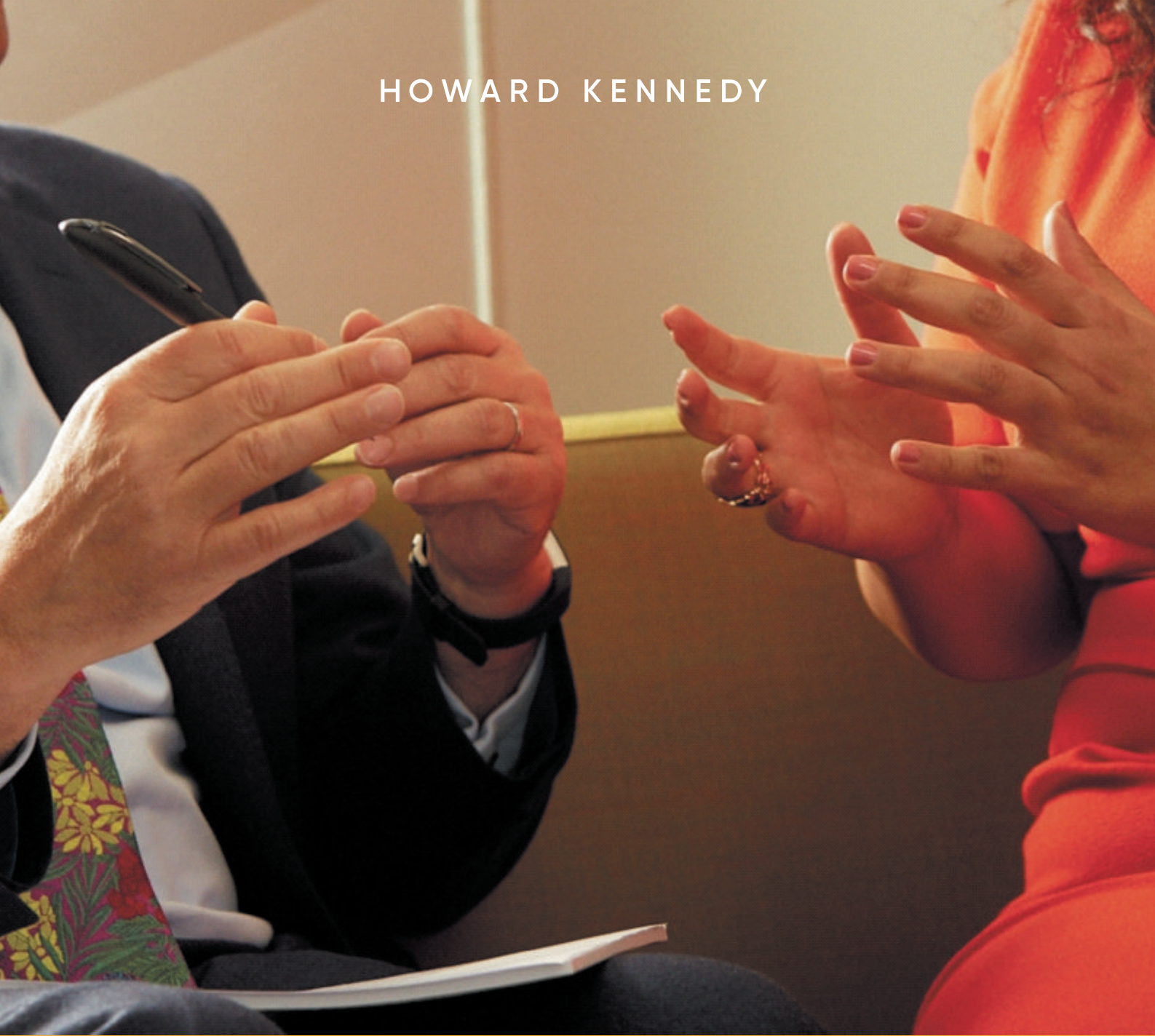


HOWARD KENNEDY



Gender Pay Gap Statement

Report 2020



Howard Kennedy – Gender Pay Gap Statement 2020

Executive summary of results

Howard Kennedy is able to report a notable reduction in the mean gender pay gap for our employees, as at April 2020, in comparison to our 2019 and 2018 data, as well as an increase in the number of women hired and receiving bonuses. We acknowledge an increase in our median pay gap, which is attributed to our 2019 hiring patterns.

