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UK gender pay gap report 2023

5 April 2023 snapshot date

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A note from our Chief People Officer



Kerry Heaton
Chief People Officer

Every day we take complex investment and operational decisions that require a breadth of skills, experience, and capabilities. Getting these decisions right is critically important to the millions of savers whose capital we are managing and to the tens of thousands of employees across our portfolio companies. At Hg, we know that delivering this outcome requires a diverse team. That's why we strive to foster a culture that embraces diversity and promotes equal opportunities.

Whilst we make progress each year, our gender pay gap data serves as a stark reminder of the work that remains.

The report reflects the distributions of men and women across our firm, it is not a measure of equal pay.

We are committed to reducing our gender pay gap. As of 05 April 2023, 50% of our firm were female, along with 46% of our investment associates. Whilst this is more encouraging data, our focus has to be on development, mentoring, culture and benefits to ensure these women progress to the more senior levels.

We want to ensure Hg stands out for its commitment to enhancing gender equality within the private equity and technology sectors.

Understanding the pay gap

Our gender pay gap data shows that males at Hg earn more on average than females.

The reason for the pay gap is that the more senior roles in Hg have a higher reward potential, and despite significant firmwide improvements in diversity over recent years, at this level we have low gender diversity. In addition, gender diversity is skewed towards females in our lower paid roles such as our Executive Support Team. In total this team made up over 15% of our workforce as at 05 April 2023.

The numbers in this report are not a measure of equal pay – which we review thoroughly and annually. Where we have like-for-like roles, robust measures are in place to ensure our approach to pay is fair and equitable across our firm.

Closing the gap will take time, and we're making thoughtful steps such as increasing our pipeline of female investment executives joining the firm as well making targeted female hires at more senior positions. We believe that, as we continue to attract, develop and progress more female colleagues into senior levels of our firm, these gaps should reduce.

More information on our initiatives can be found in our annual D&I Report and also further below in this document.

42.6%

Mean hourly pay gap

50.7%

Median hourly pay gap

71.1%

Mean bonus pay gap

67.0%

Median bonus pay gap

Hourly pay

Hg's hourly pay gap is mainly a result of more males than females holding senior positions, principally across our investment and portfolio executive teams. These senior roles require more specialised experience, responsibility and expertise and, as a result, attract higher basic pay – as reflected in the hourly pay gap.

Our hourly pay and bonus pay gap figures are also influenced by other reward elements like carry-related bonuses which are allocated to investment teams. The components of this pay directly relate to investment outcomes and pay out sporadically – in line with business exits from our funds.

Bonus pay

As seniority in our roles increase, so do elements of our reward structure which reflect the increased responsibility for the performance of our firm and funds. The result is that senior positions have a higher bonus potential which causes the bonus gap to exceed the hourly pay gap.

Statutory disclosures

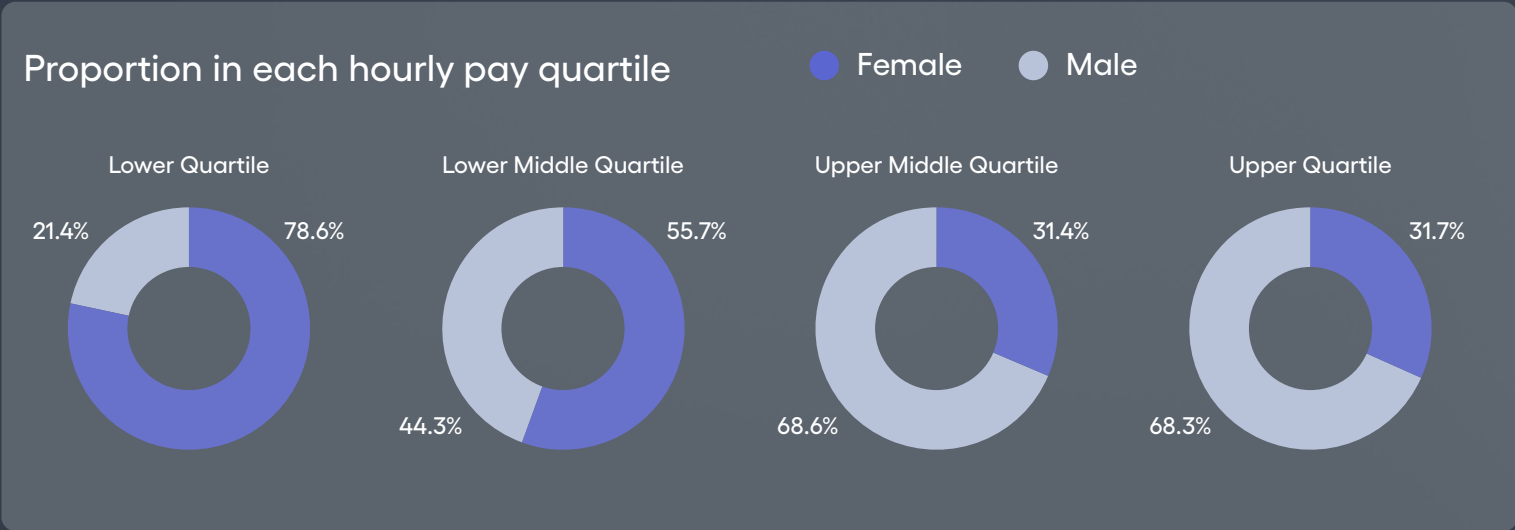
Hourly pay gaps	Bonus pay gaps	Proportion who received a bonus
<p>42.6%</p> <p>Mean hourly pay gap</p>	<p>71.1%</p> <p>Mean bonus pay gap</p>	<p>75.2%</p> <p>Females</p>
<p>50.7%</p> <p>Median hourly pay gap</p>	<p>67.0%</p> <p>Median bonus gap</p>	<p>78.8%</p> <p>Males</p>

