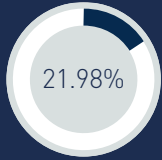


GENDER PAY GAP REPORT

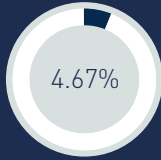
North Highland's commitment to diversity, equity and inclusion is key to our enviable culture, and our values of client centricity, integrity, empowerment, accountability, and care. As a people-first firm, we believe in connecting hearts and minds and creating a sense of belonging for our people. We know it's not just a case of putting people first – every business should do that. It's about understanding that people bring out the best in one another when they celebrate differences and diversity.

At North Highland, we are welcomed and appreciated for our personal capabilities, characteristics, contributions and diversity of background, thought and experience.

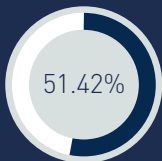
GENDER PAY GAP AND BONUS PERCENTAGES:



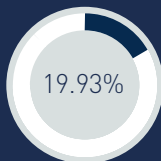
Mean Gender Pay Gap



Median Gender Pay Gap



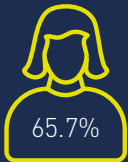
Mean Bonus Pay Gap



Median Bonus Pay Gap

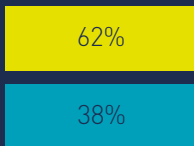
THE PROPORTION OF MEN AND WOMEN WHO RECEIVED BONUS PAY

*This looks at the total number of men and total number of women and then asks us to calculate the percentage of men and women who received bonuses.

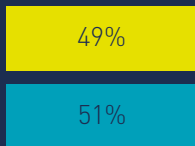


THE PERCENTAGE OF MEN AND WOMEN IN EACH OF THE FOUR QUARTILE PAY BANDS:

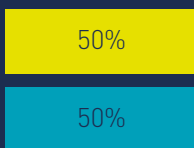
Lower Quartile



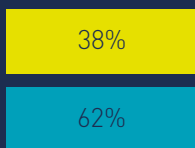
Lower Middle Quartile



Upper Middle Quartile



Upper Quartile



*Quartiles are calculated in descending order from highest hourly pay down to lowest hourly pay. We then split the population into 4 equal groups or quartiles.

THE GENDER PAY GAP EXPLAINED

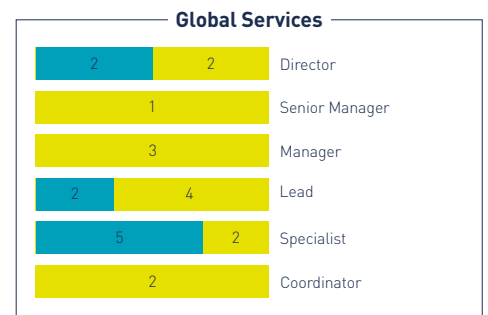
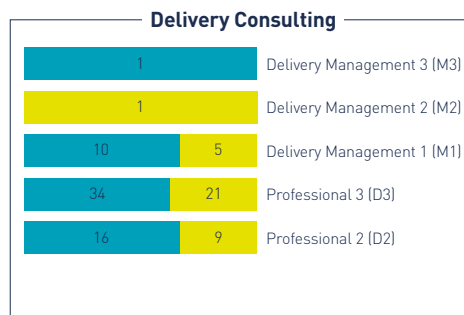
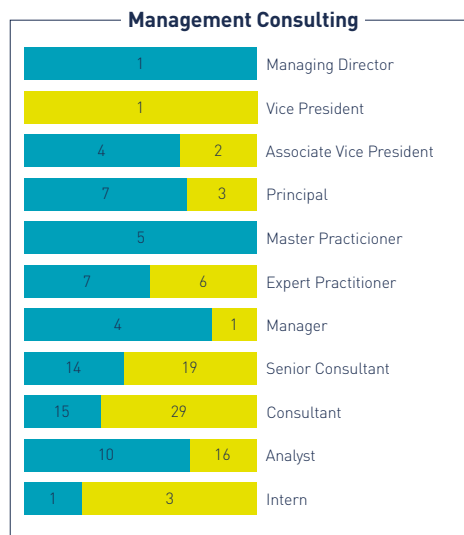
The Gender Pay Gap is calculated as the difference in average hourly earnings between men and women across an organization. It is expressed as a percentage of men's average hourly pay. For example, if the average hourly pay for women is £15/hour, and the average hourly pay for men is £17/hour, the pay gap would be calculated as 11.76% $(£17-£15)/(£17)$. It is different to equal pay which looks at a direct comparison between individuals. Equal Pay is a more complex calculation looking at individuals in similar type jobs. It also factors in a number of other variables including overall experience, time with Firm, time in job, etc.

