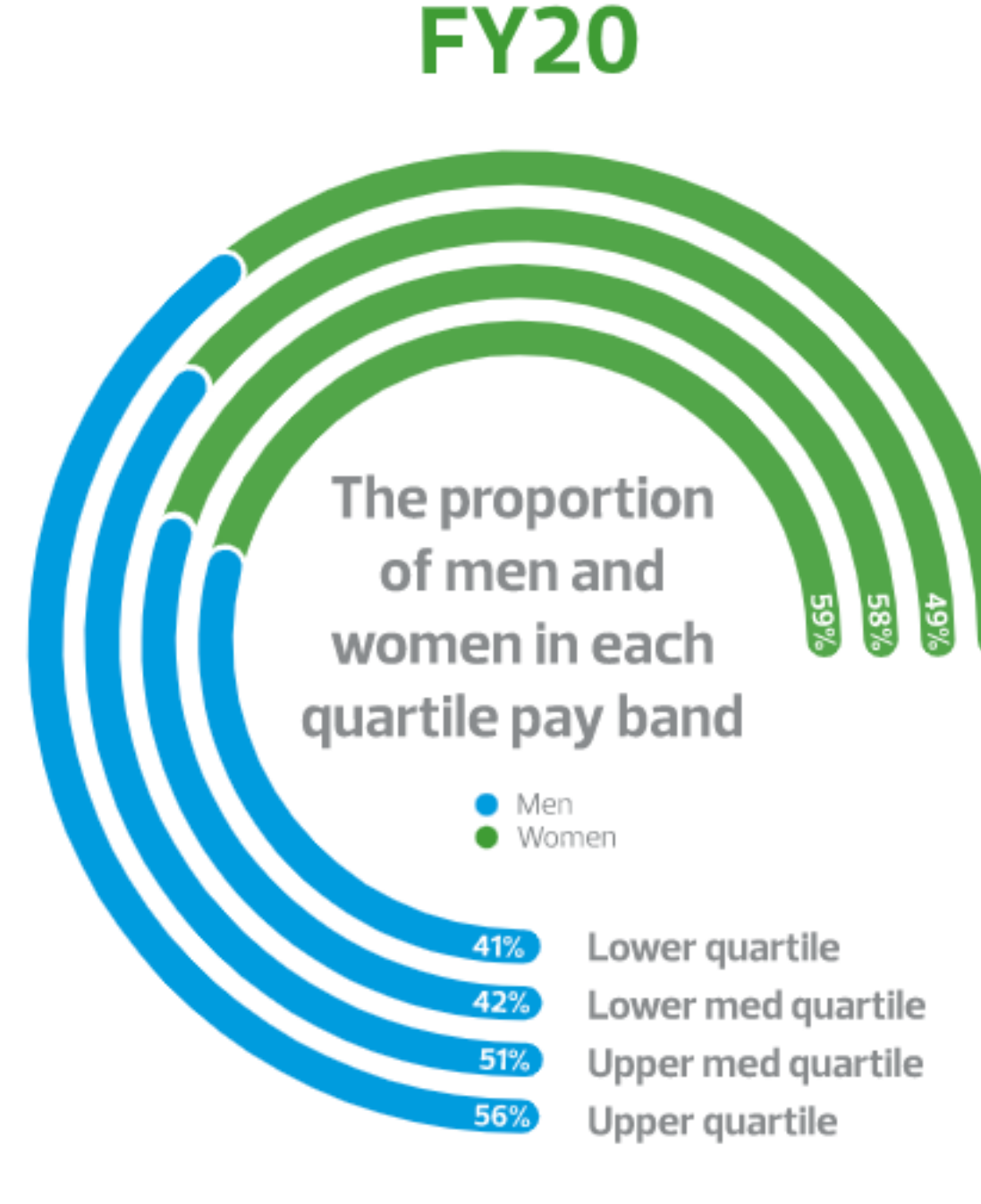
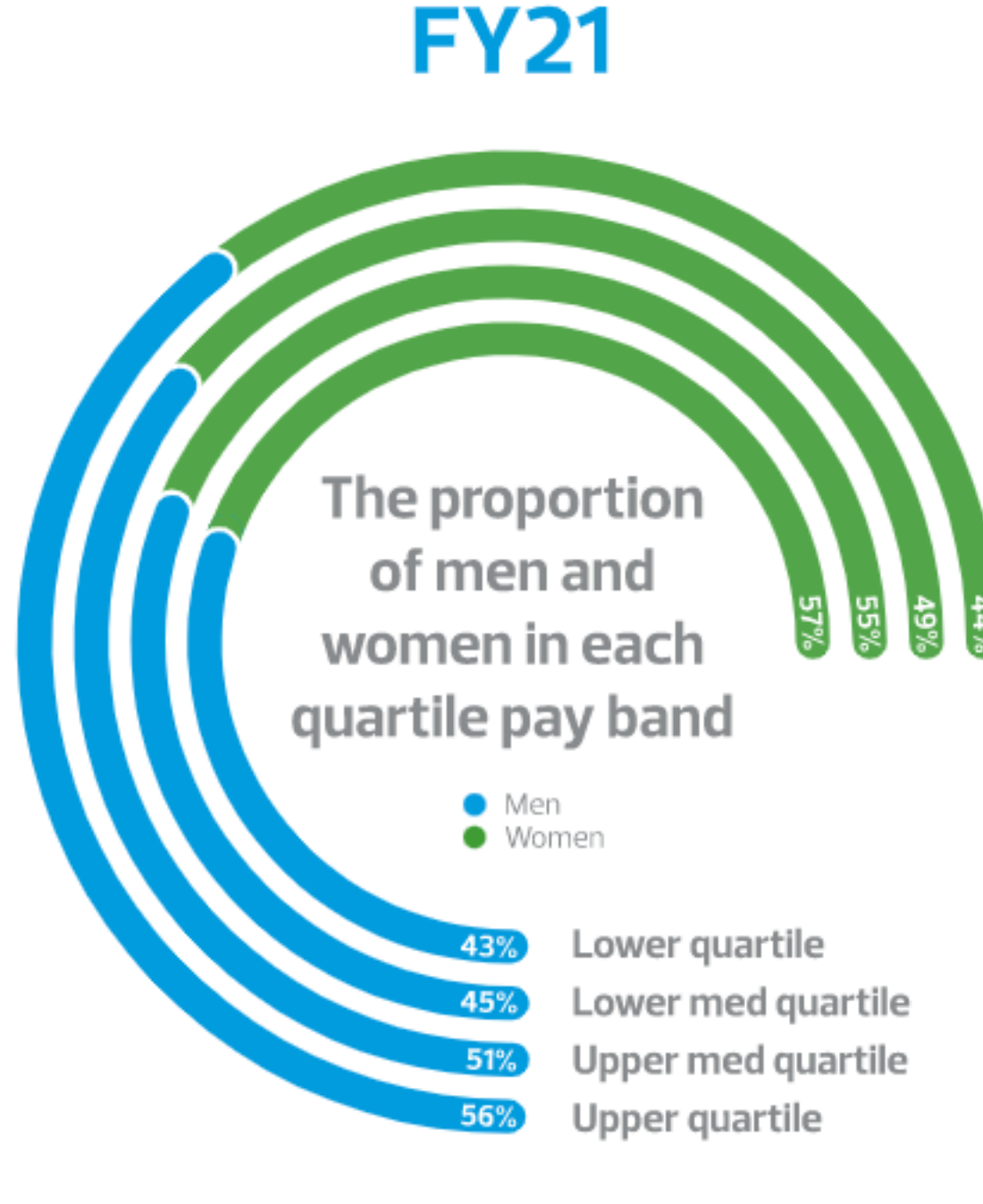
For more information on our 2021 approach to pay gap reporting, please read our [methodology](#) here.

