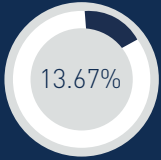


GENDER PAY GAP REPORT

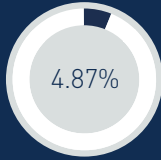
North Highland is committed to diversity, equity, and inclusion and is making a conscious effort to address our gender pay gap. We are now able to share the results of our 2022 gender pay gap report as of 5th April 2022.

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 as of the pay period in which our snapshot date falls.

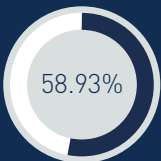
GENDER PAY GAP AND BONUS PERCENTAGES:



Mean gender pay gap



Median gender pay gap



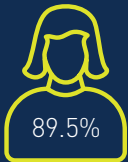
Mean bonus pay gap



Median bonus pay gap

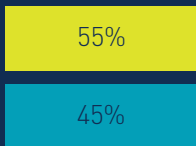
THE PROPORTION OF MEN AND WOMEN WHO RECEIVED BONUS PAY

*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.

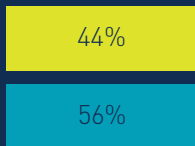


THE PERCENTAGE OF MEN AND WOMEN IN EACH OF THE 4 QUARTILE PAY BANDS:

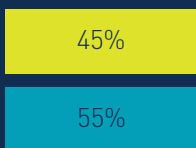
Lower Quartile



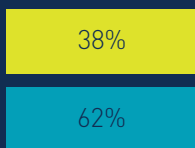
Lower Middle Quartile



Upper Middle Quartile



Upper Quartile



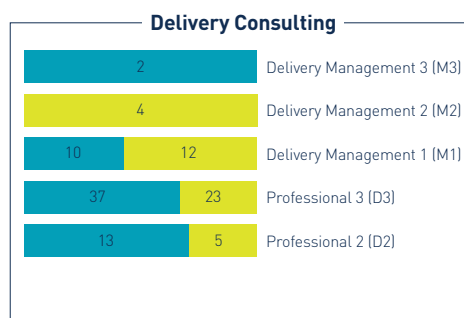
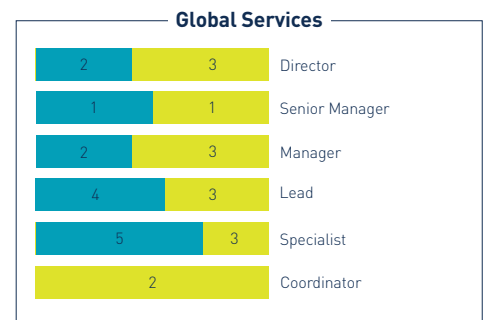
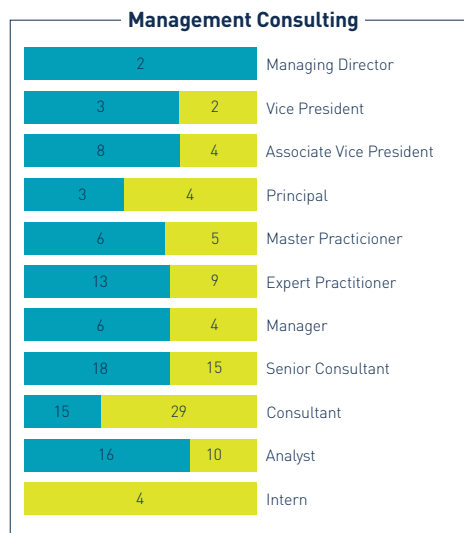
*Quartiles are calculated in descending order from highest hourly pay down to lowest hourly pay. We then split the population into 4 equal groups or quartiles.

HEADLINES

- The firm saw significant progress in our GPG mean pay gap in 2022. The mean pay gap was 21.98% in 2021, whereas our GPG mean gap in 2022 has been calculated at 13.67% (Please note that the mean pay gap would have been 18.99% in 2021 if we were to remove executive bonus payouts).
- The median pay gap has been calculated at 4.87% in 2022.
- There was a slight increase in our bonus pay gap calculations in April 2022. The bonus was calculated at 58.93% in 2022, whereas it was 51.42% in 2021.
- In 2022, bonus pay receivership was the highest it has been since 2017 – 85.7% of men received a bonus, and 89.5% of women received bonuses.
- The median bonus pay gap has been calculated at 10.71% in 2022, the lowest it has been since 2017.

