



✖Hg

Responsible Investment

Hg Sustainability Report 2024/25

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01	05	02	15	03	29
– Reflecting on the Past Year – Hg at a Glance – A Snapshot of our Portfolio – Hg’s Value Creation Team – Learning From Best Practice – The Hg Foundation		– Embedding Sustainability into Our Investment Process – Sustainability as a Value Creator Across Our Portfolio – Building Stronger Businesses Through Collaboration – Enabling Sustainable Growth Through Technology		– Our Governance Approach – Focusing On What Is Most Material to Us and Our Stakeholders 1. Business Conduct 2. Climate Change 3. Cybersecurity 4. Culture and Inclusion	
				04	46
				– Key Portfolio Metrics – GRI table	

Unless stated otherwise, this report is based on information and data from Hg’s Financial year 2024/25 (1 April 2024 – 31 March 2025)

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Matthew Brockman
Managing Partner at Hg

Leadership Statement

While 2024 brought new challenges across the investment landscape, Hg maintained its focus on delivering sustainable growth across our portfolio and strong returns for our investors. The foundation of our approach – investing in resilient software and services businesses with enduring value – once again demonstrated its strength during a period of heightened market volatility.

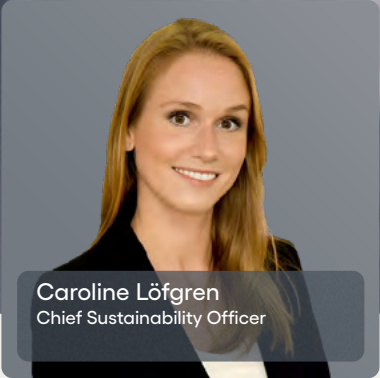
We continue this focus, because our purpose has a long-term horizon – “To improve the future of millions of investors by building sustainable businesses for tomorrow”. We work for the millions of individual investors whose pensions, savings or endowment capital we invest. We can only deliver on this purpose, consistently and over several decades, if we are investing responsibly. Our investors place trust in us, not just to deliver returns, but also to be custodians of their money – adhering to rigorous sustainability standards.

The evolving sustainability landscape has presented both challenges and opportunities this year. Our conviction remains firm: good governance, resource efficiency, effective risk management, talent attraction and retention, deterring misconduct, lowering operational expenses, protecting financial stability, building motivated workforces and maintaining strong stakeholder relationships all contribute to a social license to operate – they are non-negotiable principles that build more resilient businesses and generate long-term value.

We believe this pragmatic approach will continue to serve our portfolio companies well.

This report highlights some of the achievements made possible by a group of people collaborating with a strong sense of purpose – we hope you find it useful.





Caroline Löfgren
Chief Sustainability Officer



Steven Batchelor
Partner and Board
Sustainability Sponsor



Martina Sanow
Partner and Chair of
Hg's Culture Committee



Chris Kindt
Partner and Head of Hg's
Value Creation Team

“Companies that are well governed don’t just avoid problems—they create competitive advantages by reducing costs, inspiring their teams, strengthening stakeholder relationships, and ultimately building resilience. Simply put, sustainability isn’t just an add-on to business success – it’s a foundation that makes it possible.”

“Our investors entrust us with more than their capital—they’re counting on us to deliver exceptional returns while protecting their legacy through responsible stewardship. We don’t just manage money; we honour the confidence placed in us by upholding high sustainability standards.

This past year revealed just how central sustainability has become to our clients’ values. We continue to see high engagement on sustainability matters, with client inquiries reaching record levels – a clear signal that responsible investing isn’t just preferred, it’s expected by majority of our clients.”

“Our Culture Committee, which reports into Hg’s Board, continues to be focused on creating an inclusive work environment at Hg. In the past year we have focused on cognitive diversity, i.e. diversity of thought, often as a result of diversity of background which, in conjunction with healthy evidence-led debate, this leads to better judgement calls and investment and business outcomes. We are effectively applying this when composing new deal teams and committees, which has been crucial in the work of both the Investment and Realisation Committees at Hg.”

“We support our businesses to grow over the long term, collectively creating thousands of jobs worldwide. What we describe as ‘enduring businesses’ deliver sustained value to millions of customers globally by adapting to market shifts, technological advances, and evolving customer needs. They thrive today while ensuring future operations remain strong, without generating negative environmental, social, or stakeholder impacts.”

Hg in 2024/25

01

05

- Reflecting on the Past Year
- Hg at a Glance
- A Snapshot of our Portfolio
- Hg's Value Creation Team
- Learning From Best Practice
- The Hg Foundation

02

15

- Embedding Sustainability into Our Investment Process
- Sustainability as a Value Creator Across Our Portfolio
- Building Stronger Businesses Through Collaboration
- Enabling Sustainable Growth Through Technology

03

29

- Our Governance Approach
- Focusing On What Is Most Material to Us and Our Stakeholders
 1. Business Conduct
 2. Climate Change
 3. Cybersecurity
 4. Culture and Inclusion

04

46

- Key Portfolio Metrics
- GRI table

Reflecting on the Past Year

Sustainability is about building better, more resilient, businesses. In 2024 we continued to focus on key sustainability topics and areas that deliver tangible results by deterring misconduct, cutting operational costs, energising teams and strengthening stakeholder relationships. Here are some highlights from the past year:



Sustainable value creation

In 2024/25 we refined our Sustainability Diagnostic for portfolio companies to concentrate on what matters most. We streamlined the assessment, making it easier for portfolio companies to respond to and focus their efforts on the most important topics.

Our seventh annual Sustainability Diagnostic saw the average portfolio score increase once again. With over 300 assessments completed, we have built a solid set of metrics and benchmarks specifically for technology and software companies. Each assessment culminates in a practical improvement plan that highlights clear focus areas for the coming 12 months. In addition to the Diagnostic, Hg’s Sustainability team provided selected companies with additional support for sustainability reporting, materiality assessments, and strategy development.





Societal contribution

We channel a portion of our annual profits and carried interest into meaningful change through The Hg Foundation and our internal charity committee, turning financial success into social progress.

The Hg Foundation, established in 2020, tackles inequality and breaks down barriers to technology careers for people from disadvantaged backgrounds through targeted education and practical training programmes. This commitment translates to measurable results. Over the past four years, circa £40 million has been directed to more than 35 non-profit partnerships, empowering approximately 70,000 individuals from underrepresented communities with pathways to sustainable careers.

This culture of giving extends throughout our organisation. Our team members personally contributed more than £300,000 in 2024/25 via our Hg Giving platform provided by Benevity, driving positive impact across causes close to our employees’ hearts.



Climate change

Resource efficiency remains a focus area for us, minimising waste across all resources – including energy – throughout Hg and our portfolio. We require portfolio companies to report scope 1 and 2 carbon emissions at minimum and encouraging scope 3 reporting. Results are analysed across the portfolio, to identify emissions hotspots and opportunities for reduction.

In line with our Science Based Targets Initiative (SBTi) commitment, we support portfolio companies to set their own science-based targets (SBTs). We are pleased to report that as of March 2025, six Hg portfolio companies had committed to the SBTi and a further seven had approved SBTs.

To accelerate progress, we developed a carbon reduction toolkit specifically for software and services businesses. Successfully launched at our 2024 Sustainability Forum, the toolkit equips portfolio companies with practical guidance for creating effective carbon reduction plans.



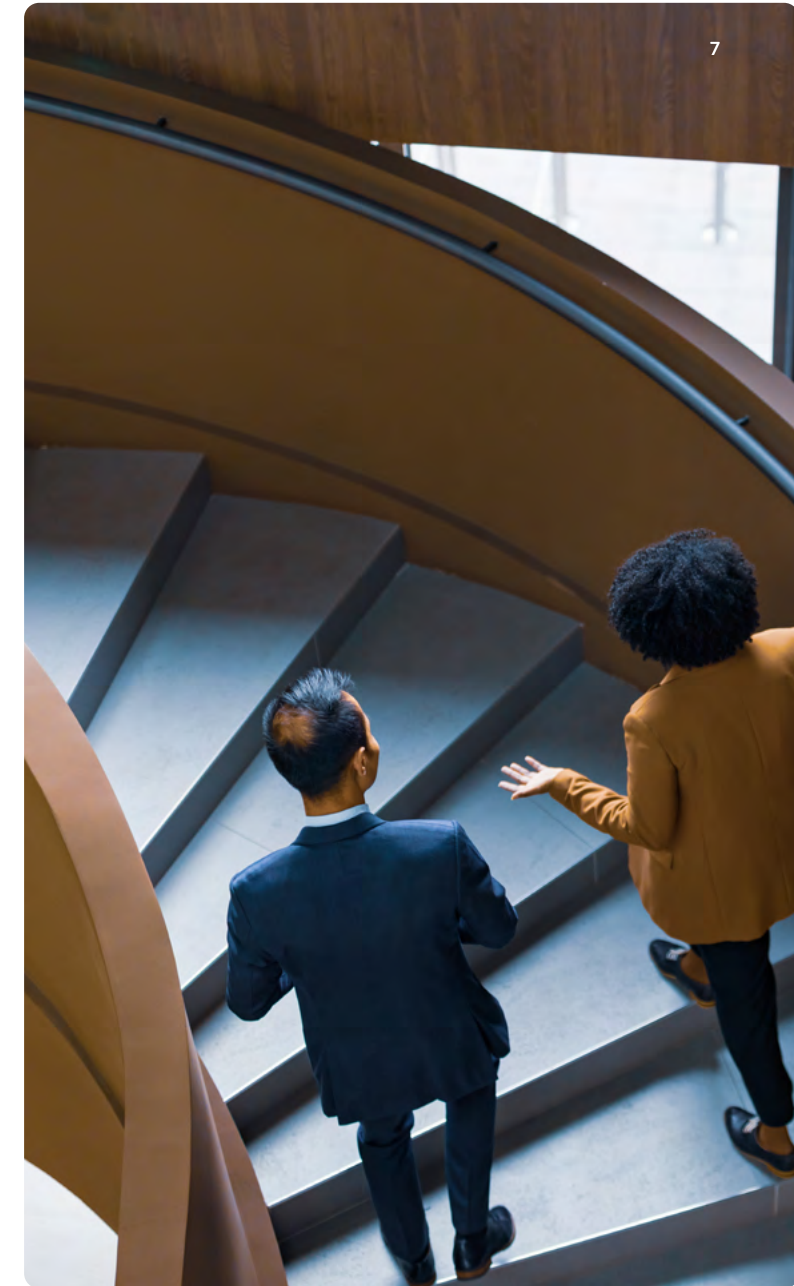
Cognitive Diversity

Hg and our Culture Committee continue to focus on making Hg a truly inclusive workplace where everyone feels welcome and valued. We emphasise diversity of thought, often a result of diversity of background. Diversity of thought, or ‘cognitive diversity’, in conjunction with healthy evidence-led debate, leads to better judgement calls and investment and business outcomes, by creating opportunity for ingenuity, collaboration, and fresh perspectives. We recognise and embrace different backgrounds, skill sets and ways of thinking when we are building teams. Furthermore, we continue to have a good split between men and women in our business and as of March 2025 our balance between men and women is 50% across the entire firm.

