

HGF

Gender Pay Gap Report 2021/22

We are pleased to report for the fourth 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. 212 women and 143 men are included in this report, as that was the number of people on the 'snapshot date' of 5 April 2021 for pay, and the twelve months reference period up to 5 April 2021 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.

HGF's Commitment

HGF is committed to being a diverse, equitable and inclusive employer and our People Strategy and Diversity, Equity and Inclusion (DEI) Action Plan support this commitment. Our leadership and management team, which includes Board DEI sponsor Vanessa Stainthorpe, are committed to supporting our people, to helping them flourish and reach their full potential, whatever their role and background. Our DEI 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 DEI aims.

Definitions:

Hourly Pay:

The rate of pay each individual received for one hour on the snapshot date of 5 April 2021, 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 2021. The mean gender pay gap of 16.9% and the median gender pay gap of 9.5%, which represents an improvement of 2.1% on the prior year, the reason for this is we have more women in the upper middle quartile.

5 April 2021	Mean	Median
Hourly pay	16.9%	9.5%

The analysis of our gender pay gap figures tell us that our gender pay gap as at April 2021 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	50.6%	49.4%
Lower Middle Quartile	22.5%	77.5%
Upper Middle Quartile	33.7%	66.3%
Upper Quartile	54.5%	45.5%

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. We know that women are underrepresented within STEM roles in the intellectual property profession, and currently this is also true at HGF, thus impacting our gender pay gap.

HGF uses 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.

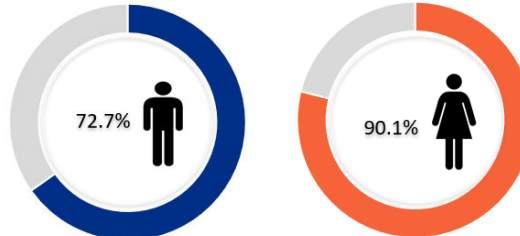
Bonus Pay gap

The table below, shows our mean and median bonus pay gap for the twelve-month period to 5 April 2021. 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.

Our bonus pay gap is a result of pro rata bonus payments or working patterns 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. For 2020, the performance bonuses were cancelled due to Covid-19 and a Festive Gift was awarded to staff in December 2020 to recognise everyone’s outstanding efforts since March as a unique gesture in response to unique circumstances and the astonishing efforts by everyone within HGF. Everyone was awarded the same amount, however, there are far more women who take the opportunity to work part time, which then reduces the amount of their bonus payment.

2021	Mean	Median
Bonus	6.5%	0.0%

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 2021. Our analysis of data shows that the difference proportions here result 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.

Actions We Are Taking

In our annual diversity survey, last conducted in August 2021, 72% of those invited to participate did so, which gives us important data to help us measure progress towards our gender targets to 2027 which are to:

Improve gender balance

- *At Board level increase to 38% women*
- *In the shareholder group, increase to 30% women*
- *In the RMEP (Reserved Matter Equity Partner) group, increase to 20% women*

We have created and are in the process of implementing a 6-year Action Plan, this has led to action being taken such as aspirational targets being set, DEI being a standing item on the Board and in leadership meetings, learning programmes being rolled out, regular communication internally and externally and reviewing and improving recruitment and selection practices.

Partnered with a global external expert to deliver an Inclusive Leadership workshop, this has raised awareness on inclusion and accountability on action.

Leaders have pledged their personal commitment by signing the IP Inclusive Senior Leaders pledge available on our website. This provides visible and active leadership on improving diversity, equity and inclusion at HGF but within the IP profession more widely.

Review of recruitment and selection practices has led to the gathering of diversity data with new hires, blind CVs, diverse interview panels, rejecting non-diverse shortlists and setting clear expectations with recruitment agents. The learning programmes have also helped hiring managers to be more aware about and challenge their own unconscious biases during the selection process. All of which has led to 66.7% of female hires at Trainee Attorney / Attorney level in the period of 6 April 2020 to 5 April 2021.

Monitoring Pay Gaps

HGF continues to analyse and review our pay gap information to ensure we understand how well our DEI policy and initiatives are working. We are very pleased to see some improvements. In time, we anticipate the gaps between the genders narrowing further.

Signature:



Martyn Fish
CEO

Signature:



Carol Watkiss
HR Director