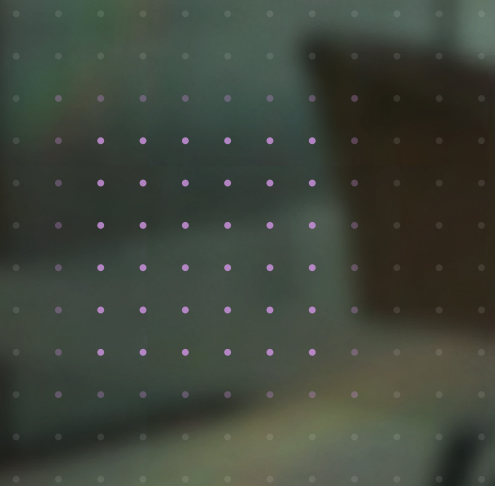




UK gender pay gap report 2024



5 April 2024 snapshot date

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A note from our Chief People Officer



Kerry Heaton
Chief People Officer

Investment decisions aren't just numbers on a spreadsheet – they affect real people. From the millions counting on us for their retirement to the thousands working at our portfolio companies, what we decide matters.

At Hg, we're making progress on building a more diverse team year after year and we know diverse teams make better calls – not just because it sounds good, but because we've seen it in action. We've learned that getting these decisions right takes all kinds of perspectives. Different backgrounds, different experiences, different ways of thinking – that's part of our key to success.

Our gender pay gap data reflects the distribution of men and women across our organisation rather than measuring equal pay for equal work.

We are determined to narrow our gap. As of April 5, 2024, women comprise over 50% of our UK office and 37% of our investment executives. While these statistics are promising, we must keep concentrating on development, mentoring, workplace culture, and benefits to ensure women continue advancing towards senior positions.

Our goal remains to distinguish Hg through our dedication to advancing gender equality within the private equity and technology sectors.

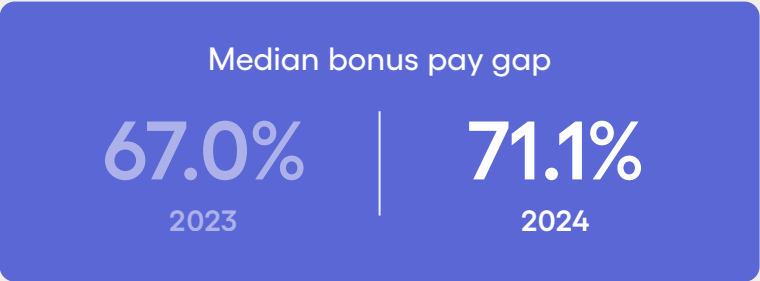
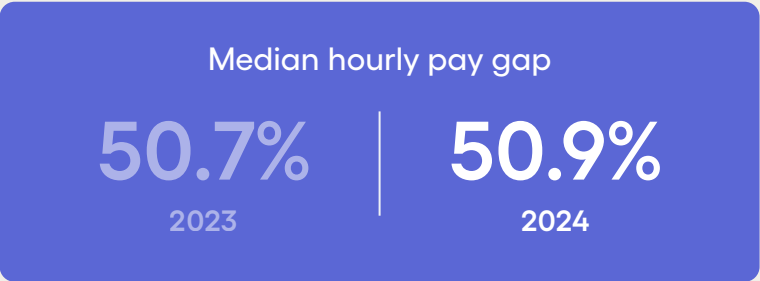
Understanding the pay gap

Our gender pay gap figures reveal that, on average, men at Hg receive higher compensation than women. This is despite an increase in senior female hires which has helped to reduce our mean hourly pay and bonus gaps.

The disparity in our gaps persist because senior positions at Hg offer greater financial rewards, and despite our recent firmwide diversity advancements, we still have limited gender diversity at these higher levels. Additionally, our gender distribution is disproportionately female in lower-compensated positions, such as our Executive Support Team, which represented over 15% of our total workforce as of 5 April 2024.

The figures presented in this report do not measure equal pay – an area we review comprehensively on an annual basis. For comparable positions, we maintain strong mechanisms to ensure our compensation approach is fair and equitable throughout our organisation.

Reducing the gender pay gap requires time, and we are taking deliberate measures, such as expanding our pipeline of female investment executives joining the firm while also implementing targeted female recruitment at senior levels. We will continue to focus on attracting, developing and advancing women into more senior roles within our organisation.



Hourly pay

Our hourly pay disparity at Hg primarily stems from the higher proportion of men in senior positions, particularly within our investment and portfolio executive teams. These leadership roles demand specialised expertise, carry greater responsibilities, and require extensive experience –consequently commanding higher base compensation, which is reflected in the hourly pay gap data.

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

Higher levels of seniority in our organisation come with increased responsibility for our firm’s and funds’ performance, which is reflected in our compensation structure. Senior roles offer greater bonus potential, causing the bonus gap to be wider than the hourly pay gap.

