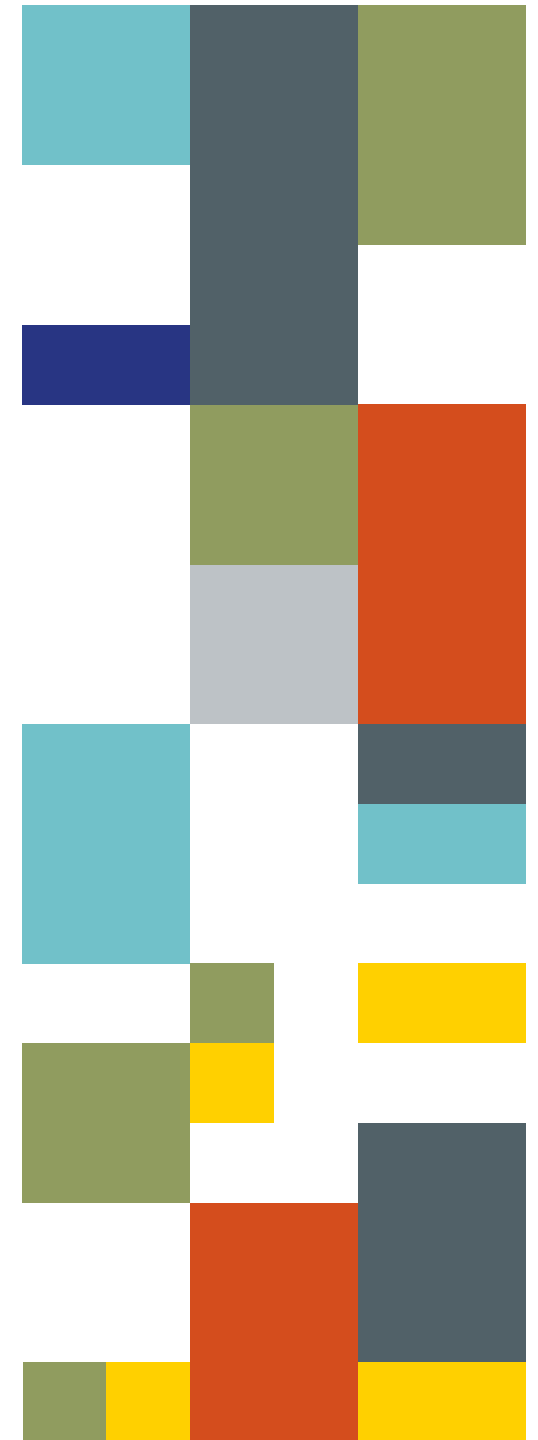


2019 and 2020 Gender Pay Gap Report

Hill+Knowlton Strategies UK
March 2021



Summary

As we continued to manage the effects of Covid-19 on our company in London in 2020, we remained focused on building a culture of equality and equity and on creating an even more inclusive workplace.

At H+K London, we seek to foster a culture where we can all be at our best and truly belong. Regardless of gender, race, ethnicity, sexual orientation, age, religion, disability or caring responsibilities, we want to ensure everyone can reach their full potential.

When our gender pay gap numbers were measured in April 2019, we had 323 staff who were paid through the H+K London payroll and qualified to be counted. 189 of these were women and 134 were men; a 59% to 41% mix in favour of women. This compares to an average across the PR industry as measured by the PRCA of around 64% women and 36% men. When we measured the numbers again in April 2020, we had 328 staff who were paid through the H+K London payroll with 190 women and 138 men; a 58% to 42% mix in favour of women. Our gender pay gap figures have improved in 2020, with our mean gender pay gap reduced by 29% from 2019 to 2020 and the bonus gap reduced by 20% for the same dates.

Our 2020 gender pay gap numbers have seen an improvement since 2019, but they are still not where they should be and we need to continue our efforts to increase the pace of change and I remain committed to this.

It is worth noting that our figures include several senior executives from our global organisation, as well as those from another WPP agency, SJR London, of whom the majority are men and, whose remuneration is higher than those who work at H+K London.

The proportions speak for themselves, but I want to assure everyone in our company that men and women are paid equally for doing equivalent jobs across our business; it is the differences in gender representation at different levels in an organisation like ours that creates the gender pay gap.

What are we doing to close our gender pay gap and address inequality?

People + Culture

At H+K London, we continued to embed our EquALL programme which seeks to build a culture of equality from the inside out. It remains a key priority for the senior leadership team and many of our executives passionately run strands of this programme through our business. Our EquALL manifesto reinforces our message that we want to see that who we are as people is reflected in who we are as a company, and to ensure the voice of every person is not just heard but listened to. Expansion of this EquALL programme and its activities continue this year and I am proud of the commitment and dedication of those who have been involved in the EquALL programme.

We run our business ethically and in the interests of fairness and equal opportunity for all. We are constantly trying to improve our processes so that they are clear, transparent and robust. As part of this we measure and reward staff across several points in the year and we run a system of bonuses for performance related work and for specific achievements. Pay is constantly measured, benchmarked and calibrated to ensure that it is fair and relevant to roles, skills and experience.

In 2019, we updated our pay and promotions policy to ensure transparency around this area. At the start of 2020, we introduced a revamped and simplified junior structure, improving pay and rewards and reinforcing it with a dynamic modular development programme across our entry-level, junior and mid-level roles, which is designed to train our executives across all elements of PR and communications. This learning and development programme is called the Advance programme.

In addition, we are continuing to develop a best practice programme for flexibility and benefits – and are undergoing a further review of our current flexible working policies. We recently reviewed and improved our maternity and paternity policies and will continue to do this on an annual basis.