UK EMPLOYEES INCLUDED IN PAY GAP STATISTICS AS OF APRIL 5, 2022

■ MEN ■ WOMEN





Pay

The firm saw significant progress in our GPG mean pay gap in 2022. The mean pay gap was 21.98% in 2021, whereas our GPG mean gap in 2022 has been calculated at 13.67%. Please note that the mean pay gap would have been 18.99% in 2021 if we were to remove executive bonus payouts. Including executive bonus payouts, this is actually an apples-to-apples comparison of the year-over-year change. There are several factors that we attribute to this achievement:

1. We adjusted the timing of the annual exec bonus payouts to align with the non-exec bonus payouts. We are required by UK government regulations to use specific components to calculate the annual GPG pay figures every year. Beyond base pay, one of the more substantial pay components included in the calculations is bonuses. Adjusting the timing of the exec bonus payment allowed us to produce more comparable calculations. As a result, we will continue to align the timing of non-exec and exec bonuses moving forward.
2. We are starting to see more women in leadership positions, most of which have been the result of promotions. We've seen increased representation of women at the vice president, associate vice president, master practitioner and M1 levels.
3. When looking at the quartiles, we are seeing a steady representation of men and women in each quartile when comparing April 2022 with April 2021. We are now seeing fewer women representation in the lower hourly pay quartile (62% in 2021; 54% in 2022). The mean gender pay gap is 13.67%, while the median gender pay gap is 4.87%, which indicates that the mean is driven by a higher representation of men at managerial levels.



Bonus

There was a slight increase in our bonus pay gap calculations in April 2022. The bonus was calculated at 58.93% in 2022, whereas 51.42% in 2021.

The slight increase can be attributed to multiple factors:

1. Higher bonuses are paid to men at management levels where we have no women incumbents.
2. Bonuses are pro-rated for those who are on leave of absence or reduced working arrangement. The majority of those on leave of absence/reduced working arrangements are women.
3. There were several execs who were paid a purchase of share options. Most of the execs receiving this payment were men who opted into these share options when offered.

COVID-19 played a significant role in the drastic decline of bonus pay receivership in 2020; however, receivership began to normalise and even exceed historical values in 2021. In 2022, bonus pay receivership was the highest it had been since 2017 – 85.7% of men received bonuses, and 89.5% of women received bonuses.

WHAT NEXT?

We are deeply committed to narrowing our gender pay gap and achieving greater gender parity across our firm. Our diversity is what sets us apart, and we firmly believe that it is this diversity that drives our innovation and success.

Below is an outline of what we at North Highland are going to do in 2023, to continue our journey of narrowing our gender pay gap:



Recruiting and hiring of diverse talent:

- Upskill and diversify interview panels to achieve a global panel of diverse interviewers at all levels.
- Require all our current (and new) hiring managers to attend comprehensive recruitment training sessions, including on unconscious bias.
- Review (and where applicable, update) all interview questions to ensure they are inclusive consistent (per level) and include DEI-related questions that probe a candidate's values.
- Use gender-inclusive language in job postings.



Education and awareness:

- Continue to provide DEI training through L&D program.
- Continue to support our WIN group's (Women in North Highland) education, community, and advocacy efforts across the firm.
- Continuously seek new modes of education to stay current on diversity best practices.
- Launch DEI cohorts for non-exec's which will focus on a variety of DEI topics, including those that promote women leadership and career development.

We continue to see that a predominant driver of bonus pay gap is 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 is however, the lowest it has been since 2017. The downward trend can be ascribed to higher bonus values paid to women, more women at leadership levels and higher bonus receivership amongst women as well.

Summary

The work of narrowing our gender pay gap/bonus pay gap should continue to focus on promoting women, especially into leadership roles, making efforts to reduce attrition amongst women, and providing robust career path opportunities for women to drive their professional aspirations forward. Please reference the appendix at the end of this narrative for the total counts used in this year's submission.

WHAT HAVE WE BEEN DOING TO ADDRESS THE GENDER PAY GAP SINCE LAST YEAR?

