

HGF

Gender Pay Gap Report 2021

HGF is striving to have a diverse and inclusive workforce and our ongoing people strategy and Equality Diversity and Inclusion (EDI) plans support these aims. Our leadership and management team, which includes Board EDI sponsor Vanessa Stainthorpe, are committed to supporting our people, to helping them flourish and reach their full potential, whatever their role and background. Our EDI strategy comprises continual, objective assessment of where improvements are required, setting the targets, internal education sessions and development programmes which enable us to meet our EDI aims.

We are pleased to report for the third time on our gender pay gap under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. This report is based on all our HGF UK based employees. 194 women and 141 men are included in this report, as that was the number of people on the 'snapshot date' of 5 April 2020 for pay, and the twelve months reference period up to 5 April 2020 for bonus. The number of men and women included is lower than the number of our employees on that date as the Regulations exclude those on long term sickness, or maternity/paternity leave, and consultants.

Definitions:

Hourly Pay:

The rate of pay each individual received for one hour on the snapshot date of 5 April 2020, regardless of their job role.

Mean Average Pay Gap:

The difference between the mean hourly rate of pay for all men and women. Mean is calculated by adding all the individual hourly pay rates and dividing by the number of individual hourly pay rates.

Median Average Pay Gap:

The difference between the median hourly rate of pay for all men and women. Median is calculated by ranking all the individual hourly pay rates in numerical order, then finding the number that's in the middle.

Pay Quartiles:

These are calculated by ranking all employees' hourly pay in numerical order then dividing these into four equal quarters.

Pay gap

The table below, shows our overall mean and median gender pay gap based on hourly rates of pay as at the snapshot date of 5 April 2020. The mean gender pay gap of 16.8%, which represents an improvement of 0.7% on the prior year and the median gender pay gap of 11.6%, which represents an improvement of 2.2% on the prior year.

2021	Mean	Median
Hourly pay	16.8%	11.6%

The analysis of our gender pay gap figures tell us that our gender pay gap as at April 2020 is mainly due to having a greater proportion of female employees in the lower middle quartile, those being support and administration roles and the upper middle quartile, those being senior support roles. We also have fewer women at our Director level in the upper quartile. This can be seen more clearly in the Pay Quartile Chart, below.

Quartile	Men	Women
Lower Quartile	53.6%	46.4%
Lower Middle Quartile	20.2%	79.8%
Upper Middle Quartile	38.1%	61.9%
Upper Quartile	56.6%	43.4%

It is important to recognise that the gender pay gap is not analysing equal pay for men and women in the same jobs. The hourly rate data required by the Regulations looks only at what is paid to men and to women and does not take into account the role the individual holds. HGF adheres to an equitable and fair process for annually reviewing and setting pay levels to ensure women and men in the same jobs are paid equally.

The higher proportions of women in the lower middle quartile is typical of many professional services firms, in that we have more women in support and administrative roles, whilst the market rate salaries paid for qualified fee earners and experienced management roles are typically at higher levels.

Bonus Pay gap

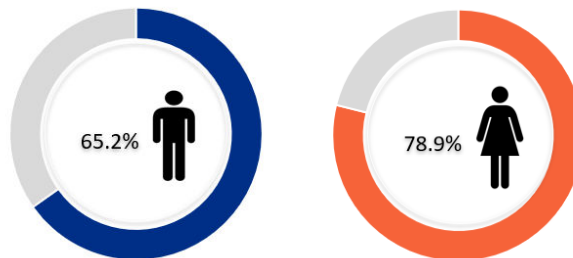
The table below, shows our mean and median bonus pay gap for the twelve-month period to 5 April 2020. HGF includes all staff in our bonus scheme. Whilst HGF's Shareholders receive a salary and are included in this report, they are not eligible for the bonus scheme.

The bonus pay gap results from a combination of two factors. Working patterns influence this because the actual bonus payments awarded are used in the analysis and are not compared on a pro rata basis for those

who work part time. The actual bonus payments awarded have to be used in the analysis. As bonus payments at HGF are based on a percentage of salary, whilst women and men have exactly the same bonus percentage rate, there are far more women who take the opportunity to work part time, which then reduces the amount of their bonus payment. Secondly, more women than men have jobs in the lower middle pay quartile (support, operational and administrative roles), and as bonuses are based on a percentage of salary, these roles receive proportionately lower bonus levels.

2021	Mean	Median
Bonus	47.9%	41.8%

The proportion of males and females receiving a bonus payment

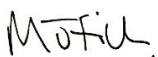


The charts above display the proportion of women and men who received a bonus payment in the twelve-month period up to 5 April 2020. Our analysis of data shows that the difference proportions here results mainly from HGF Shareholders being included in this report and Shareholders do not receive bonuses. As there are currently more male Shareholders than female, this increases the proportion of men not receiving a bonus.

Monitoring Pay Gaps

HGF continues to analyse and review our pay gap information to ensure we understand how well our equality and diversity policy and initiatives are working. In time, we anticipate the gaps between the genders narrowing.

Signature:



Martyn Fish

Signature:



Carol Watkiss