

GENDER PAY GAP REPORT

North Highland's commitment to inclusion and diversity, with equity as a fundamental underpinning of everything we do, 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 2020—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.

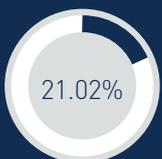
Note: Employees on long-term leave as of 05 April 2020 (sabbatical, maternity, shared parental) were not included in pay data but were included in bonus data. Bonus data was based on actual payments, so part-time workers bonuses were pro-rated amounts, therefore appearing smaller. The bonus gap data shown below is based on performance bonus payments only.

UK EMPLOYEES INCLUDED IN PAY GAP CALCULATIONS

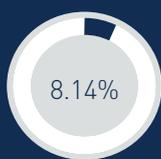
■ MEN ■ WOMEN



Gender Pay Gap and Bonus Percentages:



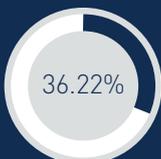
Mean Gender Pay Gap



Median Gender Pay Gap



Mean Bonus Pay Gap



Median Bonus Pay Gap

The proportion of men and women who received bonus pay

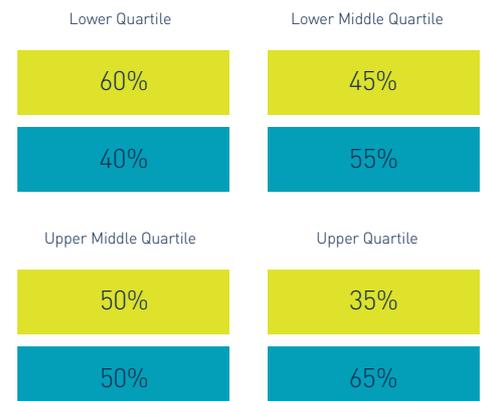


13.6%



20.3%

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



THE STORY BEHIND THE NUMBERS



Women in Leadership Roles

Progress is being made in increasing female representation at higher level jobs.

- Compared to 2018, the number of women in executive roles increased by 120%, though we still have areas for growth at the highest levels of executive leadership. Additionally, there is a higher representation of women at the Manager/EP level compared to 2018.
- Today, 30% of our executives in the UK are women, both as a result of internal promotions and strategic hires.



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 the 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.
- Both the mean and median pay gap showed improvement from 2018, while acknowledging there is still room for improvement.

The mean pay gap is 21% while the median pay gap is 8%, which indicates that the mean pay gap is being driven by higher paid outliers.



Bonus

As of 05 April 2020, 16.9% of UK employees were bonus eligible. This included a snapshot period between April 2019 to March 2020. COVID-19 played a significant role in the drastic decline of bonus pay receivership.

- 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, and that females who were part-time workers or on maternity leave drew smaller pro-rated bonuses as a result. The levels where we have an equal balance of males and females are not bonus eligible.
- The mean bonus gap increased while the median bonus gap is more favorable compared to 2018. The mean bonus gap was driven by a handful of large bonuses, mostly paid to men, including three Managing Directors.

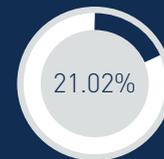
Number of women in executive roles

2018 Today

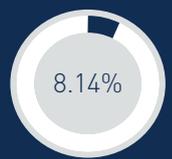


Executives in the UK

Men Women



Mean Gender Pay Gap



Median Gender Pay Gap

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 regularly conduct gender analysis during pay and bonus reviews.

Overall, we are pleased to see progress in reducing our gender pay gap compared to 2018. However, this is not a subject about which we want to be complacent, and we know we can do better, particularly paying close attention to the bonus mean pay gap.

Our efforts to date 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 incentivising 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 2021.



Created opportunities for dialogue and learning with a focus on highlighting and developing female leadership within the firm.

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

FOR MORE INFORMATION CONTACT

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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

In partnership with our Women in North Highland ERG, women at North Highland in emerging levels are exposed to focused topics to develop their skills throughout the 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 including an employee resource group for women in the firm (all gender identities are also welcome to participate), and skill-based training critical to the growth of our female employees.



Recruitment

Hiring great talent at all levels is key—from reviewing and strengthening our sourcing strategy and selection process at all levels, to our messaging and marketing.