Although we were not required to publish the data for 2019, as the government waived the requirement for businesses to publish their gender pay results due to the global pandemic, we have included last year's results in our report and in our analysis for total transparency.

We are pleased to report that we are below the legal sector average of 28.3%, with a mean gender pay gap of 10.1% and a median gender pay gap of 26.4%. While we know that we have work to do, we are proud to be reporting a decreasing gap when the sector average is increasing.

What is the "gender pay gap"?

Gender pay gap reporting shows the difference between men's and women's average earnings across the business. The 'gap' is reported as a percentage, with a positive result showing in favour of men, and a negative result showing in favour of women.

Reporting encourages discussion around the factors that can limit female progression: such as occupational segregation, unconscious bias, family responsibility and how this is viewed and treated.

How does this differ from "equal pay"?

Equal pay is where we look at men and women in comparable roles and ensure their salaries are equal. Gender pay does not look at like-for-like roles. Equal pay is out of scope of these reporting requirements.

What are the "mean" and "median", and why show both?

A "mean" average involves adding up all the numbers and dividing the result by how many numbers are in the list. Mean averages are useful because they give a good overall indication of the gender pay gap. However, the result can be distorted by outliers (for example, an individual who is paid significantly more or significantly less than others in the firm) in the data.

A "median" average shows the middle number if all the numbers were shown in numerical order. Median averages are useful to indicate the 'typical' situation, as they are not distorted by outliers. However, this wouldn't effectively highlight where there are pay gap issues at the highest and lowest levels.

Using these two different types of average gives a more balanced overview of the overall gender pay gap.

10.1%

Employee mean gender pay gap

26.4%

Employee median gender pay gap

25.3%

Partner mean gender pay gap

27.3%

Partner median gender pay gap

Employee pay statistics

Our results

Below shows our results as of April 2020 payroll, and a comparison to our previous reports

10.1%

Mean gender pay gap for employees
This is a change of -7.6% in comparison to 2019.

26.4%

Median gender pay gap for employees
This is a change of 5.8% in comparison to 2019.

	2019	2018-19 change	2018	2017-18 change	2017
Mean gender pay gap	17.7%	-0.9%	18.6%	5.5%	13.1%
Median gender pay gap	20.6%	0.7%	19.9%	-9.4%	29.3%

Pay quartiles

As part of the reporting requirements, we are required to break down our employee population into equal quartiles based on their salary, and show the percentage of men and women within each quarter. Pay quartiles rank individuals from highest to lowest hourly rate of pay and split these into 4 evenly sized groups.

% of employees in each pay quartile	Male	Female
Q4 (Upper Quartile)	41.1%	58.9%
Q3 (Upper Middle)	27.4%	72.6%
Q2 (Lower Middle)	28.8%	71.2%
Q1 (Lower Quartile)	27.8%	72.2%

What do the results tell us?

The reduction in our mean pay gap shows that overall, our gender pay gap is reducing despite one significant outlier. We acknowledge an increase in our median pay gap. The majority of our hires were women in the 2019-20 financial year. However, over three-quarters of these hires were in the lower two quartiles so this has reduced the salary midpoint for our female population.

We have a greater proportion of women than men across all quartiles, which indicates that we are able to attract, recruit and retain women at all levels within the firm. We have also seen an increase in the overall percentage of women in the firm.

Employee bonus statistics

Our results

As well as salary, it's also important to ensure other remuneration is equal across the business which is why we're also required to report on bonuses.

23.5%

Mean bonus gap.
9.9% change from 2019

16.7%

Median bonus gap
-10.6% change from 2019

41.4%

Males receiving a bonus
6.3% change from 2019

48.2%

Females receiving a bonus
6.2% change from 2019

	2019	2018-19 change	2018	2017-18 change	2017
Mean Bonus Gap	13.6%	-6.2%	19.8%	-0.2%	20.0%
Median Bonus Gap	27.3%	7.3%	20.0%	-22.9%	42.9%
Males Receiving Bonus	35.1%	-1.0%	36.1%	7.7%	28.4%
Females Receiving Bonus	42.0%	10.8%	31.2%	6.8%	28.4%

What do the results tell us?

The reduction in the median tells us that our female population's bonuses are more closely aligned to our male population than last year with less outliers in favour of the male population.