Since the 2021 gender pay gap report, we have initiated the below actions to improve our gender parity efforts in the UK, with a focus on continuing to position women in junior roles for leadership positions, accelerating women from mid-levels to prepare for leadership levels in the organisation, and supporting women already in these roles. Many of these recommendations came from employee focus groups held in mid-2022:

- Increased the number of women receiving bonus pay by 23.8% percent.
- Redesigned the Women in Leadership (WIL) programmes to develop and accelerate the career growth of our women leaders through leadership skill development, enhanced self-awareness, and coaching and mentoring.
- Recruited from a diverse pool of candidates, with a specific focus on achieving gender balance. To that end, in 2022, our UK office recruited 171 new employees, 53% of whom were female. This is a 10% increase from the previous year.
- Initiated an unconscious bias training for the hiring process that our talent acquisition team completed in 2022 and that we anticipate our interviewing teams will complete in 2023.
- Included the firm's expectations by setting the tone of communication in new joiner onboarding, project onboarding, project reviews, and performance reviews.
- Included topics on gender equity, gender inclusivity, and sexism in DEI executive cohort meetings.
- Supported Women in North Highland (WIN) sponsored events and education on gender bias, women's health, and women in technology.
- Supported a WIN pilot of the ALL BRIGHT Collective for women's external networking and community building.
- Piloted the Routes Mentoring programmes for 4 women in the SC/D3/M1 levels.
- Increased representation of UK women in leadership positions (defined as a master practitioner, principal, director, M3, and above) from 36% in 2021 to 43% in 2022.
- Maintained representation of UK women in executive positions (defined as AVP and above) at 60% between 2021 and 2022, compared to 40% of UK men in executive positions.

WHAT NEXT?



Structure and career support

- We are restructuring our coaching and management model to align with our operational ways of working and incorporating an integrated sponsorship approach as we do so that will focus on the career development of women and people of colour.



Continuous review

- Measure the gender pay gap before the 2023 mid-year promotion cycle and review progress made from the 2023 year-end compensation cycle before going into the mid-year cycle.



Learning and development

In 2023, our L&D offerings will play a meaningful role in our roadmap to develop and retain talented women. The overall objective of many of our big key leadership development programmes will not only be to support current leaders and managers but to also support our future pipeline of leaders and managers.

The purpose of these programmes will be to:

- Support recently promoted AVPs during their transition to executive and heighten organisational and self-awareness while expanding leadership competencies.
- Create space and opportunities to further understand what it means to be an executive at North Highland as well as learning from best practices at other leading organisations.
- Strengthen and enhance leadership capabilities. Our HIPO women will be one of the cohorts of groups for these programmes.

CONCLUSION

In conclusion, we are committed to narrowing our gender pay gap through a series of strategic initiatives across all parts of our employee lifecycle across in the firm. Reducing 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

WHAT NEXT?



WIL programmes HIPO's

- In 2023 we will be relaunching our Women In Leadership programmes (WIL). This programmes will be solely target our high potential women employees, at mid-job levels across our firm. The focus of the programmes will be on leadership development, skill-building, and career advancement.



Targeted retention efforts

- Investigate the key drivers of turnover of our women employees, and develop targeted initiatives that aim to address the turnover rate of this group.

FOR MORE INFORMATION CONTACT

JENNIFER MANCUSO

Vice President of Human Resources

Jennifer.Mancuso@northhighland.com

APPENDIX

Management Consulting, Portfolio Groups, and Managed Services

Level	Men	Women
Managing Director	2	
Vice President	3	2
Associate Vice President	8	4
Master Practitioner	6	5
Principal	3	4
Expert Practitioner	13	9
Manager	6	4
Senior Consultant	18	15
Consultant	15	29
Analyst	16	10
Intern		4

Delivery Consulting

Level	Men	Women
Delivery Management 3 (M3)	2	
Delivery Management 2 (M2)	4	
Delivery Management 1 (M1)	10	12
Professional 3 (D3)	37	23
Professional 2 (D2)	13	5

Global Services

Level	Men	Women
Director	2	3
Senior Manager	1	1
Manager	2	3
Lead	4	3
Specialist	5	3
Coordinator		2

Gender Pay Gap and Bonus Percentages:

Level	Percentage
Mean Gender Pay Gap	13.67%
Median Gender Pay Gap	4.87%
Mean Bonus Pay Gap	58.93%
Median Bonus Pay Gap	10.71%

	Percentage Men	Percentage Women
The proportion of men and women who received bonus pay	85.7%	89.5%

*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 4 quartile pay bands.

	Lower Hourly Quartile	Lower Middle Hourly Quartile	Upper Middle Hourly Quartile	Upper Hourly Quartile
Men	45%	56%	55%	62%
Women	55%	44%	45%	38%

*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.