Gender pay gap

Our 2021 figures show an improvement in both our gender pay and bonus pay gaps, indicating that our diversity and inclusion (D&I) strategy is moving us, albeit slowly, towards the desired result.

	FY21	FY20	FY19	FY18	FY17
Mean gender pay gap	11.0%	11.9%	14.6%	15.0%	15.7%
Median gender pay gap	12.4%	14.6%	16.8%	15.0%	17.7%
Mean gender bonus gap	15.4%	29.0%	27.0%	22.0%	25.1%
Median gender bonus gap	0.0%	0.1%	0.0%	0.0%	0.0%

We understand that our gender pay gap persists due to a lower representation of women in leadership roles. In April 2021, 23 per cent of our partners and 35 per cent of our directors (the grades attracting the highest levels of remuneration) were women. Whilst we support women to thrive in their careers, we are focused on ensuring that the opportunities for career development and promotion achieve equitable outcomes.

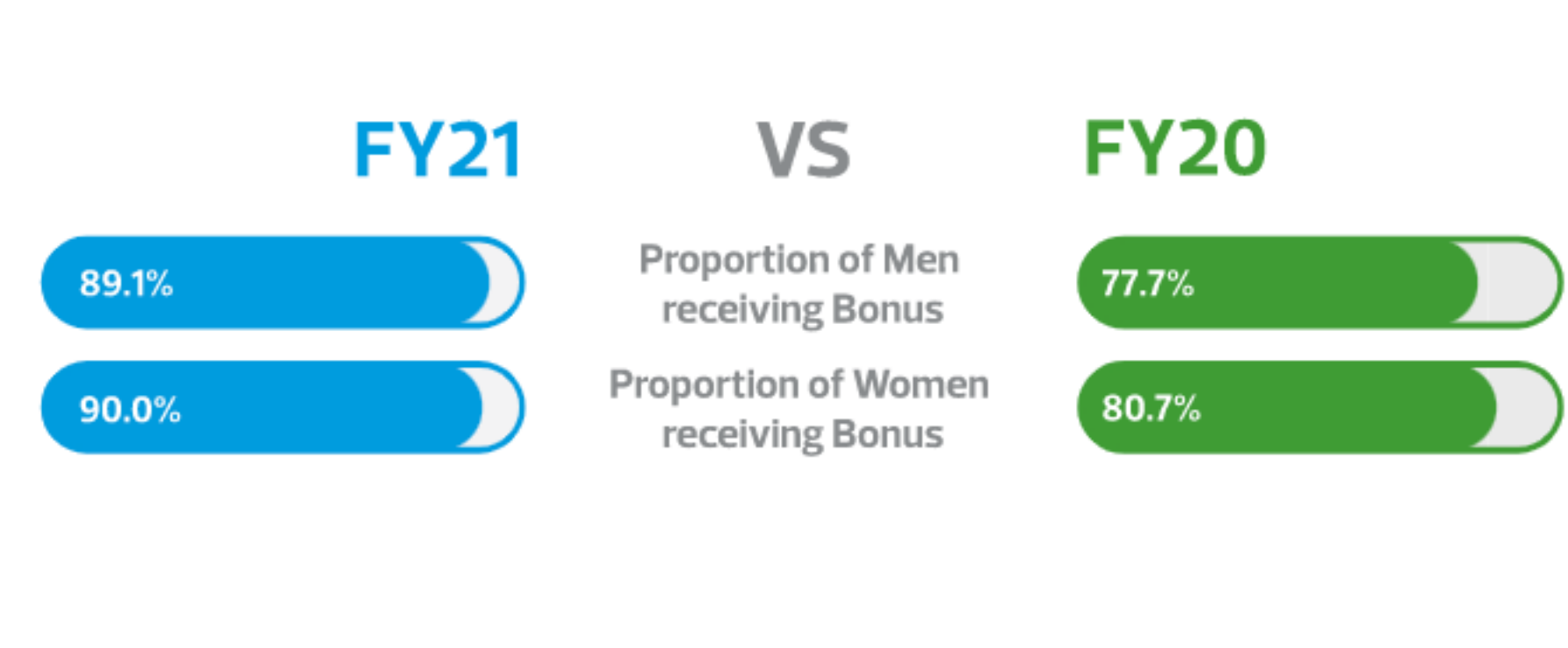
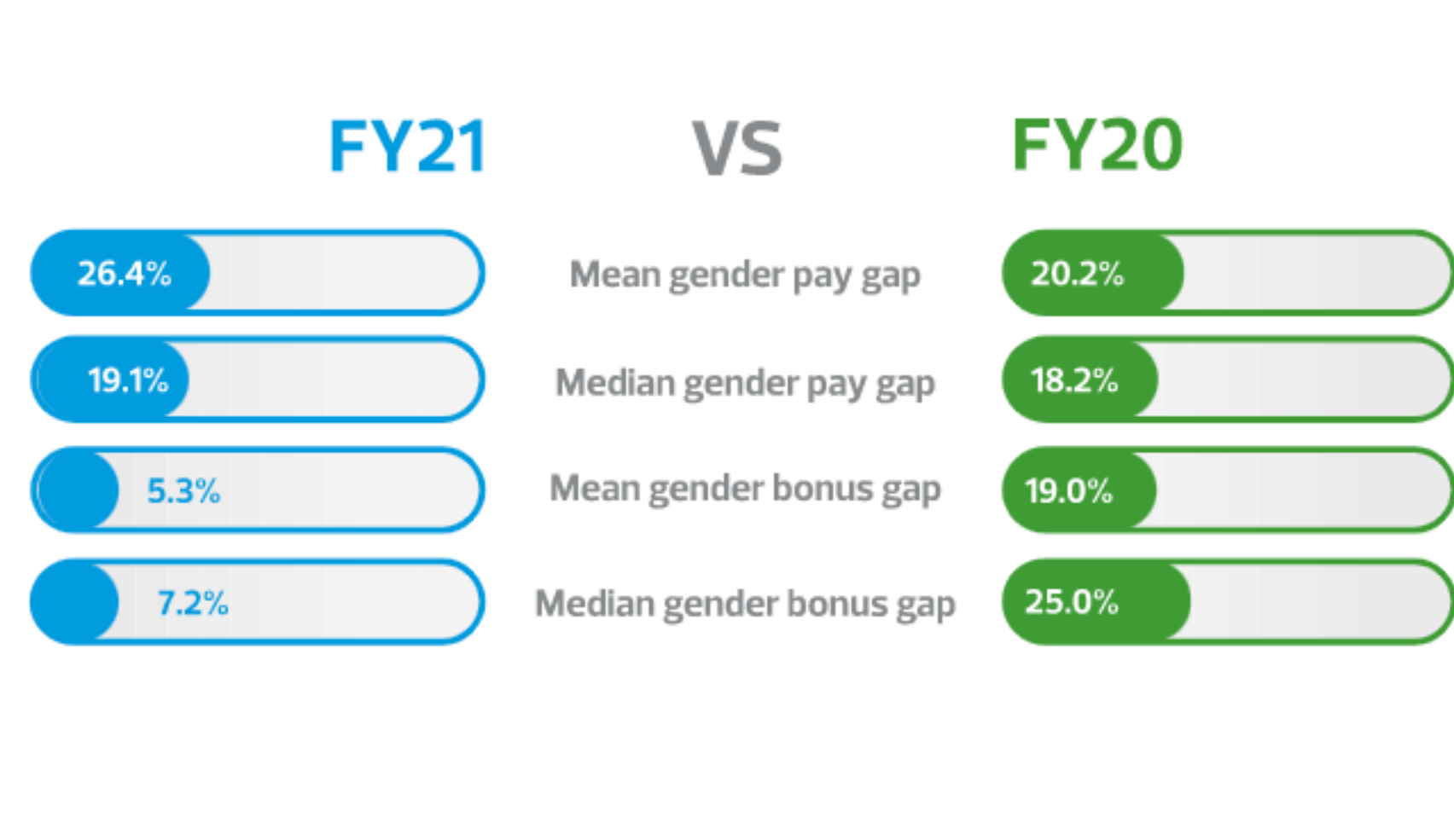


Our mean bonus pay gap has reduced since last year, although it still exists where there is greater variable pay at more senior levels. The bonus gap calculation doesn't take into account that bonuses for part-time workers are pro-rated. 24 per cent of women work part-time at RSM, compared with 6 per cent of men. Although part-time working patterns can have a negative impact on bonus gap figures, we encourage flexible working as part of fostering a more diverse and inclusive workforce.