Statutory disclosures

Hourly pay gaps	Bonus pay gaps	Proportion who received a bonus
31.8% Mean hourly pay gap	59.3% Mean bonus pay gap	79.3% Females
50.9% Median hourly pay gap	71.1% Median bonus gap	85.6% Males

Mean

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

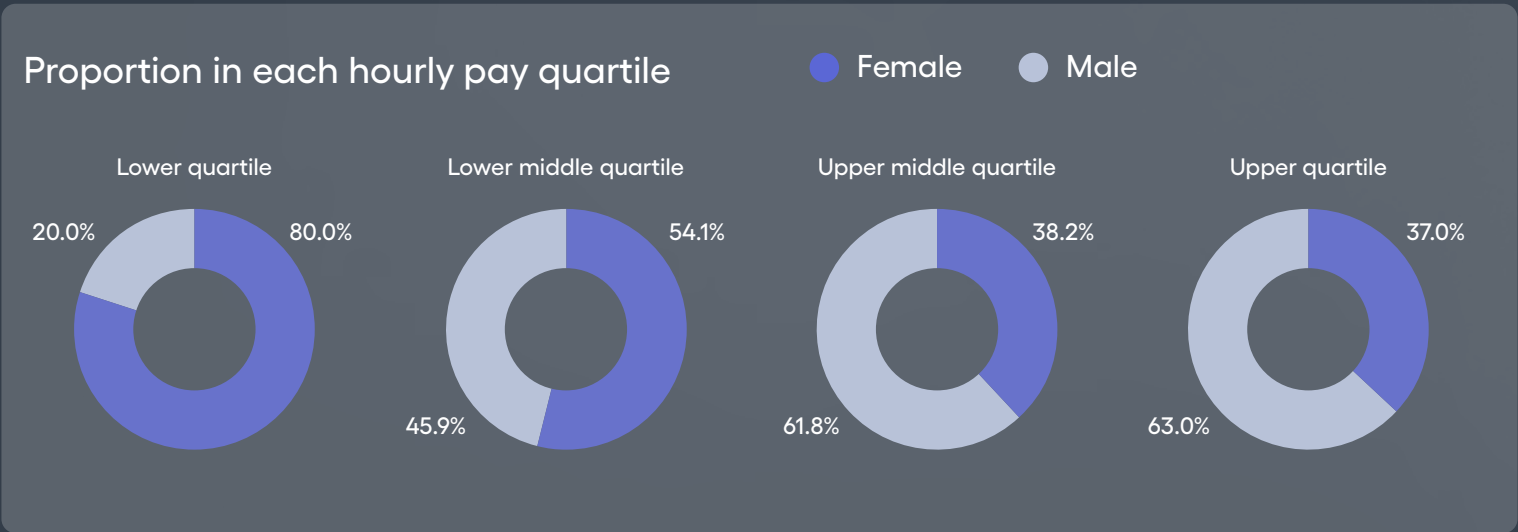
- The total population of employees in this data set listed from highest to lowest hourly pay, divided into four equal quartiles

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



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



2019

Our D&I strategy and efforts are formalised. The 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 achieved 23% ethnic diversity across our UK and US offices. We also focused on increasing and measuring socioeconomic diversity and are actively looking to increase representation within our organisation.



2023

Alongside our efforts to increase awareness and education on key D&I topics, we 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 were pleased to report strong net promoter scores, or employee satisfaction, across inclusiveness and non-discrimination within our firm.



2024

We have evolved our D&I steering group into the Hg Culture Committee, to help further drive our D&I initiatives. The committee conducted research across Hg to devise a series of long- and short-term priorities to advance our culture and ensure Hg is a place where everyone can bring their true selves to work and be successful whilst doing so.

A photograph showing four people (three women and one man) sitting around a table in a modern office, engaged in a discussion. Large windows in the background show a cityscape.

50%

of our UK firm were female

37%

female investment executives

10

days of paid emergency childcare

26

weeks paid maternity

Culture

In 2024 50% of our UK firm were female, along with 37% of our investment team

- Hg proudly sponsors Level20, a non-profit organisation dedicated to enhancing gender diversity within the private equity sector
- We maintain a valuable partnership with Bloss.m, an exclusive women's mentoring program that connects Hg mentors with mentees from disadvantaged socioeconomic backgrounds
- Within our organisation, we operate a cross-functional mentoring initiative designed to facilitate knowledge sharing and experience exchange across all areas of the firm

Recruitment

We proactively build and track our own pipeline of diverse talent across the private equity sector

- Our assessment process is specifically designed to eliminate bias through structured interview techniques and diverse selection panels
- We provide unconscious bias training to our hiring managers, ensuring fair and inclusive hiring decisions that embrace diverse 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

- Reimbursement support for maternity, childbirth, fertility related costs
- Maternity coaching is also offered to expectant mothers and their managers upon their return to work
- 10 days of paid emergency childcare cover

Policies

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

- Reimbursement support for private maternity and fertility related costs
- 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



Stay informed about Hg