This could also be due to more female employees receiving a bonus than in 2018 and 2019. We attribute this to the review conducted of the firm's bonus policy to ensure a consistent, fair and transparent process of incentives for performance.

Bonuses are reported from actual amounts received, which indicates that part of our mean bonus gap can be attributed to a higher percentage of our women working part-time and therefore receiving pro-rated bonuses.



Partner pay statistics

Our results

We have chosen to share information on the gender pay gap for partners within our statement to ensure that there is transparency at all levels of the firm.

25.3%

Mean gender pay gap for partners
This is a change of -3.9% in comparison to 2019.

27.3%

Median gender pay gap for partners
This is a change of -7.3% in comparison to 2019.

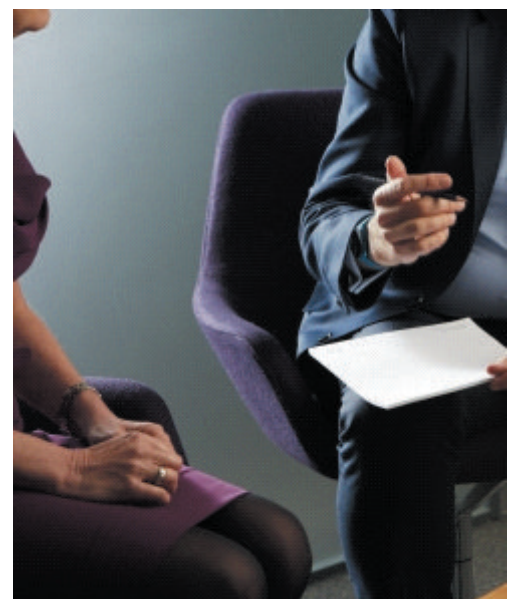
Partners as at 5 April 2019	2019	2018-19 change	2018
Mean gender pay gap	29.2%	-2.6%	31.8%
Median gender pay gap	34.6%	2.0%	32.6%

Partner Gender Split	
Male	Female
74.0%	26.0%

What do the results tell us?

We acknowledge that the gender pay gap for our partners is wider than for our employees, yet both the mean and median has reduced compared to last year. This can be attributed in part to the proportion of women at partner level not being representative of the gender split across the rest of the firm a factor that we continue to address as part of our talent and development approach.

Achieving greater diversity in everything we do across the firm is a priority for us, and promoting three female colleagues to partner demonstrates our commitment to this goal. We hope our results next year will further reflect this.



HOWARD KENNEDY



Looking ahead

Our strategy

We acknowledge the gender split extremes at the lower and upper quartiles and continue to place emphasis on addressing these through the many initiatives described below.

We are committed to inclusion and providing everyone with opportunities to progress and develop. We are doing this through initiatives such as our development curriculum, mentoring and career frameworks. We invested in leadership training for partners around 'Respect at Work'. We continue to provide training around unconscious bias. We still have a lot of work to do and are excited about the opportunity to build on the changes made already through focus on ESG/responsible business, a strategic imperative for 2021 and beyond.

As a firm, we are proud that we have a sizeable female population at all levels and we seek to continue to develop our talent pipeline, through our Future Leaders Programme, so that more women make it as partners. We continue to invest in the development of existing partners and 2021 will see an increase in investment for this population.

We continue to invest in practices that will make life easier and therefore provide the space for progression, such as flexible working hours and coaching for those taking maternity leave. We have introduced a Fertility Policy to support those having fertility treatment. We are also proud to be corporate members of City Parents because we recognise that it can sometimes be difficult balancing home life with a progressive career and we want to support our working parents with access to networking, events, webinars and mentoring.

We have provided greater transparency around our pay philosophy, including publishing our pay bands for each level. We aim to standardise pay ranges for roles to ensure comparable pay for broadly similar jobs, while reflecting the specific market value of different specialisms. In addition, we engaged with focus groups in all departments ahead of pay review to enhance transparency and employee input on our chosen peer group.

In the year ahead, we will continue to engage with our people and review our working practices and policies to support an inclusive workforce including maternity and paternity policies for employees and partners.

Our goal was to improve our statistics from last year which we have achieved in the case of mean pay. However, the firm has a continuing commitment to reduce the pay gap further at both the mean and median level.