Our median bonus pay gap remains negligible, as a result of employees receiving a unique bonus payment in recognition of collective efforts during the pandemic.

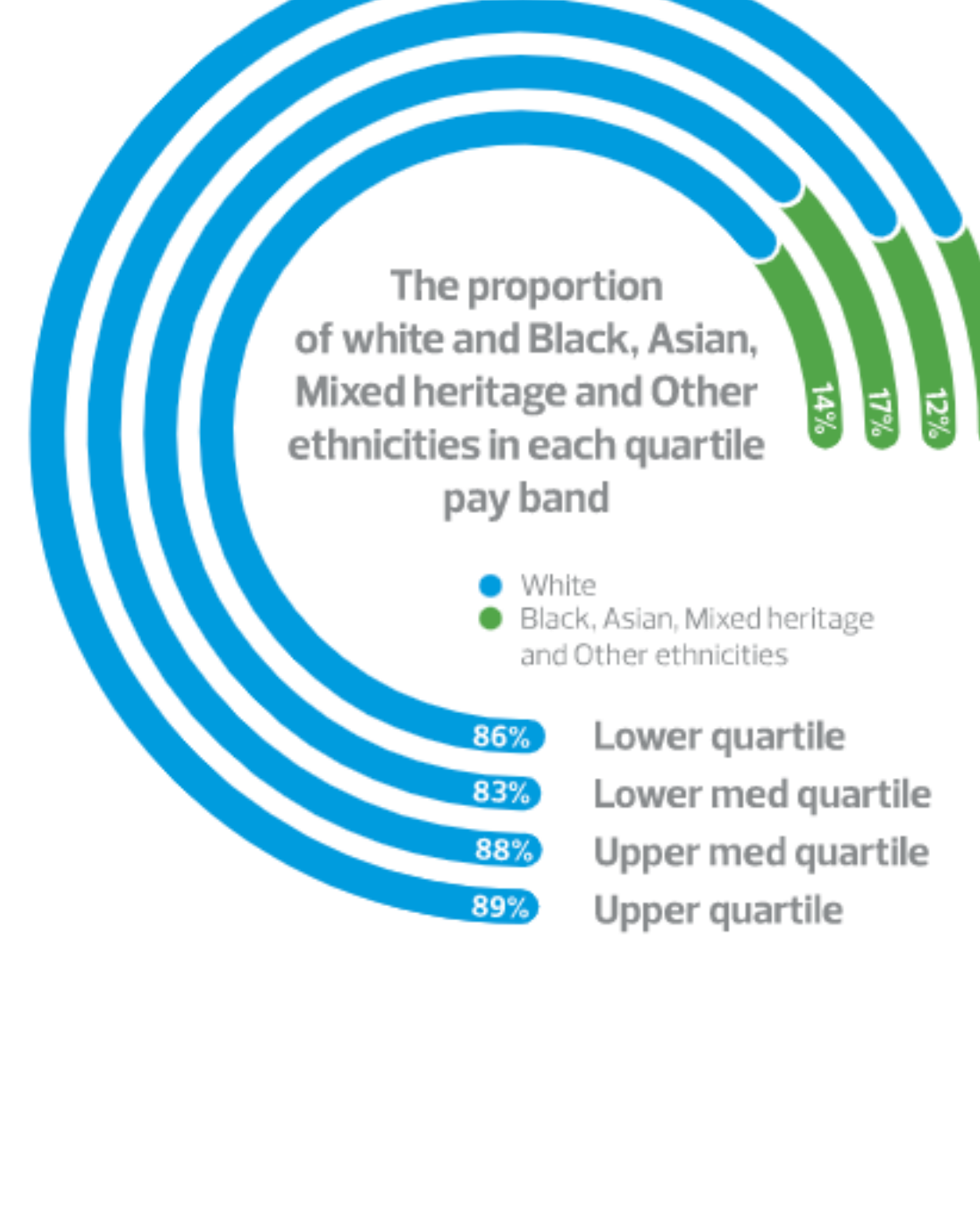
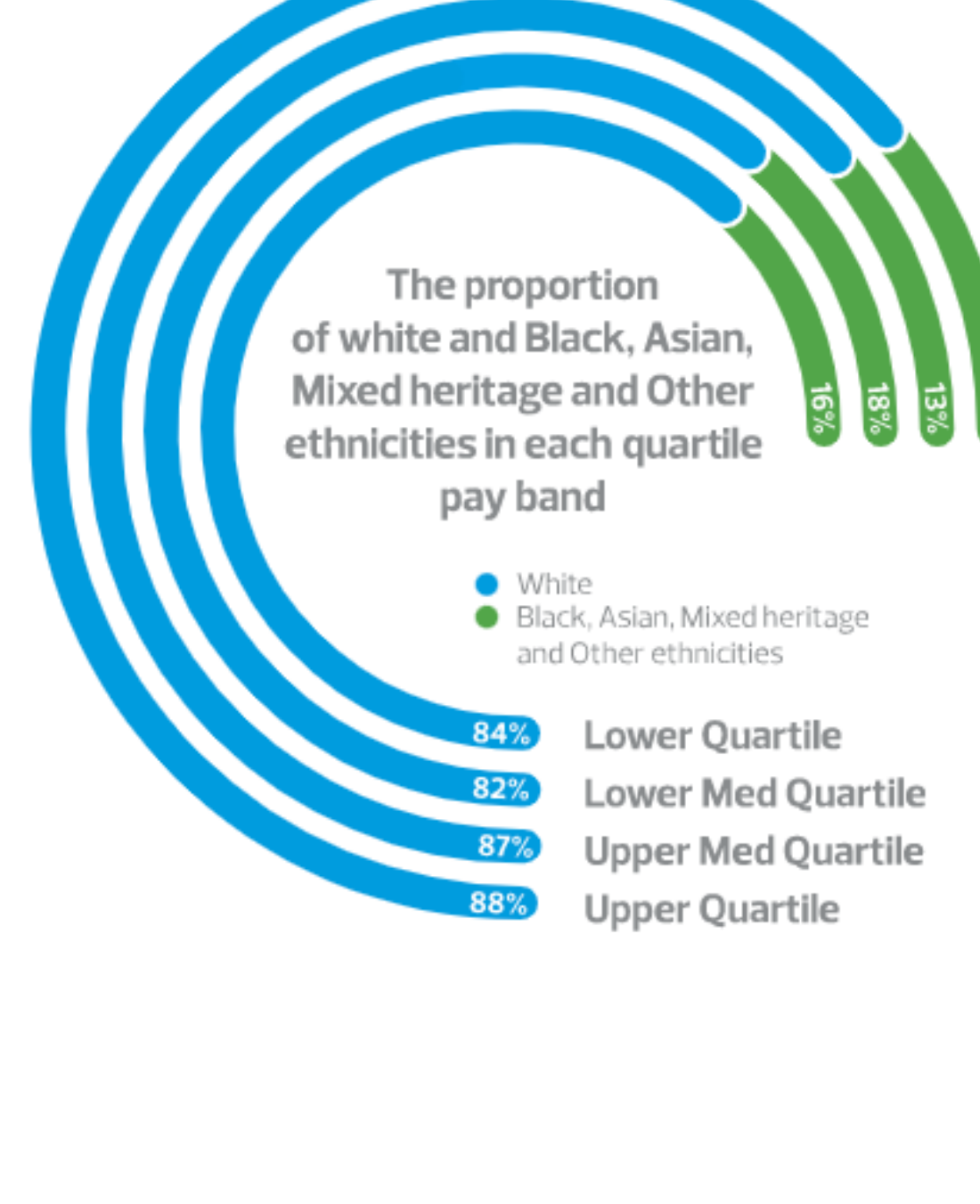
Partner gender pay and bonus gaps