Enclosed is our gender pay and bonus gap data as of 05 April 2021. The data is 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 2021 (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 bonuses, referral bonuses, sign on bonuses and GESOP payments.

UK EMPLOYEES INCLUDED IN PAY GAP STATISTICS AS OF APRIL 5, 2021

■ MEN ■ WOMEN



THE STORY BEHIND THE NUMBERS



Women in Leadership Roles

Incremental progress is being made in increasing representation of women in senior level positions. In April 2021, the firm had 33% of women in executive roles compared to 30% of women in executive roles in April 2020. The increase in women executives year-over-year is a result of internal promotions and strategic hires. We are seeing the highest proportions of women at the Consultant/Senior Consultant levels. Women account for 50% of our UK population as of April 2021. While our overall representation of women in the UK is 50%, we know that increasing the representation of women in leadership roles specifically is an area of improvement for the firm.



Pay

The firm experienced a very slight increase in mean pay gap from 2020 (21.02% in 2020 whereas 21.98% in 2021). This increase was primarily driven by the following factors:

1. Timing of executive and discretionary bonus payouts. Executives are paid annual bonuses in April whereas Non Executives are paid annual bonuses in March
2. More representation by men at the MP levels and above
3. Fewer women in certain managerial levels where we do have male incumbents
4. Attrition among women, especially at the MP levels and above

With respect to the timing of the annual bonuses, to calculate Gender Pay Gap, we need to factor in various pay components paid to employees in April 2021 (as defined by the UK Government Regulations). Beyond base pay, one of the more substantial pay components are bonuses.

It is important to note the following with regard to the timing of Executive bonus payouts:

1. Executive bonuses were not paid out in April 2020 and were therefore excluded from the calculations. Executive bonuses were paid in April 2021 and were included in the calculations. Since non-exec bonuses were paid in March 2021, they were not included in the calculations therefore increasing the Gender Pay Gap
2. If we were to exclude Executive bonus payouts and discretionary bonus payouts from our calculations, our gender pay gap mean would reduce to 18.99%. Moving forward, we plan to align the timing of our Non-Exec and Exec bonus payouts in an effort to produce more comparable calculations

When looking at the quartiles, we are starting to see more women in the Upper Middle and Upper Hourly quartiles though women account for 62% of the population in the Lower Hourly quartile. The mean gender pay gap is 21.98% while the median gender pay gap is 4.67% which indicates that the mean is being driven by a higher representation of men at managerial levels.

CONTINUING OUR JOURNEY

In the next year, we are committed to the following actions and initiatives, to improve gender parity at North Highland:



Recruiting and Hiring

We will work to reduce gender bias in recruiting and hiring. In recent years, we have implemented processes such as gender inclusive language in job postings, for example. This year, we are doubling down on efforts via our DEI (Diversity, Equality & Inclusion) strategy and Talent EBAP teams to identify gaps in bias that may arise in recruiting and hiring and creating solutions.



Flexible Working

Going forward, we will include in our job advertisements that we are open to flexible working, and work with teams internally on the development of WoW actions to ensure all part time/flexible working is achievable for the incumbent and the Team.



Onboarding

We are requiring new joiners at North Highland to complete trainings related to unconscious bias, racial sensitivity and microaggressions as part of their onboarding. We recognize the importance of underscoring the importance of diversity, equity and inclusion from the beginning of each employee's North Highland journey.



Policies & Procedures

We will review our people related policies and procedures to ensure that DEI and our NHVP are all central to how we operate.

