

# HGF Gender Pay Gap Report 2022/23

---

We are pleased to report for the fifth 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. 222 women and 127 men are included in this report, as that was the number of people on the 'snapshot date' of 5 April 2022 for pay, and the twelve months reference period up to 5 April 2022 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.

Our aim is to be the IP firm that the best people want to join because of our culture, the way we treat people, the career opportunities we offer and the learning and development support we provide at all levels.

We want HGF to be an enjoyable place to work and a firm where everyone can be their true selves and fulfil their potential.

We commit to:

- Treating all colleagues at all levels equally and with respect.
- Continuing to be advocates for diversity, equity and inclusion at all levels of our business.
- Providing agile working and flexibility where job role allows, whilst ensuring that people feel a sense of belonging to HGF.

## Definitions:

### Hourly Pay:

The rate of pay each individual received for one hour on the snapshot date of 5 April 2022, 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 2022. The mean gender pay gap of 18.6% (16.9% in 2021) and the median gender pay gap of 18.3% (9.5% in 2021).

5 April 2022	Mean	Median
Hourly pay	18.6%	18.3%

The analysis of our gender pay gap figures tell us that our gender pay gap as at April 2022 is mainly due to the types of roles undertaken by women and men and having a greater proportion of women employees in the lower middle and the upper middle quartile, those being in business services roles. We have also seen an increase in women employees in the lower quartile, during this year the majority of recruitment was filled by women, mainly in business services roles. This can be seen more clearly in the Pay Quartile Chart, below.

Quartile	Men	Women
Lower Quartile	40.2%	59.8%
Lower Middle Quartile	21.7%	78.3%
Upper Middle Quartile	32.3%	67.8%
Upper Quartile	50.6%	49.4%

## Promotion of Women

This year we have seen an increase in women employees in the upper quartile, which is due to women promoted at Director level.



**5.4%** INCREASE

In the number of women at Director level

It is important to recognise that the gender pay gap is not analysing equal pay for women and men in the same jobs. The hourly rate data required by the Regulations looks only at what is paid to women and men and does not take into account the role the individual holds. We know that women are underrepresented within STEM (Science, Technology, Engineering and Mathematics) roles in the intellectual property profession, and currently this is also true at HGF. From our research, we know it's this gender imbalance that's the key driver of our gender pay gap at HGF.

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 business services roles whilst the market rate salaries paid for qualified fee earners and experienced management roles are typically at higher levels.

## Bonus Pay gap

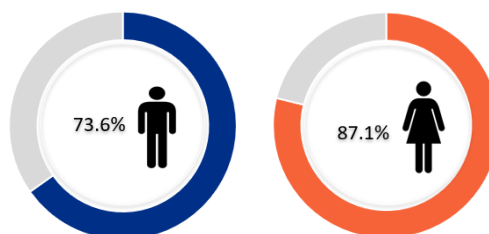
The table below, shows our mean and median bonus pay gap for the twelve-month period to 5 April 2022. HGF includes all staff in our bonus scheme. Whilst HGF's Shareholders receive a salary and are included in this report, they are not eligible for the bonus scheme.

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.

The analysis of the bonus pay gap tells us that the gap is mainly due to the structure of the bonus scheme, as fee earners have a higher percentage bonus pot than the business services roles and the majority of roles in business services are filled by women.

2022	Mean	Median
Bonus	35.6%	18.4%

The proportion of women and men 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 2022. Our analysis of data shows that the difference in 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 women, this increases the proportion of men not receiving a bonus.

## **Actions We Are Taking**

In our annual diversity survey, last conducted in November 2022, 80% 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

### **Our DEI Strategy:**

Diversity, Equity and Inclusion (DEI) is fundamental to how we work with each other at HGF. As a part of HGF's DEI Strategy, we have committed to the advancement of equal opportunity, diversity and inclusion through the following:

- A dedicated budget for DEI related work/programmes
- Diversity Survey, run annually
- DEI Action Plan which forms part of our overall strategic plan
- DEI is a standing item on our Board agenda and leadership meetings headed up by our DEI Board Sponsor
- An established DEI Focus Group
- Diversity targets are in place and monitored
- Partnering with external inclusion experts with lived experience
- Diversity, Equal Opportunities and Dignity at Work Policy in place.
- Participation in an IP (Intellectual Property) Salary Survey which we then use to benchmark the salaries of our people.

### **How we undertake DEI activities:**

We have implemented a range of activities to fulfil our DEI Strategy, these are some examples of the work we are doing specific to addressing gender diversity:

- Annual diversity data is used to understand diversity baseline and to monitor and track ongoing progress against targets.
- Partnering with global external experts to deliver Inclusive Leadership workshops, inclusion behaviour and race fluency training, 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 equity, diversity and inclusion at HGF and within the IP profession more widely.
- Working with In2Science (<https://in2scienceuk.org/>) to support students from low income backgrounds to explore a career in science through sponsorship and work placement opportunities.

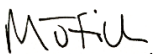
- Actively involved with IP Inclusive (industry body promoting inclusion within the IP profession - <https://ipinclusive.org.uk/>) – nine HGF employees actively volunteer with IP Inclusive in their work to make the IP industry more inclusive.
- Two Employee Affinity Groups in place (Families@HGF and Neurodiversity@HGF) – run by colleagues, for colleagues to provide support and guidance. They can also raise issues with the DEI Focus Group for escalation to the Board Sponsor.
- Increased data collections and analysis on starters, promotions and leavers.
- Focus on national and international campaigns to raise awareness and the profile of women in STEM / women in IP.
- Leadership development training including unconscious bias and recruitment best practices.
- External coaching for leaders – 61% of the uptake are female colleagues.

All of which has contributed to increasing our number of women hired at Trainee Attorney / Attorney level to 66.7% in the period of 6 April 2021 to 5 April 2022.

## 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. In time, we anticipate the gaps between the genders narrowing further.

Signature:



Martyn Fish  
CEO

Signature:



Carol Watkiss  
HR Director