We have signed up to the National Equalities Commission, the leading employer network promoting inclusion and equality in the workplace. They provide advice and guidance about creating inclusive workplaces and develop campaigns to help support this agenda.

All of our employees are also mandated to sign up to the WPP Code of Conduct and it is made clear that respect for diversity and inclusion is critical for all employees. We are proud to be part of WPP and are following WPP's anti-racism commitments, made in June 2020, to ensure we are an actively anti-racist organisation. We are supporting people of colour and under-represented groups as a business imperative and committing to greater representation at all levels.

I have recently established a Diversity, Equity and Inclusion Committee in London that I chair, which is tasked with driving forward our strategy in this area. My priority is to ensure we have an inclusive and positive culture, where people feel respected and supported.

In 2019, I also launched a junior/mid-level advisory board, the Futures Council. Its members are representative from across the agency and this group has been tasked with helping to support the UK agency's improvement agenda and to provide recommendations on how to grow and modernise the business.

What are we doing to close our gender pay gap and address inequality?

Recruitment

We are committed to attracting and developing the best and most diverse talent and nurturing a culture of inclusion. We recruit through a wide range of pipelines and channels with the express aim of improving diversity across the business.

We continue to ensure that our recruitment processes, from junior roles through to experienced hires, are open and attractive to all. All new job advertisements go through a decoder to avoid unconscious bias and all roles are offered with flexible working options.

We have run formal interview training since 2019, with a focus on inclusivity, and we will continue to run this on an annual basis, as well as new processes to ensure we see a wider pool of candidates.

We run a number of UK initiatives, partnerships and programmes that help to support the attraction and development of diverse employees, including Creative Access, Debut and Drive Forward.

In March 2020, we hosted our first Returnables Programme and partnered with a number of organisations to help men and women to orientate back into the workplace after a career break.

Over the course of 2020, in place of our work placement programme scheduled to take place in the office, we ran a series of H+K virtual work experience programmes in June and October, that provided insight into the PR industry, combined with some learning seminars open to all students.

Learning + Development

At the start of 2020, we launched EquALL Women, a new female leadership programme, aimed at senior future leaders. We are committed to creating an environment where more women can thrive and progress into senior positions.

We have also rolled out compulsory unconscious bias training for everyone across the business.

Thrive, our programme that promotes health and wellness for everyone at H+K London continues with new programmes, events and learning and development initiatives, with key sessions for all staff highlighting the importance of good mental health in the workplace.

What are we doing to close our gender pay gap and address inequality?

Race + Inequality

The tragic deaths of George Floyd and others in the USA and the related BLM movement around the world, prompted us to re-examine H+K's record on race. As individuals, as teams and as an agency we talked, shared and learned. We educated ourselves and committed to change. We developed a rigorous action plan that we are now committed to rolling out across our business.

In autumn 2020 we launched our first sponsorship programme for all junior and mid-level people of colour and we have committed to allyship and anti-racism training for all employees and inclusive leadership for senior employees. We have also mandated that every employee will have specific goals and objectives relating to diversity and inclusion.

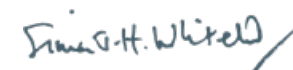
Conclusion

We are intent on developing a culture of equality and of tolerance, with a commitment to strive hard and constantly to ensure that fairness and equality are trusted watchwords inside H+K London.

My priority is for a diverse and motivated workforce that enables us to deliver the best work for our clients. We are constantly working to try and improve our gender pay gap numbers and have a wide range of initiatives to help people develop and thrive. We are 100% committed to gender equality and our ongoing priority is to build a workplace where everyone feels welcome and all voices are heard. We are committed to ensuring we have an inclusive culture for all our people.

I welcome any and all feedback and ideas, either on the content of this report or on our wider diversity, equity and inclusion programmes.

We confirm that the information in this report is accurate and prepared in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Simon Whitehead, CEO
Hill and Knowlton Strategies London

Our numbers

The gender pay gap (difference in hourly average pay)

Median (middle)

Mean (average)

2020

2.6%

10.8%

2019

8.9%

15.3%

The table here shows our median and mean gender pay gap from 2017 through to 2020, drawn on the snapshot date of 5th April each year.

In 2020, the median (middle) pay gap result shows we have an hourly rate that is 2.6% in favour of men, and we had a mean (average) gender pay gap of 10.8% compared to 15.3% in 2019.

Pay Quartiles

As required by the GPG reporting requirements, we have split our employees into four equal quartiles based on their average total hourly rate of pay to show the proportion of men and women in each group, with Quartile 1 representing the lowest paid group and Quartile 4 the highest paid.

Proportion of males and females in each quartile salary bracket



Quartile 1

2020 **49%** **51%**
2019 **43%** **57%**



Quartile 2

2020 **34%** **66%**
2019 **31%** **69%**



Quartile 3

2020 **39%** **61%**
2019 **41%** **59%**



Quartile 4

2020 **46%** **54%**
2019 **51%** **49%**

■ Male ■ Female

Bonuses

Funded by the overall growth in the profit of the agency we run a bonus scheme for senior employees to recognise and reward performance growth and personal contributions to that growth.

Overall, bonus payments were higher at the most senior end of the firm, with several senior men given bonuses which meant that we had a mean bonus gap in favour of men.

The gender bonus gap

Median (middle)

Mean (average)

2020

-11.1%

54%

2019

20%

67.5%

Who receives a bonus?

Male

Female

2020

22%

21%

2019

19%

23%