Client Engagement

At Hg, we prioritise transparent engagement with our clients and stakeholders on sustainability matters. We report on our sustainability progress annually through multiple channels. In 2024, we shared annual fund-level sustainability reports with our Limited Partners for the second year. The reports not only include an update on key KPIs and programmes, but also an update on the sustainability performance of all our portfolio companies, company-by-company.

We are supporters of standardisation in sustainability reporting. Rather than reinventing the wheel, we are using established frameworks that matter to our clients: the ESG Data Convergence Initiative, Invest Europe’s European Data Cooperative Template, and ILPA’s Diversity in Action initiative. We submit information to the UNPRI annually to report our progress against its six principles. By utilising these external frameworks and templates we can save time to focus beyond just reporting. In 2024/25 alone we received over 200 ESG related requests from our clients, which is a new record.



Hg at a glance

Hg is a leading investor in European and transatlantic software and service businesses. We support the building of sector-leading enterprises that supply businesses with critical software applications or workflow services, delivering a more automated workplace for their customers. This industry is characterised by digitisation trends that are in early stages of adoption and are set to transform the workplace for professionals over decades to come. Our support combines deep end-market knowledge with world class operational resources, which together provide compelling support to entrepreneurial leaders looking to scale their business – businesses that are thoughtfully invested, enduring and serve their customers well.

(All facts and figures as at 31 March 2025, adjusted for events post period)

- 1 Adjusted to currency spot rates
- 2 As at 31 December 2024, adjusted for post period events, including realised and partially realised software & services investments made post-independence from 2001 to 2024. Past performance is not a reliable indicator of future results. Returns presented are gross and do not include the effects of fees, commissions and other charges.
- 3 These figures represent LTM 31 December 2024 sales and EBITDA growth of the top 20 investments held by HgCapital Trust plc (c.76% of the Hg portfolio), calculated on a weighted basis, based on the respective gross valuations of the underlying investments. HGT, whose shares are listed on the London Stock Exchange, gives private and institutional investors the opportunity to participate in all Hg’s investments

c.\$85bn
assets under management

\$160+bn¹
aggregate EV

126k²
employees across
portfolio

+12%²
LTM employee growth
across the portfolio

19%³
portfolio revenue
growth

+23%³
portfolio
EBITDA growth LTM

Hg at a glance

13

Port cos committed to SBTi

>300

clients

+400

employees across London, Munich, New York, Paris, Singapore and San Francisco

~\$40m

donated via the Hg Foundation

\$300k

donated to charitable giving via Hg Giving¹

148

volunteering hours

50%

female employees

35%

female employees in Hg’s investment team

37

nationalities

4.2²

Glassdoor score

45

eNPS

★★★★★ | ★★★★★ | ★★★★★

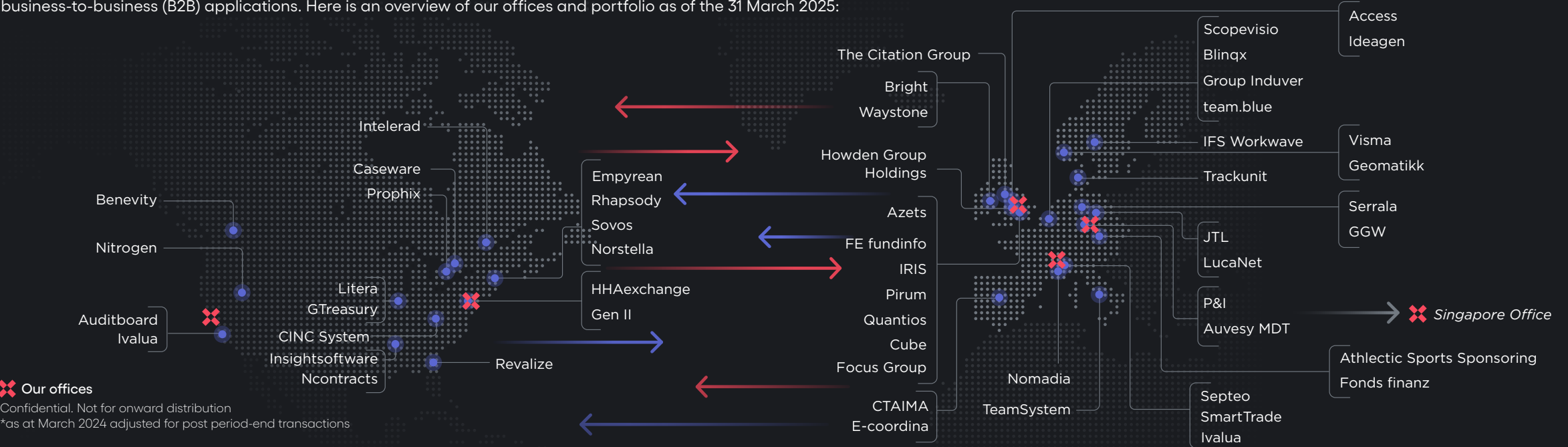
UNPRI ratings (97% for PE, 94% for Policy, Governance & Strategy, 100% Confidence Building Measures)¹

1 Hg’s UNPRI transparency report can be found publicly on [the PRI data portal](#)

2 Based on 79 anonymous reviews

A Snapshot of our Portfolio

Our investment strategy centres on building transatlantic software and services champions with a focus on critical, business-to-business (B2B) applications. Here is an overview of our offices and portfolio as of the 31 March 2025:



North America

- Invested >\$5 billion of equity in North America
- New York office opened in 2019; San Francisco office opened in 2022
- 16 investments across North America

Europe

- Led / co-led 7 of the top 20 EU software buyouts of last decade
- >3x the size of the next largest software investor in Europe
- In aggregate, Hg's portfolio would be the 2nd largest software business in Europe

Hg’s Portfolio Value Creation Team

Turning Operational Excellence into Sustainable Growth

Similar challenges. Similar opportunities. Our portfolio companies may operate in different markets, but they face comparable hurdles as they scale. That’s where our Value Creation team makes the difference. 50 specialists. Deep functional expertise. One Mission: to drive material value impact across our portfolio.

We have built specialist capabilities across the areas that matter most to software and service businesses—Data and AI, Growth, Technology, Cybersecurity, HR & Talent, Finance, Legal, Business Systems, Sustainability and Value Creation Planning. For each of these focus areas, the team leverages its depth of knowledge of best practice in the tech sector to help drive value creation in close collaboration with management.

The Value Creation team provides a range of support, from diagnostics to identifying new opportunities, project planning & scoping, project execution, ongoing support and advice, and exit preparation. To deliver this, our experts go deep into companies for extended periods supported by Hg’s best-practice IP and tools, as well as third-party partners and proprietary datasets and benchmarks.

We have operational expertise across a wide range of areas, reflecting where we see repeat value creation opportunities.





Learning From Best Practice

To learn from best practice and support our advancement of sustainability, we engage in a selection of external initiatives. Here are a few examples of some of the partnerships and initiatives we have found particularly helpful and why:



Hg has been a signatory to PRI, a UN-supported network of investors working to promote sustainable investment, since 2012. Hg is supportive of its six principles and reports progress against these on an annual basis. UNPRI helps us understand where we can potentially improve and it helps us communicate our sustainability ambitions to our investors. Hg’s most recent UNPRI score was 5 stars across all assessment areas.



Hg is a member of the ESG DCI alongside over 500 general partners (GPs) and limited partners (LPs). ESG DCI was initiated in 2021 with the purpose of providing a standardised set of ESG metrics. EDCI is particularly helpful as it reduces Hg’s reporting burden, freeing up time to focus on value creation. It also helps provide some standard benchmarking metrics to understand how our portfolio companies are performing against their peers.



Hg is a member of the Initiative Climat International (iCI) network, which is endorsed by the UNPRI. The iCI, which comprises of over 200 Private Equity firms, helps facilitate the sharing of expertise and knowledge around climate change related best practice.

The iCI is helpful as it gives us access to expert developed tools and standards, preventing members from having to reinvent the wheel. It also encourages healthy debate between peers.



We track and report our decarbonisation efforts via the SBTi and the Private Markets Decarbonisation Roadmap (PMDR). Both frameworks aim to create a standardised approach to climate disclosure and analysis. We have chosen them based on the knowledge of the private equity sector – aiming to help private equity firms track their portfolio’s decarbonisation journey and communicate it to stakeholders.



Hg is a sponsor and member of Level 20, a not-for-profit organisation founded with the aim of improving gender diversity in the private equity industry.

Being a member of Level 20 offers several benefits including mentoring, networking and events.



Hg has signed up to ILPA's Diversity in Action (DIA) initiative which provides a reporting framework for GP-LP diversity reporting.

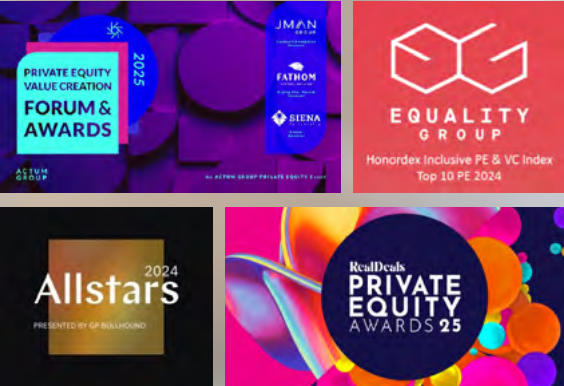
DIA streamlines Hg's reporting burden to better deploy the Sustainability team's resources.



Hg is a member of the BVCA's Sustainability Advisory Group which meets on a quarterly basis to assist the BVCA in providing practical advice to its members in incorporating responsible investment considerations into their business decisions.

Awards and Recognition

Over our 25-year history, we have thrived to become a leader in our sector. We are proud to say that our efforts have not gone by without recognition. In 2024/25 we were humbled to receive the following awards



The Hg Foundation

Harnessing Talents in the Technology Space

Technology continues to impact every aspect of our lives, transforming at an unprecedented pace the way we work and interact with the world. However, this rapid change has highlighted an urgent need to up-skill the current workforce for modern jobs and to ensure that new opportunities in the tech sector benefit those from all walks of life. Certain groups, particularly women and girls, those from low-income backgrounds, and from specific ethnic communities, are less likely to gain tech qualifications and to access high-quality jobs in the sector. This is not only unfair but also represents a significant waste of talent.