THE STORY BEHIND THE NUMBERS CONTINUED



Bonus

The firm has improved its bonus pay gap as both mean and median bonus pay gap have decreased from 2020 to 2021. COVID-19 played a significant role in the drastic decline of bonus pay receivership in 2020; however, receivership began to normalize and even exceed historical values in 2021. Bonus pay receivership in 2021 was the highest it has been since 2017 – 71.4% of men received bonuses and 65.7% of women received bonuses. In addition, receivership amongst our management levels is generally equivalent. Bonus pay gap is trending downwards from 2020; however, we are seeing the predominant driver of bonus pay gap to be higher bonuses paid out to men in levels where there are no women incumbents. Similar to the gender pay gap, the bonus pay gap is also driven by a higher representation of men at managerial levels. The median bonus pay gap has been calculated at 19.93% in 2021, the lowest it has been since 2017. The downward trend can be ascribed to higher bonus values being paid to women and higher bonus receivership amongst women as well.



Summary

We did not make the progress that we desired to make. We know we have work to do and we are very committed to making progress to narrow the gap. We need the commitment of everyone in the UK to move this needle.

BEYOND THE NUMBERS

In sharing our data around the gender and bonus pay gap, we also share our reflection and commitment around how to do better. As we have stated in our North Highland Value Proposition, we are always learning how to be the best at getting better. Since our 2021 Gender Pay Gap report, we have continued or initiated the following actions to improve our gender parity efforts in the UK:

- Increased the number of women receiving bonus pay by 52% percent in the last year.
- Supported 10 women in the UK in the 2021-2022 Women in Leadership program. The program is intended to serve as a pipeline for future women leaders.
- Supported the education and awareness of women's challenges in the UK through Women in North Highland (WIN)-sponsored events on issues such as Accelerating Your Career in Consulting and Imposter Syndrome.
- Supported WIN-sponsored safe spaces for discussion around external events that have disproportionately impacted women.
- Increased diversity among interviewer panels by ensuring at least one female interviewer, as well as an interviewer from underrepresented racial/ethnic groups is present where possible.
- Provided enhanced paternity leave for fathers to encourage shared parental leave.
- Supported flexible working requests where possible, for both women and men, and continuing a return-to-work support program for returning mums.
- Provided support for pregnancy loss to recognize the hardship that individuals face and the necessary physical and mental recovery time that is necessary after this hardship.

CONTINUING OUR JOURNEY CONTINUED



Promotions

We will continue to refine our promotion process for women and look for ways to create leadership pipelines for women in addition to our Women in Leadership Program. In recent years, we created more diverse promotion panels and reviewed individuals not only for readiness but for potential.



Education and Awareness

We will continue to provide awareness throughout the year in the form of unconscious bias, racial sensitivity and microaggressions trainings through Learning & Development and by supporting our Women in North Highland employee resource group in their efforts in education, community and advocacy. We also continuously seek new modes of education to stay up-to-date on diversity best practices.



Continuous Review

We will be measuring Gender Pay Gap before the 2022 Mid-Year promotion cycle as well as the 2023 Annual Compensation Cycle. We will review the data and use those opportunities to positively influence the gender pay gap moving forward.



Leadership and Executive Representation

We are cognizant of the need to continue expanding our representation of women at the Master Practitioner, M3 and M2 leadership levels and especially at the Executive levels (AVP, VP and MD). If you are interested and believe that you are ready for these roles, we would encourage you to speak with your Coach about being considered for these leadership opportunities.

BEYOND THE NUMBERS CONTINUED

- Implemented adoption, foster and fertility treatment assistance to acknowledge other forms of parental support needed by employees.
- Representation of women in Executive positions has increased by 75% over the year (4 Women Executives in April 2021 whereas 7 as of March 2022).

North Highland is committed to narrowing our Gender Pay Gap through a series of strategic initiatives, including attracting, retaining and providing advancement opportunities for women across the Firm.

In addition to the above initiatives, we will spend time in Q2 2022 to draw up a strategic road map by partnering with key stakeholders and other groups throughout the Firm. The focus of our partnerships will be to develop short-, medium- and long-term initiatives that we will work on between 2022 and 2024. Once completed, this strategic plan will be published and form part of our wider DEI strategy. Progress will of course be communicated to the wider business regularly.

Narrowing the gap takes time, and there are no quick fixes, but we are committed to championing gender equality and equity at North Highland.

As a collective, through each of our respective roles, we are all responsible for driving and enabling a diverse and inclusive culture to support all initiatives and practices across the firm.

I can confirm the data reported is accurate:

JENNIFER MANCUSO

Vice President of Human Resources

FOR MORE INFORMATION CONTACT

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Vice President of Human Resources

Jennifer.Mancuso@northhighland.com