Our Partner mean and median gender pay gap figures show an increase in the period to April 2021 as a result of changes in the business at that time. Our mean Partner bonus pay gap has significantly reduced by 13.7 percentage points (from 19 to 5.3 per cent) and our median Partner bonus pay gap has reduced even further, by 17.8 percentage points (from 25 to 7.2 per cent). We continue to support the career progression of our talented women into senior leadership and Partnership roles.



Ethnicity pay gap

Our figures show a small improvement (of 0.3 percentage points) in the mean overall ethnicity pay gap, taking it from 5.8 per cent to 5.5 per cent, and a considerable improvement in our mean ethnicity bonus gap (a reduction of 9.9 percentage points).

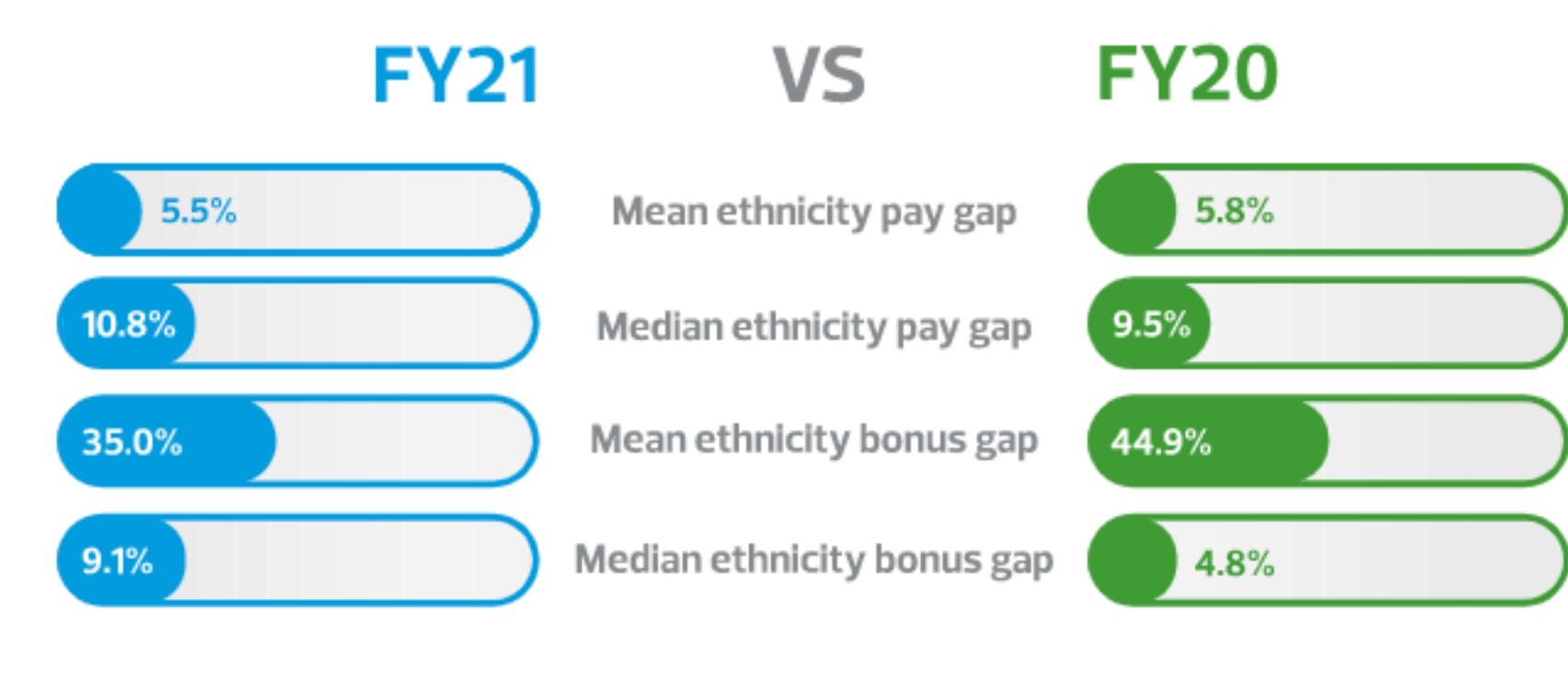


The rise in our median pay and bonus gaps however, while disappointing, can in part be attributed to a positive increase in the number of ethnic minority students joining our early careers training programmes, where junior roles receive less pay and typically fewer, smaller bonuses than more senior roles.

Overall, our trainee intake from ethnically diverse backgrounds has increased from 20.5 per cent in 2017 to 31.2 per cent in 2021.

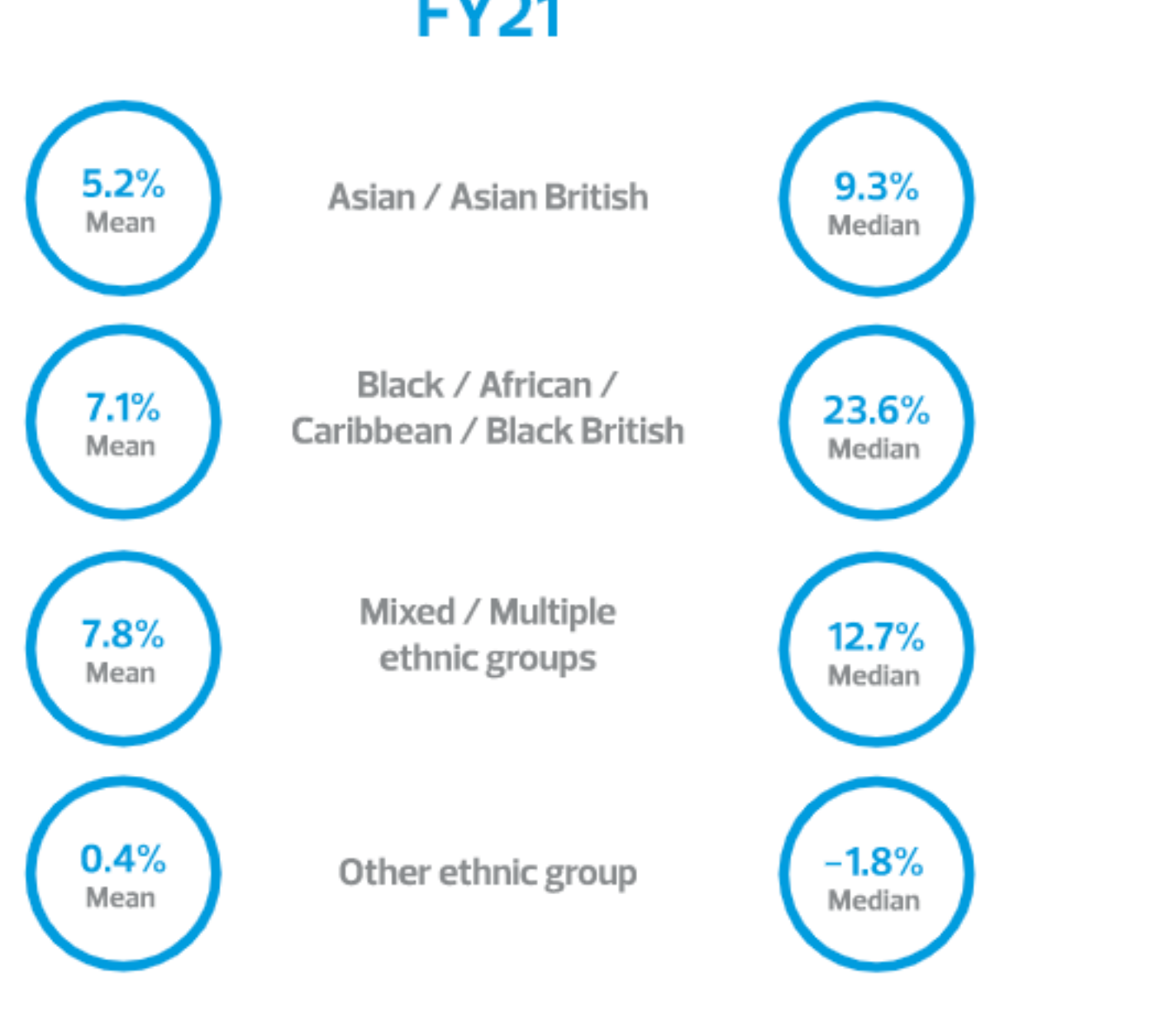
We anticipate continued improvement in our ethnicity pay gaps as our employees from ethnically diverse backgrounds develop their careers at RSM and achieve more senior roles.