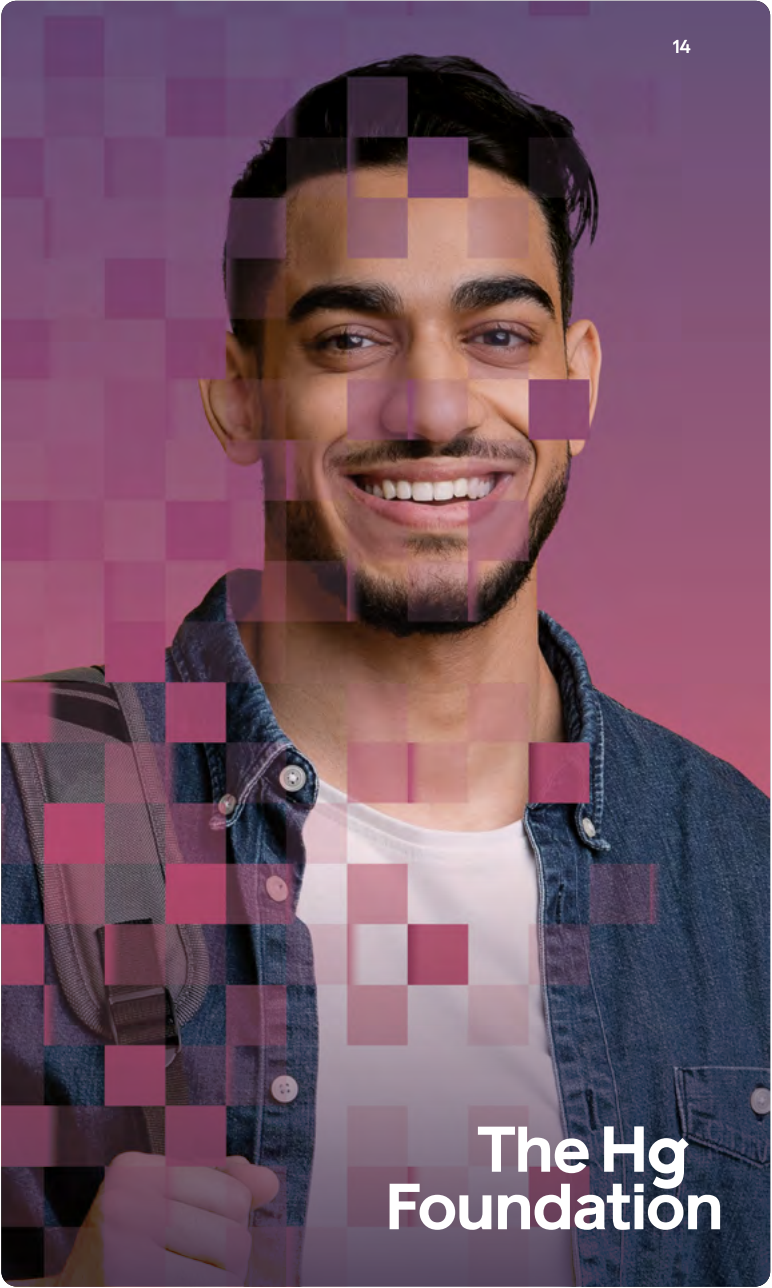
On a Mission to Transform the Technology Industry

The Hg Foundation is dedicated to ensuring that the future technology sector harnesses the talents of everyone, irrespective of their background. Its mission is to support underrepresented groups to access high-quality tech jobs by backing impact-focused education and employment programmes across Europe and North America. Over the long term, the Foundation aims to build a transatlantic portfolio of partnerships that complement and learn from each other, with a strong emphasis on understanding the impact of the programmes it supports. The Foundation is solely funded by Hg, leveraging its expertise and networks to forward its objectives.

The Hg Foundation’s partnerships focus on developing the tech talent pipeline from high school onwards, assisting both young people and adults in moving closer to tech careers.

To date, The Hg Foundation has committed circa \$40 million to over 35 non-profit partnerships, directly supporting ~70,000 young people and adults from underrepresented backgrounds. By 2027, the Foundation’s goal is to create 100,000 impactful opportunities on the tech talent pipeline. Partnerships funded to date range from school-based initiatives to boost the aspirations of young teenagers towards STEM and tech careers, through projects to support achievement in key subjects like maths and computer science, through to programmes to enable learners to access and progress in entry level jobs in the sector.

To find out more about The Hg Foundation and the impact they are making to remove barriers to education and skills in technology, please see The Hg Foundation [website here](#).



Our Responsible Investment Approach

01

05

- Reflecting on the Past Year
- Hg at a Glance
- A Snapshot of our Portfolio
- Hg's Value Creation Team
- Learning From Best Practice
- The Hg Foundation

02

15

- Embedding Sustainability into Our Investment Process
- Sustainability as a Value Creator Across Our Portfolio
- Building Stronger Businesses Through Collaboration
- Enabling Sustainable Growth Through Technology

03

29

- Our Governance Approach
- Focusing On What Is Most Material to Us and Our Stakeholders
 1. Business Conduct
 2. Climate Change
 3. Cybersecurity
 4. Culture and Inclusion

04

46

- Key Portfolio Metrics
- GRI table

Embedding Sustainability into our Investment Process

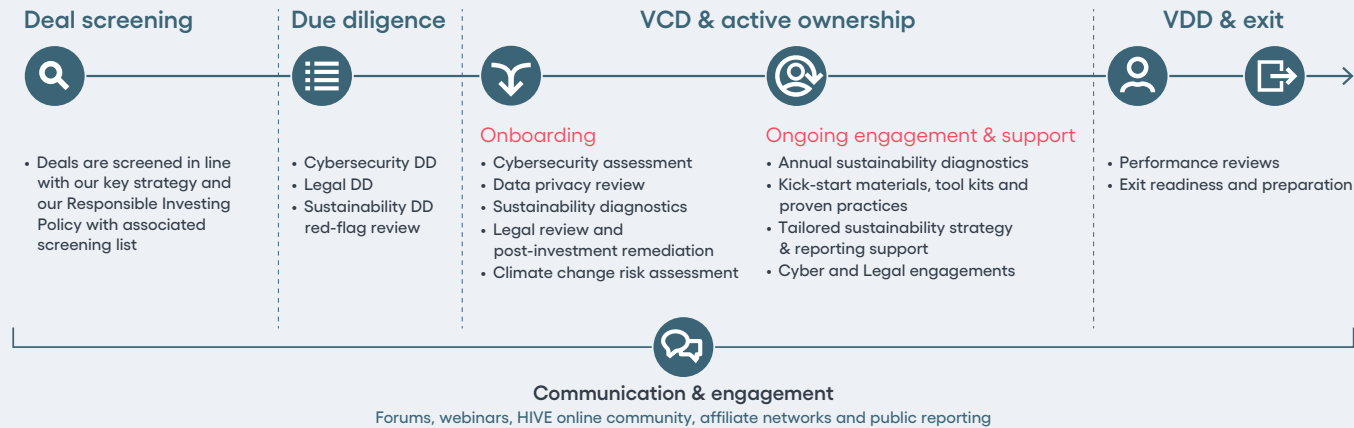
Hg invests in businesses that are growing over the long term and, through this sustained growth, collectively create thousands of jobs worldwide. These are enduring businesses that generate consistent profits while creating multi-dimensional value for their customers, by improving how people work. We invest in this future - helping to progress workplace automation and digitalisation trends, set to transform the workplace for professionals over decades to come.

We believe long-term sustainable returns depend on stable, well-governed social, environmental and economic systems. This is achieved through the adoption of sustainable business principles including good governance, resource efficiency, effective risk management, well managed talent attraction and talent retention programmes, whilst maintaining a ‘social licence’ to operate.

We take an active interest in our companies’ sustainability business practices. We encourage, support and stretch the businesses throughout the ownership process, with the aim to have a positive impact while minimising risks.



Sustainability topics are embedded into the investment process, from screening to exit:



Sustainability as a Value Creator Across Our Portfolio

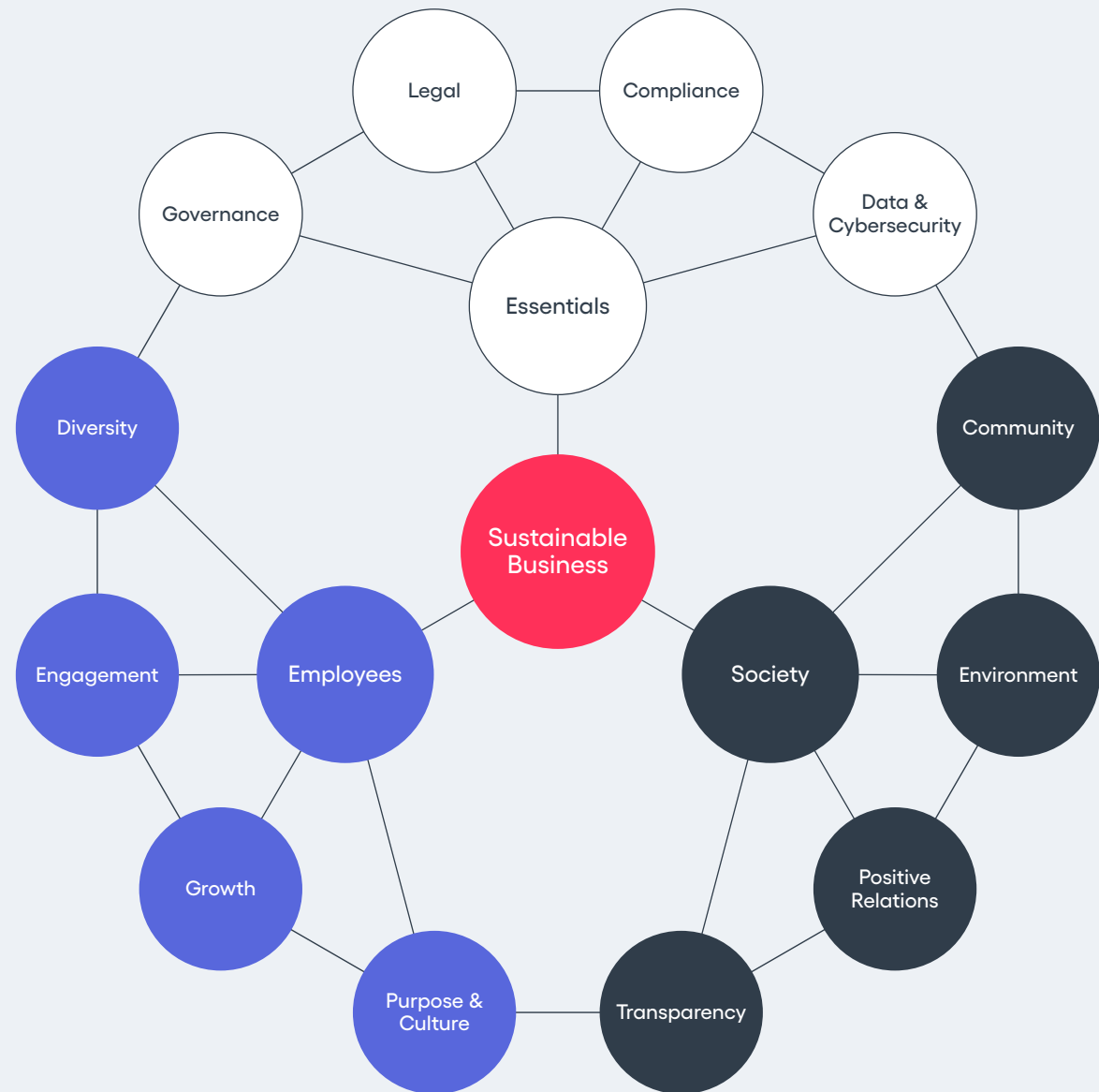
Hg's Sustainable Business framework

At Hg, we believe that financial and sustainable performance are interconnected, and we are committed to driving improvements in our portfolio across the most material sustainability topics.

