

North Highland's commitment to inclusion and diversity is key to our culture, and our values of client centricity, integrity, empowerment, accountability, and care. As a Human-Centered firm, we believe in connecting hearts and minds and creating a sense of belonging for our people. At North Highland, we are welcomed and appreciated for our personal capabilities, characteristics, contributions and diversity of background, thought and experience.

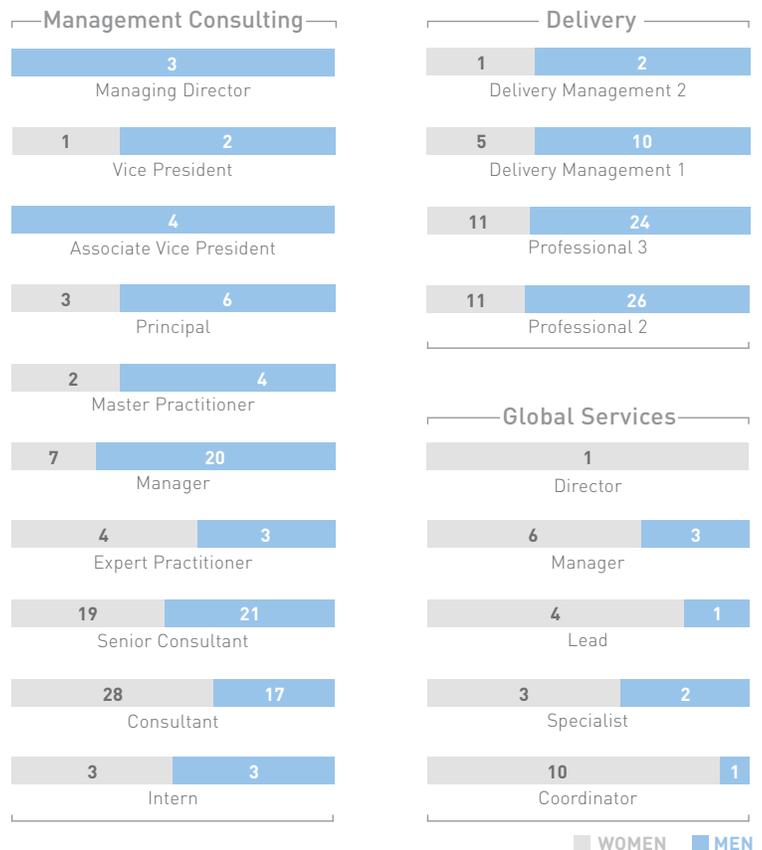
## THE GENDER PAY GAP EXPLAINED

The Gender Pay Gap is defined as the difference in average hourly pay between men and women across an organisation. It is expressed as a percentage of male hourly pay. It is different to equal pay (which is unlawful), which looks at a direct comparison between individuals.

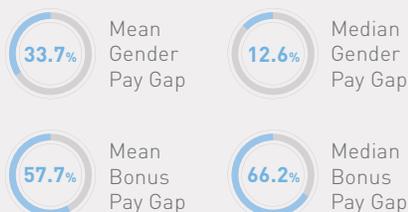
Enclosed is our gender pay and bonus gap data as of 05 April 2018—these are presented in accordance with the UK gender pay gap reporting legislation and reflects all permanent full time and part time UK-based employees.

Note: Employees on long term leave as of 05 April 2018 (sabbatical, maternity, shared parental) were not included in pay data but were included in bonus data. Bonus data was based on actual payments, so part time workers bonuses were pro-rated amounts, therefore appearing smaller. The bonus gap data shown below is based on performance bonus payments only.

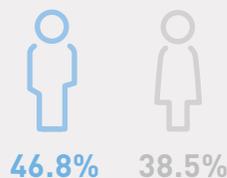
### UK EMPLOYEES INCLUDED IN PAY GAP CALCULATIONS



### Gender Pay gap and bonus pay gap percentages:



### The proportion of men and women who received bonus pay:



### The percentage of men and women in each of the four quartile pay bands:

	Lower Quartile	Lower Middle Quartile	Upper Middle Quartile	Upper Quartile
WOMEN	40.5%	47.5%	62.9%	64.2%
MEN	59.5%	52.5%	37.1%	35.8%

## THE STORY BEHIND THE NUMBERS

**Women in Leadership Roles:** The gender pay gap increases the higher the level within the organisation, a result of the gender split at the higher levels—we had fewer women in leadership roles in the UK during that period. While this is not unexpected in the consulting industry, this is an area we are continuing to address. Today, 30% of our executives in the UK are women, both as a result of internal promotions and strategic hires. While our overall representation of women is among the best in the consulting industry (47.5% firm wide as of March 2019), we know we still have work to do at the highest levels within the firm.

**Pay:** While our overall mean pay gap is higher than the national average, it is primarily driven by executive compensation due to having fewer females in leadership roles. However, when we look at median pay gap, we do see some positive indicators. For both Delivery and Global Services, we see pay gaps closer to 0%, representing what we hope our future state will reflect.

**Bonus:** As of 05 April 2018, 43% of UK employees were bonus eligible. The levels that are bonus eligible are the more experienced/senior levels in Management Consulting, and the data was partly influenced by several factors: some high earning males with larger bonuses, the fact that executive bonus payout shifted to April (from March in 2017), and that females who were part time workers or on maternity leave drew smaller bonuses as a result. The levels where we have an equal balance of males and females are not bonus eligible.

## BEYOND THE NUMBERS

Beyond the mandatory aspects of gender pay gap reporting, we are committed to reducing the gap. We know this will require focused effort over the following years. We have always been firmly committed to equal pay and our data supports this; we have a healthy balance of men and women being hired, retained, and promoted, and we already conduct gender analysis during pay and bonus reviews.

While our gender pay gap is higher than in 2017, largely due to departures, leave and timing on bonus compensation, overall, it still compares favourably with that of organisations in our industry. However, this is not a subject about which we want to be complacent and we know we can do better.

We are proud of our efforts to date, which include:

- Continuing to support family leave through fulfilling flexible working requests where possible, for both women and men and continuing a return to work support program for returning mums
- Enhanced paternity leave for fathers, further incentivizing shared parental leave
- Ongoing analysis of joiners / leavers / promotions, to help us spot unconscious bias
- Evolved talent management practices to include a diverse promotion panel for executive promotion as well as analysis and development plans to build the pipeline of women leaders
- Completed Inclusive Leadership Workshop for a number of UK leaders who influence selection, promotion and an environment of inclusion, which will continue in 2019
- Created opportunities for dialogue and learning with a focus on highlighting and developing female leadership within the firm

## CONTINUING OUR JOURNEY

Beyond the programmes we currently have in place, some additional examples of things we will focus on are:

- **Women's Leadership Development Program:** Launching in April 2019, women at North Highland in emerging levels are invited to self-nominate to join this develop group with two sessions per year. The purpose is to build individual skills and confidence, a sense of belonging for women at North Highland and discover solutions for the unique challenges facing women today.
- **Ways of Working:** We are continually evaluating our ways of working, creating more opportunities for flexible work arrangements, exploring part time roles and job-share opportunities.
- **Education & Awareness:** We are investing in unconscious bias training for our hiring managers and employees, supporting inclusion and diversity programmes, and skill-based training critical to the growth of our female employees.
- **Recruitment:** Hiring great talent at all levels is key at all levels is key—from reviewing and strengthening our sourcing strategy and selection process at all levels, to our messaging and marketing.

We look forward to sharing ongoing updates and our progress on this topic in the months and years to come.