Mean

- **Mean hourly pay gap** – the difference between the mean hourly rate of pay of male employees and that of female employees
- **Mean bonus gap** – the difference between the mean bonus pay paid to male employees and that paid to female employees

Median

- **Median hourly pay gap** – the difference between the median hourly rate of pay of male employees and that of female employees
- **Median bonus gap** – the difference between the median bonus pay paid to male employees and that paid to female employees



Bonus proportions

- The proportion of male and female relevant employees who were paid a bonus during the relevant period

Pay quartiles

- The total population of employees in this data set listed from highest to lowest hourly pay, divided into four equal quartiles

I confirm that the information included in this disclosure is accurate and meets the requirements of the Equality Act 2010 (*Gender Pay Gap information*) Regulations 2017. *

Kerry Heaton
Chief People Officer

* relevant responsible signatories (KH)

Our journey and what we're doing to improve our gender pay gap



2019

Our D&I strategy and efforts are formalised, strategy included specific ambitions set by the Hg Board to better drive and measure progress.



2020

We launched our D&I Steering Group which reports directly to the Board and aims to lay the foundations for a fully inclusive culture and environment at Hg, where all diversity is welcomed, encouraged and celebrated.



2021

Our initial ambition was to reach more than 30% female executives by March 2021, and more than 35% by March 2022. We achieved both ambitions. This year we also proudly onboarded one of Europe's largest Analyst & Associate cohorts in Private Equity, which is the most diverse we have had at Hg; consisting of 54% women



2022

At the start of 2022, we challenged ourselves further and set ambitions to improve ethnic diversity within Hg, which is also being tracked at Board level. We have achieved 23% ethnic diversity across our UK and US offices. We have also started measuring socioeconomic diversity.



2023

Alongside our efforts to increase awareness and education on key D&I topics, we have introduced an employee engagement tool, Peakon, that measures employee perceptions of our efforts to maintain a diverse workforce and create an environment where every individual feels included. We are pleased to report strong net promoter scores, or employee satisfaction, across inclusiveness and non-discrimination within our firm.



50%

of our UK firm were female

46%

female investment associates

10

days of paid emergency childcare

26

weeks paid maternity

Culture

In 2023 50% of our UK firm were female, along with 46% of our investment associates

- Hg is a proud sponsor of Level20, a not-for profit aimed at improving gender diversity in private equity
- We have a great partnership with Bloss.m, a women only mentoring programme aimed at pairing Hg's mentors with mentees from underprivileged socioeconomic backgrounds
- Internally, we run our own cross-functional mentoring programme which helps to share knowledge and experiences across the firm

Recruitment

We're actively building and tracking our own pipeline of a female talent across the private equity sector

- Our assessment process is designed to eliminate bias and incorporates structured interview techniques and diverse selection panels
- We ensure our recruitment panels are diverse, enabling fair, inclusive hiring decisions that embrace various perspectives.

Reward & Benefits

We offer benefits that support employees at all stages of family planning including, support for fertility treatment, private medical insurance with private maternity support, and a menopause support plan

- Parental coaching is offered to expectant parents and their managers upon their return to work
- 10 days of paid emergency childcare cover

New policies

Policies aimed at supporting women in private equity such as enhanced maternity pay for 26 weeks, with continued eligibility for discretionary bonuses

- Equalised maternity and new parents leave for up to 26 weeks
- Time off for dependent care
- Flexible working policies along with a hybrid working environment



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