We are focused on what we believe are important, non-negotiable principles that create business value: good governance, resource efficiency, effective risk management, talent attraction and retention, and enhancing our social license to operate. Our conviction remains firm.

In 2017, we developed a bespoke framework centred around key sustainability focus areas for software and service companies. Hg's Sustainable Business framework was developed following extensive research, including interviews, benchmarking and external standards. It forms the basis of Hg's Sustainability Diagnostic and is centred around technology and service companies. It incorporates sustainability frameworks such as the ESG Data Convergence initiative metrics.

The Sustainability Diagnostic is completed by portfolio companies during onboarding and annually thereafter. Hg reviews the Sustainable Business Framework on an annual basis to reflect key trends, regulations, opportunities and risks. In 2024 we streamlined the assessment to make sure it is focused on the most material topics. It now consists of c.100 questions across three assessment areas. Please see graphic on the right.



Our Annual Sustainability Diagnostic

Hg’s Sustainability Diagnostic is built on our Sustainable Business framework and consists of a collaborative exercise beginning with an introductory session followed by a comprehensive self-assessment. Our Sustainability team leads this process, working directly with key company representatives including Chief Human Resource Officers, Chief Compliance Officers and dedicated sustainability professionals from across our portfolio.

Companies respond to c.100 questions and receive a score from 0 to 10, allowing them to benchmark their performance against the wider Hg portfolio. We share a detailed output report with each company’s Board, highlighting results and outlining recommended actions for the coming 12 months.

We conduct this Diagnostic at least annually, tracking improvements year on year. Hg provides hands-on support to help companies advance their improvement plans through templates, toolkits, online webinars and face-to-face forums.

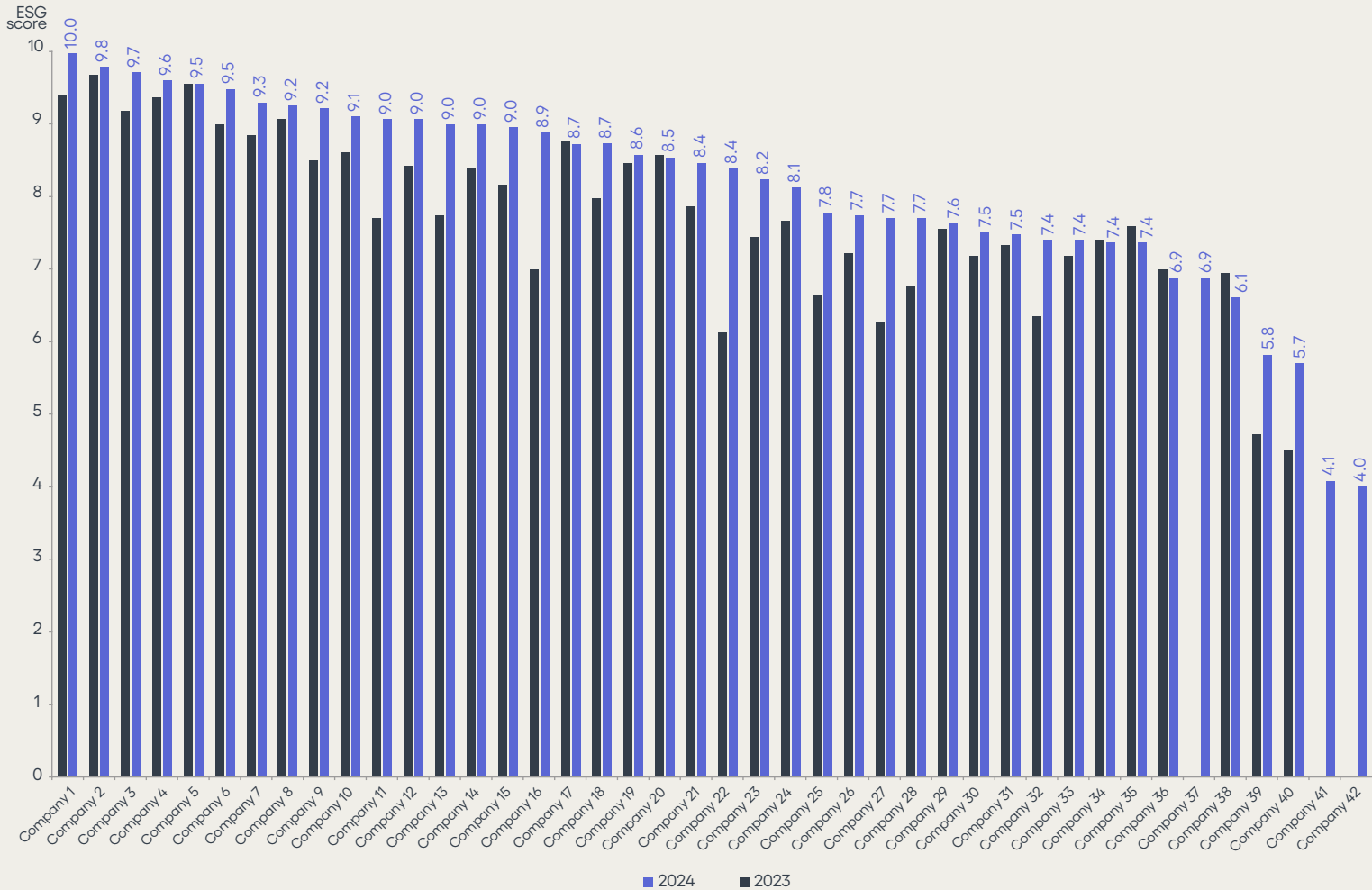
Overview of Portfolio Performance in 2024

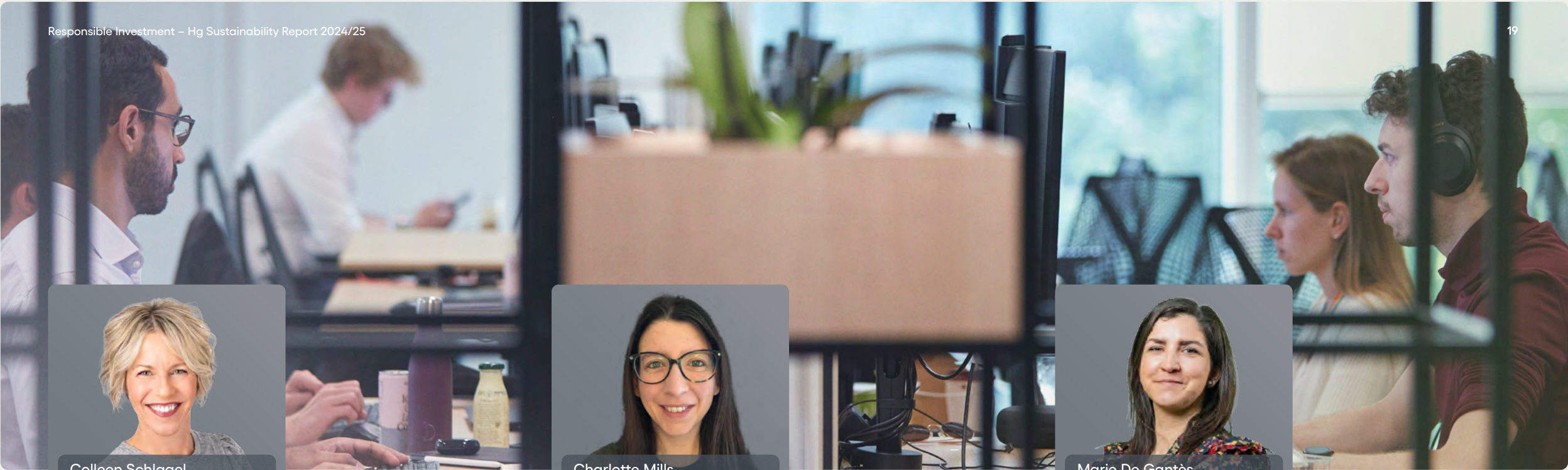
Our most recent annual Sustainability Diagnostic, completed in early 2025 (based on data from calendar year 2024), assessed 42 portfolio companies, including 3 new additions to the Hg family.

We were pleased to see the average score increase by 5%, from 7.7 to 8.1 out of 10, demonstrating that our portfolio companies are taking concrete steps to enhance their performance. Only four companies saw their scores decrease from the previous year, mainly due to our updated scoring methodology which now places stronger emphasis on improvement in key metrics such as eNPS and climate change commitments.

The Diagnostic helps define what sustainability means for software and services businesses, providing clear direction to our portfolio companies while bringing these important topics to Board attention. Our ongoing support is having a tangible positive impact, driving meaningful actions and improving sustainability performance across our businesses. For key performance metrics and detailed 2024 figures from across the portfolio, please see the appendix.

Results of our 2023 and 2024 Sustainability Diagnostics





Colleen Schlagel
Chief Talent Officer, Sovos



Charlotte Mills
Employee Experience & HR
Operations Manager, FE Fundinfo



Marie De Gantès
Project Manager at Septeo

“Partnering with Hg’s sustainability team has been instrumental in advancing our sustainability initiatives. One of the keystone projects we collaborated on was a comprehensive materiality assessment, which validated the areas where we can have a meaningful impact and directly affect our business. Their expertise, guidance, and continued support have helped us establish metrics, targets, and initiatives that drive significant progress.”

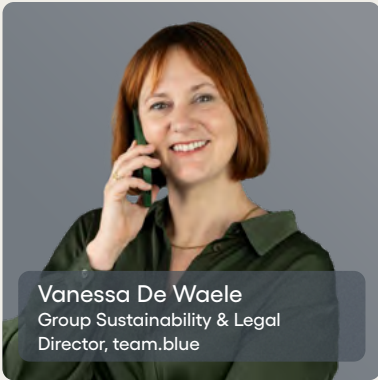
“For over six years now, the Sustainability team at Hg have been instrumental in helping us to quantify and contextualise the vast array of relevant sustainability topics. Their expertise and frameworks in this rapidly evolving landscape continue to be highly valuable in helping us to understand and meet the needs and expectations of our different stakeholders.”

“The Hg Sustainability team and the annual diagnostic have been very helpful in strengthening our ESG strategy. This collaborative approach enables us to benefit from the collective insights and experiences of Hg portfolio companies. Moreover, the research and guidance provided by Hg’s Sustainability team helped us to identify new opportunities to further improve our ESG strategy.”



Claire Jepras
Chief People Officer, Azets

“We’re deeply grateful for the guidance and partnership Hg’s ESG team has provided as we’ve strengthened our sustainability focus over the past year. Their expertise was instrumental in supporting the process that led to the appointment of our first sustainability manager, an important milestone for us. Working with them on the board-level sustainability report also gave us new perspectives and a clearer understanding of where we are and where we need to go. Their insight and steady support continue to motivate us as we embed ESG more deeply into our culture. Having Hg’s ESG team as a strategic partner and trusted advisor is a real advantage.”