Overall ethnicity pay and bonus gap

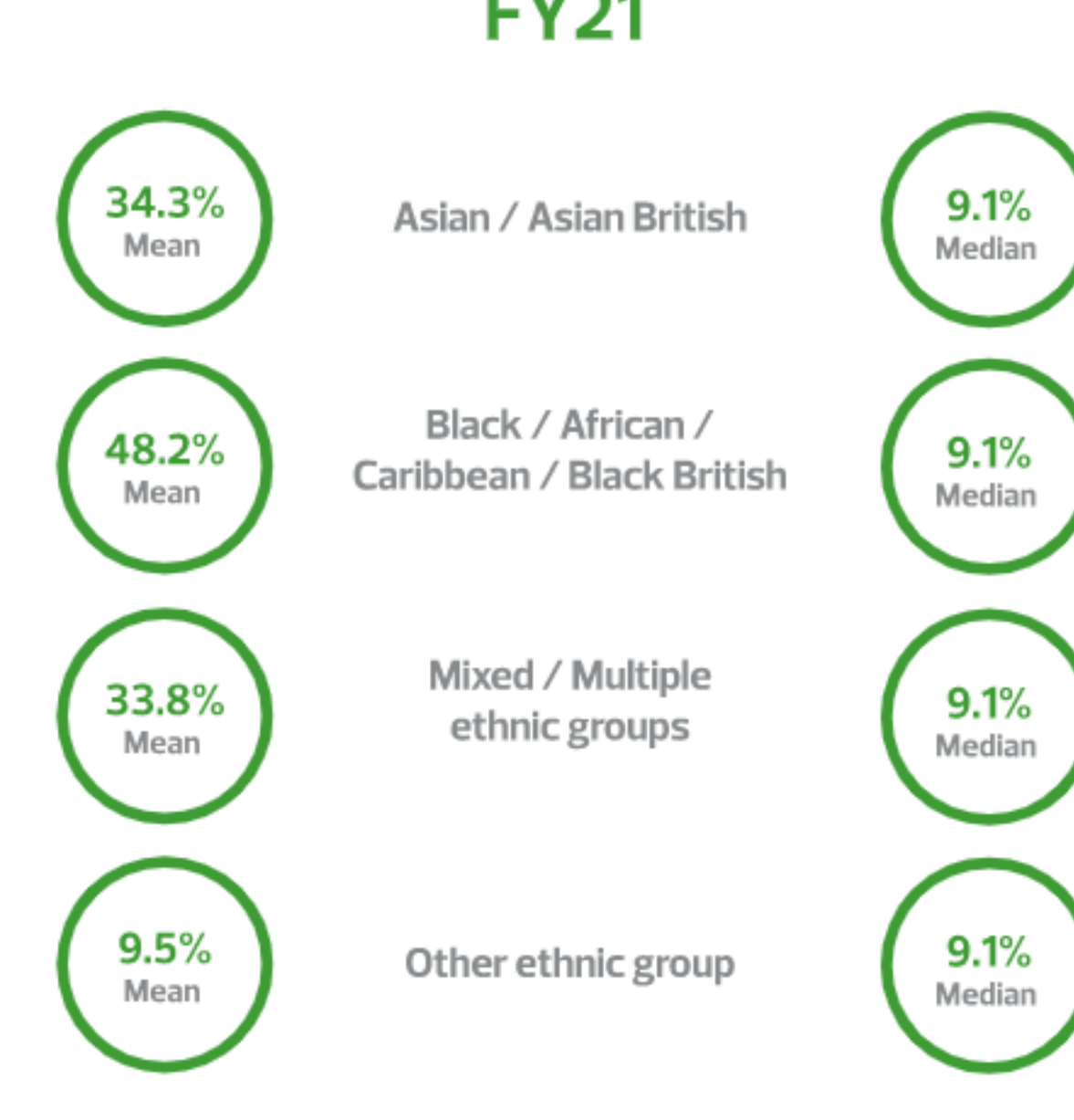


The disaggregation of our ethnicity pay gap data tells us that the mean bonus gap is significantly wider for our Black employees compared to our employees of White, Asian, and Mixed heritage. This is primarily due to lower representation of Black employees in senior roles, where they would receive greater variable pay. 18 per cent of our Black employees are in a managerial role, while 82 per cent are in junior positions.