Vanessa De Waele
Group Sustainability & Legal
Director, team.blue

“At team.blue, sustainability isn’t just something we talk about, it’s embedded in our strategic agenda and everyday decisions. Hg’s sustainability team has been key in our ESG journey, providing guidance on our double materiality assessment and supporting us to develop a comprehensive strategy that helps us balance purpose with profit. Our partnership with Hg has allowed us to make meaningful progress year-on-year since joining the Hg portfolio. As we ask ourselves ‘what’s next?’ in our sustainability journey, we will continue to collaborate with Hg to define what a sustainable business look like in the digital age.”



GTreasury's Sustainability Journey

GTreasury joined our portfolio in 2023 and has quickly transformed into a champion on sustainability. In 2024, the company was the most improved business in Hg's portfolio, with a significant improvement in score going from 6.1 to 8.4 — surpassing our portfolio average of 8.1.

This impressive improvement came through meaningful changes across the business, including improved risk management, increased Board oversight of sustainability by appointing a Sustainability Board Sponsor, establishing an ESG strategy, and achieving 100% compliance with Hg's minimum policies.

Building on these achievements, GTreasury is now working with a third party on a three-year plan to address its climate impacts. The business is focusing on measuring energy-use, tracking its carbon footprint, and finding ways to reduce emissions as they grow their European business.



Our Portfolio Events

Building Stronger Businesses Through Collaboration

Hg fosters active collaboration across our portfolio through our custom-built platform, Hive. Hive provides access to best practices, resources, and expert guidance while creating a secure environment for networking and knowledge sharing across approximately 20 specialist communities, including sustainability. In 2025 we launched two specialist Hive channels within the sustainability community, Sustainability Diagnostic and carbon footprinting, to provide smaller, informal spaces for genuine peer discussion and shared learnings.

Hg runs over 100 virtual events for portfolio executives annually, including our sustainability virtual events, which attract 35-45 actively engaged participants on a regular basis. In the past year, these sessions addressed key topics like carbon footprinting, ESG regulations, our Sustainable Business Framework, and sustainability linked lending; additionally, they provide a critical space for portfolio discussion and engagement.

Our virtual engagement is complemented with annual in-person forums and summits across each community. Our annual Sustainability Forum, typically held in spring, features portfolio leaders and guest speakers discussing key trends and insights to empower portfolio attendees in their roles – in 2024, we explored climate change, sustainability strategies, and the ethical implications of AI.

In other functions within Hg, the Digital Summit brought Technology, Product, Data, AI and Cybersecurity leaders together across the portfolio to discuss the fast-changing world of AI, providing attendees with actionable insights on leveraging AI tools and mitigating potential risks. Further, the General Counsel (GC) Forum, brought together GC leaders for a mixture of keynote speakers and panel discussions based on the theme, ‘Lawyers as Resilient Leaders’. Together they explored prioritisation realignment and discussed their roles as business partners to their respective organisations.

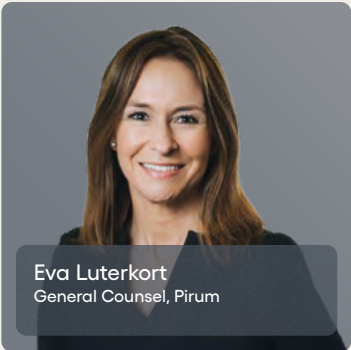




“Congratulations on an amazing forum. This was Sovos’ first time attending an Hg sustainability forum, and I can tell it is going to have such an impact on our organization and most importantly, our communities!”



“A massive thank you for another super forum; I feel more inspired than ever and have so many ideas that I want to form into projects for Waystone!”



“THANK YOU to the whole Hg Team for organising yet another incredibly inspiring and current Sustainability forum – you keep raising the bar with speakers and topics every year!”



“I want to thank you all for the very inspiring ESG Forum! I took a lot home with me, met some amazing people and got truly energized by the high-quality sessions provided! My head is buzzing of ideas.”

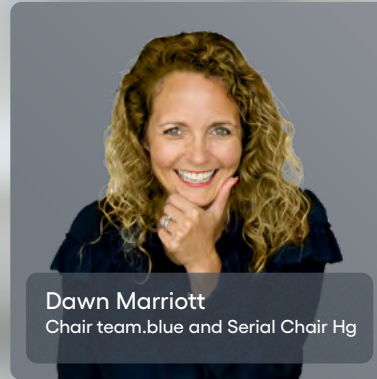


Enabling Sustainable Growth Through Technology

At Hg, we recognise that our portfolio companies are uniquely positioned to not only implement sustainable practices internally but to develop innovative solutions that enable their customers to advance their own sustainability journeys. By seizing the opportunities presented in this space, portfolio companies can increase revenue through expanded solution offerings, access to new customer segments and premium pricing for specialised sustainability capabilities.

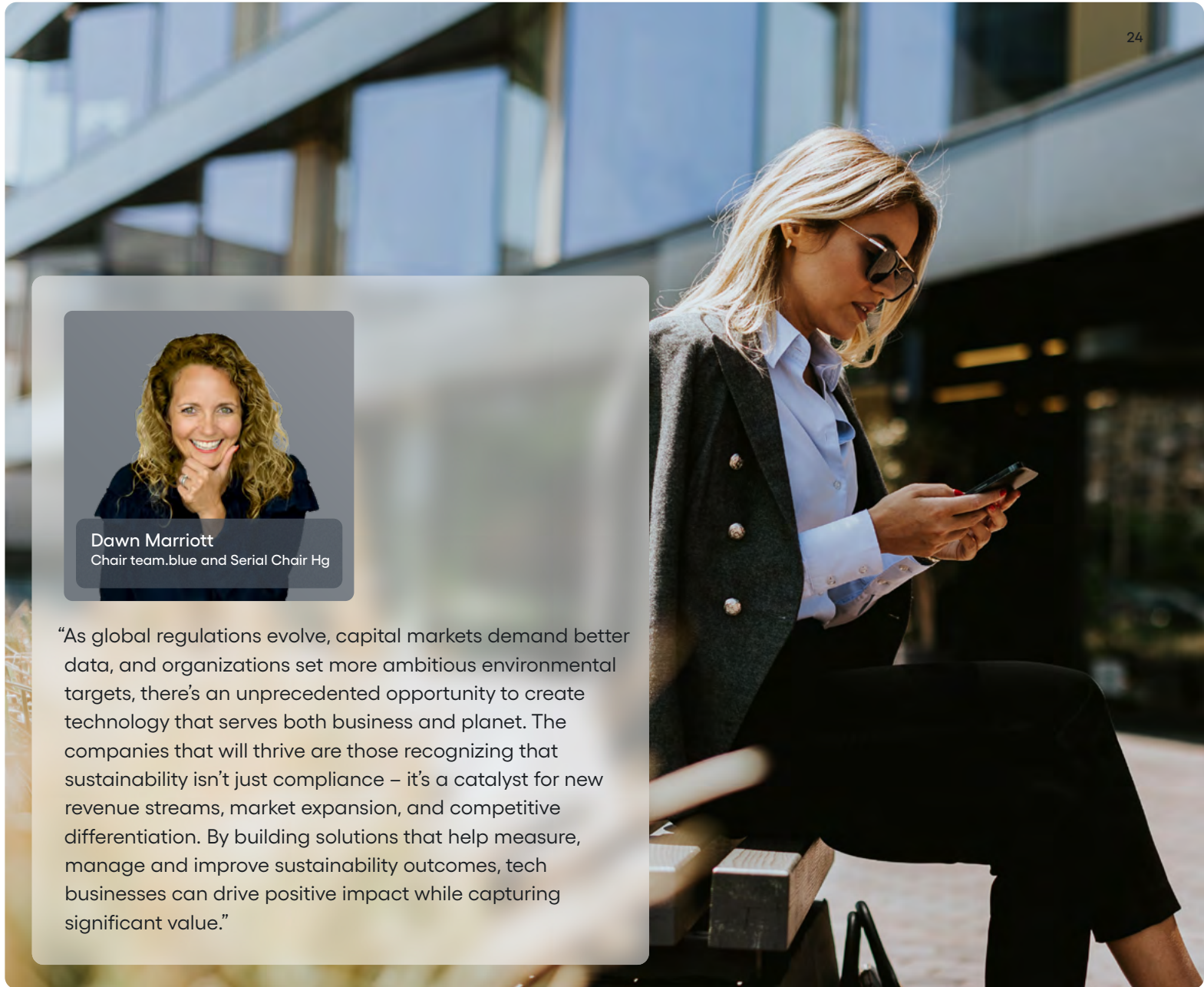
These opportunities are driven by various factors including:

- The expanding global regulatory landscape driving more comprehensive sustainability reporting.
- Capital markets continued focus on requesting robust sustainability data.
- Organisations that set ambitious sustainability targets and subsequently need technological solutions to help measure and manage these.
- Companies leveraging sustainability data for strategic decision-making, operational efficiencies, and competitive differentiation.



Dawn Marriott
Chair team.blue and Serial Chair Hg

“As global regulations evolve, capital markets demand better data, and organizations set more ambitious environmental targets, there’s an unprecedented opportunity to create technology that serves both business and planet. The companies that will thrive are those recognizing that sustainability isn’t just compliance – it’s a catalyst for new revenue streams, market expansion, and competitive differentiation. By building solutions that help measure, manage and improve sustainability outcomes, tech businesses can drive positive impact while capturing significant value.”





Here are some example of sustainability focused products across our portfolio:

Sustainability focused products across our portfolio



AccessiWay, which is part of team.blue, is a leading provider of digital accessibility solutions that make websites, web apps, and mobile applications inclusive and usable for people with disabilities. By working directly with individuals with disabilities, AccessiWay develops and delivers AI powered technology and services that enable businesses and public institutions to remove digital barriers and create accessible digital ecosystems.

Their solutions not only promote inclusion and enhance user reach but also ensure full compliance with evolving accessibility regulations, including the European Accessibility Act (EAA), which takes effect in June 2025, and applies to any organisation that provides products and services to consumers in the EU.



Benevity, Inc., a certified B Corporation, is a leading global provider of social impact software, providing an integrated suite of community investment and employee, customer and nonprofit engagement solutions. Recognised as one of Fortune’s Impact 20, Benevity provides a robust, all-in-one SaaS platform designed to simplify and scale CSR and social impact programs. It’s Enterprise Impact Platform unifies giving, volunteering, grants management, and employee mobilization – empowering companies to connect purpose with measurable business results.

Founded in 2008, Benevity has processed more than \$18.5 billion in donations and 99 million hours of volunteering time to support 513,000 nonprofits worldwide. The company’s solutions have also facilitated 1.5 million acts of goodness and managed grants worth \$18 billion.



The Citation Group delivers integrated compliance and quality solutions spanning HR, health and safety, e-learning, background screening, and environmental management, helping organisations protect their people, businesses, reputations, and the environment. Their services empower clients to create safer, more productive workplaces-evidenced by clients being 90% less likely to receive a tribunal claim and 70% less likely to experience a workplace accident. Citation’s digital learning platform has enabled the successful completion of over 11 million eLearning modules, supporting continuous workforce development and compliance. The Group also guides organisations in achieving key certifications and environmental standards, fostering greener operations and enhanced market credibility.



FE fundinfo’s ESG Reporting service empowers asset managers and institutional investors to meet evolving regulatory and stakeholder demands by streamlining the collection, validation, and dissemination of ESG data across their fund portfolios. FE fundinfo’s platform automates the aggregation of ESG metrics from multiple sources, ensuring consistency and accuracy for both regulatory compliance and investor transparency. With support for major frameworks such as SFDR, TCFD, and EU Taxonomy, FE fundinfo enables clients to generate comprehensive, audit-ready ESG reports tailored to diverse disclosure requirements. FE fundinfo’s solution also facilitates the integration of ESG insights into investment analysis and client communications, enhancing decision-making and demonstrating responsible stewardship.



Howden’s Climate Risk & Resilience (CRR) team are an advisory team of more than 70 climate and nature experts that combine business strategy, risk management, financial markets and climate science expertise to help businesses understand their climate risks, build resilience, and use insurance solutions to de-risk their future.

- With their climate risk solutions, Howden helps businesses to thrive in the next new normal by:
- Assessing threats and risk management options
 - Spotting opportunities to adapt and prosper
 - Unlocking funding and lowering cost of capital
 - Keeping up with climate regulation
 - Making a robust plan, de-risked with insurance



Ideagen Carbon Accounting provides an AI-powered platform that streamlines and automates the entire carbon accounting process, from data collection to audit-ready emissions reporting. Users can upload activity data in any format, with the system extracting key information and eliminating manual errors, ensuring accurate and transparent results. Intelligent checklists and step-by-step workflows guide contributors across the organisation, maximising data completeness and minimising time-consuming back-and-forth. The platform automatically identifies and models data gaps, delivering trustworthy, quality-assured carbon accounts that are ready for third-party assurance and regulatory compliance.



IFS Cloud’s Sustainability Management enables organisations to efficiently collect, analyse, and disclose sustainability data across single or multiple entities. It supports developing regulations, including standards under the CSRD and ISSB. The solution centralises sustainability metrics, providing accurate, trustworthy data and supporting data-driven decision-making to advance sustainability initiatives.

Developed in collaboration with PwC, the module incorporates leading ESG expertise and aligns with industry best practices, including a comprehensive CSRD and ISSB KPI catalogue. Organisations can also access optional PwC advisory services, such as double materiality assessments, gap analyses, and implementation planning, to maximise sustainable business value.



Ivalua’s complete Source-to-Pay platform enables organisations to improve sustainability of their products and supply chain through transparency and collaboration.

Additionally, Ivalua offers an Environmental Impact Center solution that empowers organisations to manage and reduce scope 3 greenhouse gas emissions. The platform establishes reliable carbon emissions baselines via robust integration with external emission factor databases, sets reduction targets, computes risk scorecards, and tracks progress through dashboards and supplier-level analyses.

Procurement and supply chain teams can leverage the solution to gather environmental certifications, manage risk, and prioritise emissions reduction opportunities, all while ensuring data is verified and actionable. The Environmental Impact Centre supports the creation of low-carbon catalogues, informs sustainable sourcing decisions, and drives accountability through real-time monitoring and reporting.



Lucanet’s ESG Reporting solution streamlines the collection, aggregation, and management of sustainability data, helping organisations efficiently comply with evolving ESG regulations and standards across multiple jurisdictions. The platform offers data aggregation and assignment of data collectors, ensuring faster and more reliable data gathering from diverse sources. It features comprehensive GHG emissions calculation capabilities, enabling transparent and accurate reporting of environmental impacts. A robust review process supports data validation, providing confidence in the integrity of ESG disclosures.



Prophix’s ESG Reporting software enables organisations to efficiently manage and streamline ESG data collection, analysis, and disclosure through an intuitive, user-friendly platform.

The solution integrates directly with multiple source systems, minimising data errors and ensuring all ESG data is accurate, consistent, and compliant with regulatory standards. Built-in scenario analysis and forecasting tools empower companies to model “what-if” situations, helping them prepare for evolving regulations and make informed sustainability decisions.

Collaborative workflow features facilitate seamless teamwork across finance and sustainability departments, ensuring timely and accurate ESG disclosures.



SmartTrackers, a Visma company within the Hg portfolio, offers sustainability software for organisations to monitor their environmental and societal impact.

The platform converts activities into emissions based on the organisations’ unique structures and requirements. SmartTrackers helps manage external accountability and audit processes while supporting compliance with sustainability standards including the CSRD. The system provides data insights and reporting options to inform decision-making.

Through SmartTrackers, companies can add their own measurements and targets, create and complete assessments, and generate reports based on their sustainability data.



Trackunit is a leading SaaS-based IoT solution and machine insights provider to the global construction equipment industry. Trackunit collects and analyses machine data in real-time to deliver actionable, proactive and predictive information, empowering customers with data-driven foresight.

TrackUnit is driving sustainable change through accurate, real-world data including, providing its customers with:

- Carbon emissions from each machine, jobsite, project, fleet, and company, to support the industry with its carbon reduction efforts.
- Fleet insight to reveal how machines are being used – showing expected forecasts, service dates, and under-performing machines, helping to increase a project's energy efficiency.



Waystone provides ESG advisory and management company solutions to help asset managers navigate evolving sustainability regulations and meet investor expectations. Waystone supports Article 8 and 9 funds in Ireland and Luxembourg, and guide UK clients through the FCA's Sustainability Disclosure Requirements and labelling regime. Waystone's ESG consulting covers strategy and frameworks, regulatory compliance (including SFDR, SDR, and TCFD), due diligence processes, and independent assurance. With deep regulatory expertise and sector insights, Waystone delivers pragmatic, tailored support from disclosure development to portfolio assessments, helping firms of all sizes advance their ESG agendas and comply with complex global standards.



Material topics

01

05

- Reflecting on the Past Year
- Hg at a Glance
- A Snapshot of our Portfolio
- Hg's Value Creation Team
- Learning From Best Practice
- The Hg Foundation

02

15

- Embedding Sustainability into Our Investment Process
- Sustainability as a Value Creator Across Our Portfolio
- Building Stronger Businesses Through Collaboration
- Enabling Sustainable Growth Through Technology

03

29

- Our Governance Approach
- Focusing On What Is Most Material to Us and Our Stakeholders
 1. Business Conduct
 2. Climate Change
 3. Cybersecurity
 4. Culture and Inclusion

04

46

- Key Portfolio Metrics
- GRI table

Our Governance Approach

Strong governance builds trust, transparency and accountability, which are essential elements for sustainable business success. It is not just about compliance. It is the foundation for growth, value creation and risk management. And it is vital for business integrity.

We seek to promote strong oversight, transparency and risk management at all levels. Our commitment to good governance takes many forms: robust management structures, transparent decision-making processes, balanced compensation frameworks and comprehensive audit and risk controls.

We have built a governance approach that combines clear values and ethical codes with rigorous compliance across relevant laws and regulations. This is not just how we operate, it is how we grow businesses that endure.



Our Board Sustainability Sponsors

Effective Board oversight of sustainability matters is both a growing regulatory requirement and a strategic necessity for understanding ESG-related risks and opportunities.

In early 2023, we implemented a Sustainability Board Sponsor programme across our portfolio companies. Each designated sponsor advocates for sustainability at the highest level, ensuring regular Board discussions and appropriate oversight of sustainability strategies and policies.

We see the key responsibilities of a sustainability sponsor as:

- Championing sustainability strategy and policy development
- Evaluating material sustainability topics, stakeholder expectations, and emerging issues
- Ensuring Board-level consideration of material sustainability matters
- Confirming adequate resources are allocated to address material ESG topics throughout the organisation

Managing Risks Across our Firm

Hg has established a Risk Management Function, which operates independently and is headed by Hg’s Head of Compliance and Risk. The function has access to all parts of Hg’s business that have an impact on Hg’s risk profile and holds quarterly meetings with senior members of Hg Staff, responsible for the various business areas, to identify any new risks, and monitor progress and mitigation of existing risks. Beyond day-to-day risk management, the Function develops the policies and procedures that keep us moving forward safely.

Our compliance team reviews the effectiveness of Hg’s risk management policies and procedures, oversees the compliance of Hg and Hg Staff, ensures adequate training, and manages the measures taken to address any deficiencies in the relevant policies or procedures.

The Risk Management Function reports on risk matters to Hg’s Audit and Risk Committee (‘ARC’), which meets on at least a quarterly basis. The ARC is a committee of the Board, and ARC papers also form part of the quarterly Board papers. The ARC is responsible for reviewing and approving Hg’s Risk Management Framework, at least annually, to ensure it adequately identifies the risks to which Hg is, or may be, exposed.

Hg ensures that members of the ARC have the necessary knowledge, skills and expertise, and have adequate access to information on the risk profile of Hg (including, where necessary, external expert advice and support on any risk issue).

31



Our Approach to Anti-trust

Hg firmly believes that competition drives our businesses to be the best they can. Competition creates an incentive for our portfolio companies to excel, thereby stimulating diversity of products and services, productivity, economic growth and prices that reflect real value for consumers and businesses. Competition helps Hg’s portfolio companies to innovate and identify new needs and then develop better services accordingly. As Hg’s businesses are active globally our activities can be subject to anti-trust legislation at a national and regional level. We take a proactive and stringent approach to managing anti-trust compliance, starting during the due diligence process and continuing through investment periods. We have two dedicated in-house anti-trust lawyers based in Europe and the US to support Hg and its portfolio companies with global anti-trust advice on M&A, compliance programmes, ethical awareness initiatives as well as day-to-day advice.



Lisa Eger
Senior Legal Counsel, Hg

“We are committed to an anti-trust compliance culture from the ‘top down’ and across the entirety of Hg and our portfolio companies. Acting fairly and ethically in all of our business conduct is embedded in everything we do”

Enhancing Good Governance Across Our Portfolio

Hg’s experienced in-house legal team drives strategic, legal transformation and operational excellence across our portfolio, partnering with our boards and legal and compliance professionals throughout the investment lifecycle. We provide hands-on support from initial diligence to successful exit – acting as a trusted adviser and thought partner on key strategic issues, enhancing governance frameworks, managing incident response and delivering practical solutions on material risk and value-creating topics including antitrust, M&A, data privacy and Generative AI.

We produce an annual Good Governance report, focusing on the minimum policies and procedures that we expect each of our portfolio companies to have in place, and support any required uplift as the legal and compliance functions across our portfolio mature.



Laura Fletcher
Senior Legal Counsel, Hg

“With a robust network of more than 50 General Counsels and legal teams sharing best practice and the support of Hg’s dedicated legal team, in-house legal teams across our portfolio enhance their strategic impact, adding substantial value to their businesses, aligning with commercial goals. Together, we enable portfolio companies to accelerate growth, navigate complex landscapes with confidence, and build and protect value.”



Data Privacy at Hg and Portfolio Companies

As a global business, Hg is subject to applicable data privacy laws across all jurisdictions where we operate. We recognise the importance of managing data privacy risks wisely, for Hg and in championing the portfolio companies we invest in.

Hg and our portfolio companies respect individuals’ data protection rights and work to keep individuals’ personal data secure, mindful of the close synergies between good privacy and cybersecurity risk management.