Pay gap by UK Census ethnicity categories



Bonus gap by UK Census ethnicity categories



The data suggests that the actions we are taking to improve the experience and opportunities for our Black colleagues are the right ones, such as the introduction of the Black Employee Network group (BEN) and our commitment to support programmes like the 10,000 Black Interns project in 2022. Increasing the representation of Black and all ethnic minority talent in senior roles remains a central focus for us.

“ The Black Lives Matter movement provided an opportunity for reflection. It reminded us of the importance of respect, racial equality, and inclusion of all groups, while highlighting the need for a specific focus on our Black community.

In direct response, and as part of our broader inclusion plans, we launched our Black Employee Network group (BEN). It supports our initiative to Listen, Educate, Act by being a support network for employees to share their experiences and ensure their voices are heard on matters that affect the Black community.

BEN is open to all and works alongside the wider Embrace network to help achieve its objectives in relation to Black and other ethnic minority representation and progression across the business. It is part of the firm's commitment to continue to change and develop.

Reinforcing this commitment, last year RSM supported the launch of the Black Professional Services Collective (BPSC). The BPSC is an external network that has been created to work alongside sponsoring firms to increase the representation and advancement of Black talent across the professional services industry, provide networking and collaborative working opportunities and support career growth and development.



Eugenia Campbell, a private client director at RSM, has led the mentoring pillar of the Black Professional Services Collective. She launched this unique cross-firm mentoring programme together with her co-convenors from other professional services.

This is our first year of reporting ethnicity pay gap analysis in greater detail. By examining the pay and bonus for our Black, Asian, Mixed heritage and Other ethnic minority employees, we now have a base line of data for future pay and bonus gap analysis.

Work has already begun on reviewing our bonus schemes, and our main bonus scheme design has been overhauled. Because of the timing of bonus payments and the next reporting snapshot date, however, the impact of the changes is unlikely to be evident until 2023.

It has not been possible to provide ethnicity pay gap data for our Partners this year. Work continues to encourage all our people to share diversity data so that we can keep making improvements that benefit everyone.

Driving change through action

What we're doing to achieve our inclusion ambitions

Over recent years we've worked in collaboration with our people to put in place foundations for the work still needed to close the gaps. We are determined to tackle our pay gaps. In the year ahead and beyond, we'll continue to do more to drive positive change.

Our action plan falls into four key areas:

Cultural change

Fostering and advancing a truly open and inclusive culture is crucial for us. We have made strides in creating a firm where our people can bring their authentic self to work and thrive in a supportive environment.

Our employee networks play a key role through our Listen.Educate.Act inclusion strategy; sharing personal stories, providing opportunities for self-education; and raising awareness through events on inspiring and informative topics – all facilitate a strong sense of belonging.

A safe and open culture is important to our inclusion agenda, and we began developing our Culture of Allyship programme (which launched in September 2021) for National Inclusion Week with an online toolkit on how to be an effective workplace ally. We recognise the benefits of allyship as a critical component of an inclusive workplace culture.

“ I firmly believe everyone can be an ally to someone, and we all have a responsibility to educate ourselves on how to be an effective workplace ally. I look forward to communicating our progress on our Culture of Allyship programme.”

Sandra Myers-Edwards, National Diversity and Inclusion Senior Manager



Talent acquisition

We've made changes to our recruitment processes, and constantly review them to ensure they are open and attractive to all. Changes to our attraction and selection processes at the Early Careers stage has resulted in an increase in diverse talent hires in 2021.

When recruiting at each level, from trainee hires to experienced hires, we are focusing on broadening our reach to access untapped talent pools. Our National Talent Acquisition Team works with our recruitment agency partners on our commitment to inclusion and accessing diverse talent pools. We're also evolving our executive hire practices to focus on increasing our leadership talent pipeline from diverse backgrounds.

In November 2021, we worked with other professional services firms and the Institute of Chartered Accountants in England and Wales to run a successful Black heritage event for school leavers.

Talent development and career progression

Supporting and inspiring our people to grow professionally and personally is a key focus for us at RSM. We strongly believe that opportunity must be available to all.

Talent development programmes play a crucial part in increasing the senior representation of all underrepresented groups, which in turn will help us to reduce our pay gaps. To that end, we ensure all involved in the career development of others are trained in unconscious bias to reduce the risk of bias in our hiring and promotion decisions.

Unconscious bias training is already embedded in all our development programmes. The addition of self-nomination to our leadership development programmes will ensure equal access to everyone who has the desire and potential to progress.

We have also introduced a People and Values panel for promotion and recruitment of our most senior leaders, as well as a continued emphasis on our development centres on culture and managing people as a core skill across the firm. We have an established culture in the firm of mentoring as a career development tool, and we will keep evolving our mentoring programmes during the year ahead.

Enhanced inclusive networks

We appreciate the value of our employee networks, both in supporting personal and professional growth and in inspiring and supporting diverse talent. We continue to add new groups to provide our diverse workforce with more ways to be heard.



“ At RSM, our people make our business. We want to create an environment where talented people from all backgrounds and walks of life have every opportunity to make their impact and succeed. I think we've made real progress but I'm sure we still have much to learn and much to do.

I'm very grateful for all the support and effort of our people over the last two years. It has been great working with them all to continue to drive RSM further forward.

Rob Donaldson, Chief Executive Officer