Our legal team provides hands-on privacy support throughout the investment lifecycle – from comprehensive data protection due diligence to implementing privacy governance frameworks that align with regulatory requirements and business objectives. We help portfolio companies navigate complex regulatory landscapes, develop practical data protection policies, manage privacy incidents effectively, and harness data as a strategic asset while maintaining compliance.



Focusing on What is Most Material to Us and Our Stakeholders

A materiality assessment is a process in which a company identifies sustainability and broader emerging issues that are most important to its business and stakeholders given its operating context.

We published our first formal materiality assessment in 2022. In 2025, we took it further. Our updated assessment embraces ‘double materiality’ looking at key sustainability topics through both impact and financial lenses, aligning with the Corporate Sustainability Reporting Directive.

Our materiality assessment is founded on an extensive review of primary and secondary information, combining multiple perspectives:

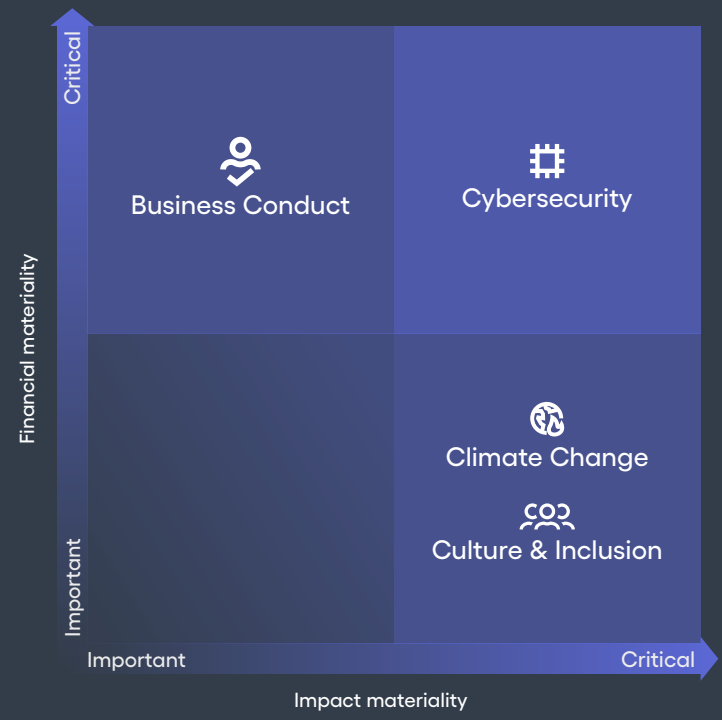
- **Direct conversations with those who know Hg best** engaging key stakeholders across our organisation, portfolio and external partners through focused interviews and surveys
- **Learning from others** reviewing best practices from both private equity peers and major technology players

- **Listening to broader voices** using external media scanning to capture wider perspectives
- **Staying ahead of requirements** completing a comprehensive review of sustainability regulations

This approach helps us see both challenges and opportunities clearly. It means we can focus our efforts where they will create the most meaningful change—for our business, our portfolio companies and society at large. We identified four material topics. Each topic is covered in a separate section of this report.

1. Business Conduct
2. Climate Change
3. Cybersecurity
4. Culture and Inclusion

Material Sustainability Topics in 2024.



1. Business Conduct

Good business conduct refers to the standards and practices that guide how a business and its employees operate. This includes ethical principles, rules and values, defining how employees should conduct themselves professionally and how the organisation interacts with its key stakeholders, including but not limited to practices to promote anti-corruption, anti-bribery, fair competition, respect for intellectual property and responsible tax principles.

Our Values and Business Ethics

Our ethical values reach far beyond what is legally required. They define the behaviours that we believe are acceptable and morally right in our workplace interactions and act as a compass in complex situations.

Every professional faces moments when determining right from wrong is not straightforward. When interpretations differ. When perspectives clash. That is precisely when clear principles become invaluable – offering steady guidance as we navigate business decisions.

We build Hg together by living our values. They are not just words on a wall – they are embedded in our ethos, informing our daily actions and guiding how we work within our teams and partnerships.

Our four cornerstones

Be Genuine

Authenticity in every circumstance.

Humility in our approach. Honesty in our conversations – speaking truth as we see it, even when it is challenging.

Go Beyond

Never settling.

Always reaching. Finding the extra insight, the additional perspective, the overlooked opportunity that makes all the difference.

Outlearn Constantly

Challenging assumptions.

Adopting a growth mindset that sees every situation as a chance to develop. Turning yesterday’s expertise into tomorrow’s foundation.

Win Right

Excellence matters.

How we achieve it matters more. Perspiration is as valuable as inspiration, and integrity is non-negotiable.



Our Purpose

Our work as a private equity firm stretches beyond profit and growth. A sense of purpose and meaning fuel good work and drives positive change. They are the foundation of everything we do.

We are entrusted with pension funds and endowments representing millions of underlying investors. This responsibility reaches deep and wide, touching lives and futures across generations. In 2020, we defined our purpose with clarity:

The businesses we partner with operate at the frontier of transformation. They're pioneering digitisation trends still in their early stages—innovations set to enhance how professionals work for decades to come.

This positioning gives us a unique opportunity. By supporting these businesses, we're not just building financial returns—we're helping shape how tomorrow's workplace functions, creating more efficient, effective and fulfilling professional environments.

“Trusted to improve the futures of millions of investors by building sustainable businesses for tomorrow”

Our Commitment to Global Best Practices

We recognise that we have a role to play in upholding good business practices and fostering structures and a culture that supports the fundamental principles across the following standards:

- **The ten Principles of the UN Global Compact**, reflecting a business' fundamental responsibilities to operate in ways that, at a minimum, seek to address key areas such as human rights, labour rights, environment and anti-corruption.
- **The Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises**, reflecting the expectation from governments to businesses on how to act responsibly and covers all key areas of business responsibility, including human rights, labour rights, environment, bribery, consumer interests, as well as information disclosure, fair competition and taxation.
- **The UN Guiding Principles on Business and Human Rights** seeking to identify, prevent and mitigate adverse human rights impacts across a business' operations and engage in remediation where required.

2. Climate Change

We recognise we have a responsibility to guide and support our portfolio companies in setting carbon reduction targets and aligning with a Net Zero future. This approach enables our businesses to increase energy efficiency and build resilience, being less dependent on fossil fuel consumption, better understand climate-related risks and manage challenges and opportunities that lie ahead.

To reach Net Zero by 2050, we need the whole world to be on track which will require both companies and governments to do their part. The Net Zero landscape is constantly changing with improvements in methodologies, development and scaling of low-carbon technologies, as well as shifting global climate-related policies.

We appreciate there are different approaches to setting carbon reduction targets and reporting on progress. We track and report our decarbonisation efforts in three ways:

- In line with the PE guidance of the SBTi
- In line with the Private Markets Decarbonisation Roadmap (PMDR)
- In line with the IIGCC Net Zero Investment Framework (NZIF) Component for the Private Equity Industry

These frameworks aim to create a standardised approach to climate disclosure and analysis. We have chosen them based on the knowledge of the private equity sector – aiming to help private equity firms track their portfolio’s decarbonisation journey and communicate it to stakeholders.

The SBTi offers a framework for reducing emissions in firm-level activities and investments. A carbon reduction target is defined as science-based if it is in line with the reductions required to limit global warming to well below 2°C above pre-industrial levels, ideally 1.5°C. The approach is built on the principle that emissions must be halved before 2030 and reach Net Zero by 2050, to not exceed 1.5°C and avoid catastrophic impacts of climate change. In 2021, we became one of the first private equity firms globally to road-test SBTi’s private equity standard and secure their approval for our carbon reduction targets. Our targets, from a FY2020 baseline are:

- 50% reduction in our firm scope 1 and 2 emissions by end of FY2031 (31 March 2031)
- 26% of invested capital to be covered by SBTs by end of FY2027 (31 March 2027)
- 100% of invested capital to be covered by SBTs by end of FY2041 (31 March 2041)

The PMDR was developed by the iCI and the Sustainable Markets Initiative’s Private Equity Task Force with the goal of helping private equity firms accelerate their efforts in disclosing and reducing GHG emissions. It acknowledges that climate maturity is a journey and categorised investments into five distinct stages; Not Started, Capturing Data, Preparing to Decarbonise, Aligning and Aligned to Net Zero.

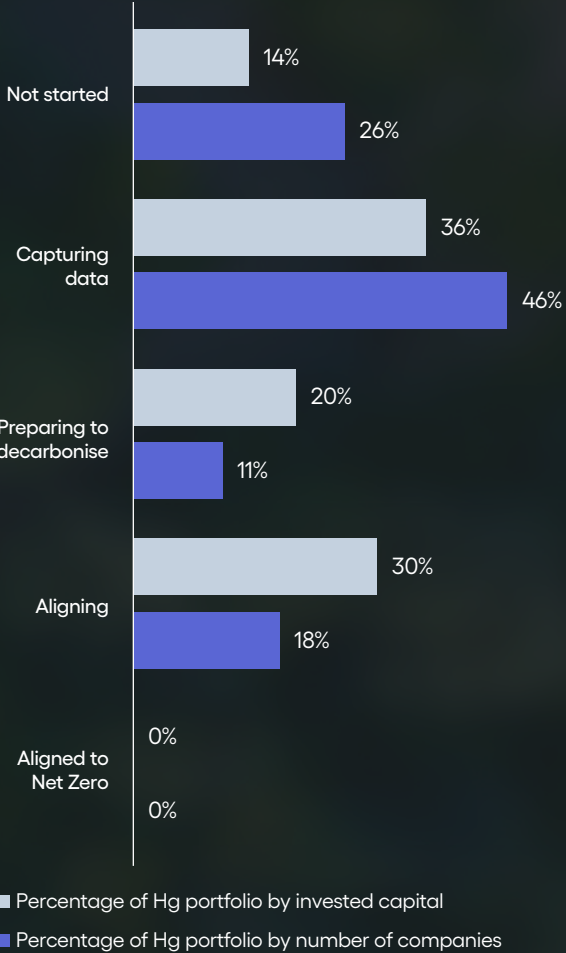
The NZIF framework, which was developed with inputs from leading industry participants in the private equity industry, aims to provide a consistent foundation for asset owners and managers to align portfolios with net zero emissions by 2050 or sooner. It acknowledges that climate maturity is a journey and categorised investments into four distinct stages; Committed to Aligning, Aligning, Aligned and Net Zero.

We are gaining traction across our firm and portfolio with 86% of our portfolio companies now at least ‘capturing data’. As of 31 March 2025, 31% of our portfolio companies were ‘aligned’ with a Net Zero future which meant they are committed to or have validated SBTs.

Here is an overview of the state of the measures our portfolio companies have taken to reduce their GHG emissions as of 31 March 2025:

	 Not started	 Capturing Data	 Preparing to Decarbonise	 Aligning	 Aligned to Net Zero	
PMDR	Definition	Not started to measure emissions or plan how to reduce them	Reporting emissions data but currently no plan in place to reduce emissions	Planning to reduce emissions in-line with an approach agreed with the GP	Committed to a decarbonisation plan aligned to a transition pathway	Delivering against a net zero plan and operations aligned to science-based target
	Criteria	- Minimal or no emissions data - No decarbonisation plan in place.	Measuring Scope 1 and 2 emissions from operations alongside material Scope 3 emissions, and making data available to fund	Decarbonisation plan meeting minimum requirements in place but level of ambition not aligned to net zero pathway	Committed to near-term science-based target aligned to a long-term net zero pathway. E.g. committed to, or validated SBTs	Demonstrated YoY emissions profile in line with net zero pathway
Equivalent stage of IIGCC's NZIF	No direct equivalent in IIGCC framework. Represents stage before any alignment action.	Annual disclosure of emissions data is part of IIGCC's "Aligning" criteria.	No direct equivalent in IIGCC framework as NZIF requires a long-term goal to be net zero emissions by 2050 or sooner.	Corresponds to the following two stages of IGCC: 1. "Committed to Aligning" which requires Board oversight for climate risk and strategy and a long-term goal for net zero by 2050. 2. "Aligning" which requires 5-10 year Paris-aligned GHG emissions reduction target.	Corresponds to "Aligned" in IIGCC e.g. cumulative YoY reduction meets or exceeds target and carbon reduction plan to deliver the target.	
Hg state as of March 2025 (visualised in figure opposite)	14% invested capital 26% port cos 15 port cos	36% invested capital 46% port cos 26 port cos	20% invested capital 11% port cos¹ 6 port cos	30%² invested capital 18% port cos³ 10 port cos	0% invested capital 0% port cos 0 port cos	

Hg state as of March 2025



1 This includes companies who have committed to the SBTi

2 Numbers do not add to 100 due to rounding

3 The percentage includes companies who have had targets approved by SBTi

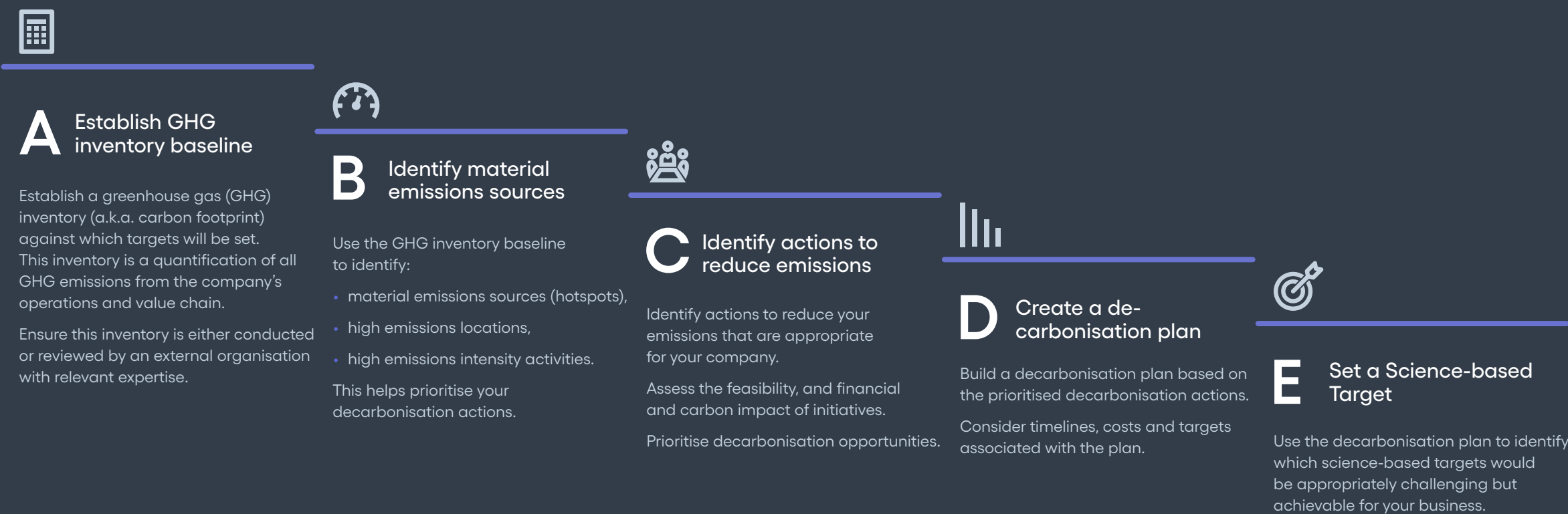
Our Portfolio Carbon Reduction Toolkit

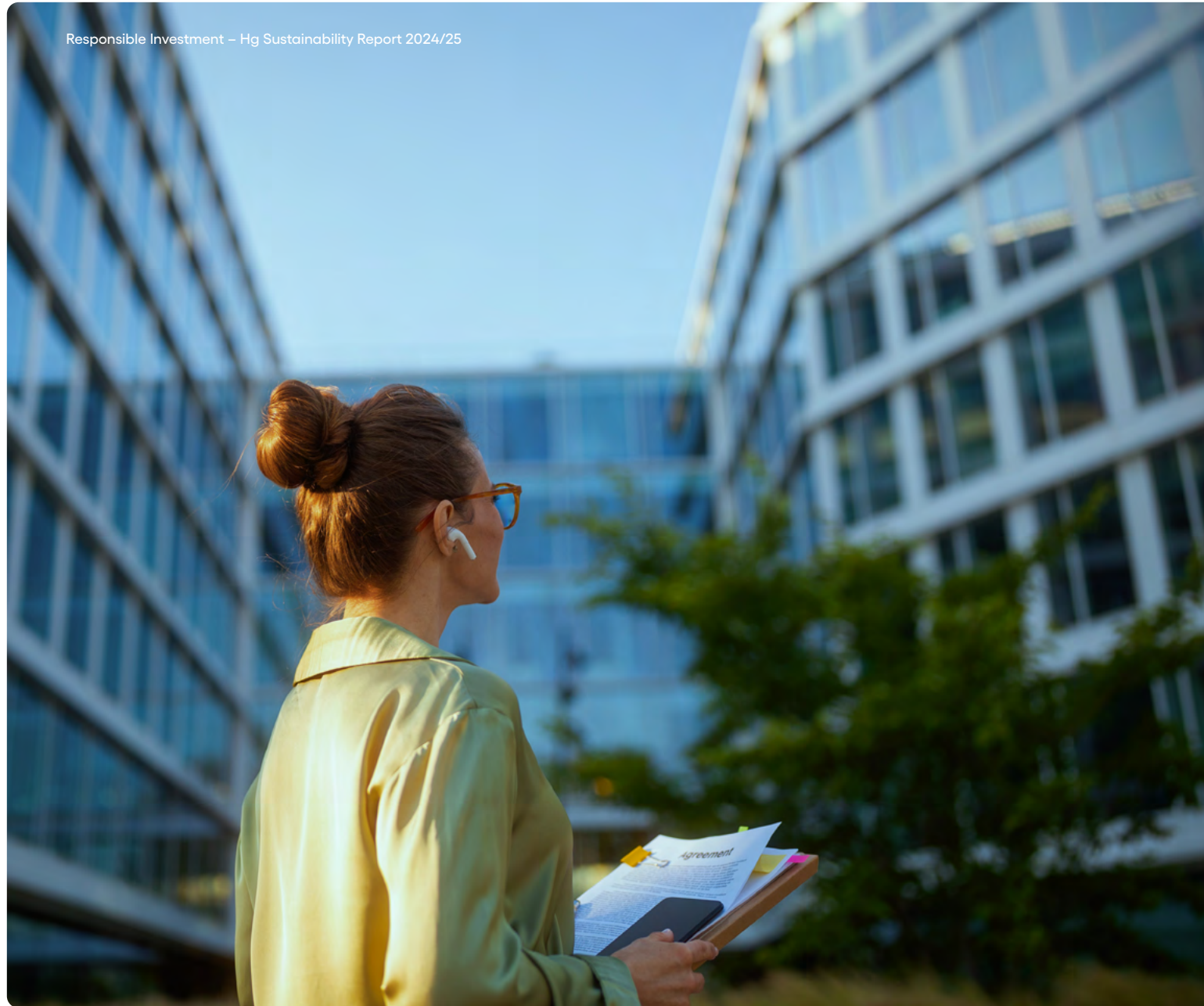
Setting targets and reducing emissions should not be a burden on businesses. Done right, these steps deliver cost advantages and competitive benefits as energy consumption decreases and customer expectations evolve.

To help our portfolio companies set SBTs and develop credible reduction pathways, we have created a carbon reduction toolkit covering all relevant decarbonisation actions for software and service companies.

The carbon reduction toolkit, developed in collaboration with ERM, was launched at our annual Sustainability Forum in 2024. It is meant to help sustainability leads to obtain approval of targets from senior leadership by building a business case for the targets and demonstrating their achievability.

The toolkit is divided into five sections, allowing portfolio companies to start where most relevant based on their progress to date:





Measuring and Managing Carbon Footprints Across Our Portfolio

We are helping our companies understand their climate impact by collecting scope 1, 2 and 3 emissions data in line with the GHG protocol. In 2025 (collecting 2024 data), we supported five portfolio companies in calculating their footprints, with the remainder using external specialists. This was a marked increase from last year, where only half of our portfolio companies were working with a third party specialist.

To further support our businesses in increasing the accuracy of their scope 3 emissions, Hg co-lead an iCI working group to develop scope 3 GHG accounting guidance for the software and services sector. This is a [comprehensive guide](#) to help businesses understand their scope 3 emissions.

Firm-level Carbon Footprint

We publicly report on our carbon footprint in line with the GHG Protocol and, since 2019, we have compensated for scope 1, 2 and 3 emissions. Please see our latest [carbon footprint report](#), published on our website.

Climate Change Risks

We publicly report on climate change risks and transitions strategies in our annual [Task Force on Climate Related Financial Disclosures \(TCFD\)](#) report. Please see the report on our website which details our governance, strategy for and management of climate change risks and opportunities as well as detailed relevant metrics and targets, for more details.



A Portfolio Case Study

As Sovos expands into European markets where customer expectations and regulatory requirements around sustainability have grown, the business has strategically focused on sustainability as a key value creation driver.

Hg's sustainability team partnered with Sovos to support the development of a comprehensive materiality assessment and strategy, which identified climate and energy as key focus areas. Together, we established metrics, targets and, initiatives that would drive meaningful progress across the material topics.

To support their climate ambitions, Sovos is calculating their carbon footprint using the Greenhouse Gas Protocol for the second year running in 2024. To further sharpen their approach, they teamed up with Normative, carbon accounting experts. The 2024 calculation used 12% activity-based data, i.e. the specific quantities or magnitudes of an activity that lead to GHG emissions, and Sovos plans to increase data precision for next year.

Action is already underway to reduce their emissions. Sovos has implemented green office standards and migrated to more energy-efficient cloud providers. Sovos made a commitment to the SBTi in April 2025 and will work to establish carbon reduction targets in line with SBTi standard.



3.

Cybersecurity

Today's cyber threats are evolving rapidly, powered by new artificial intelligence tools that make sophisticated attacks easier to execute and more widespread. This shift means we are likely to see more cyber incidents worldwide. Consider this: technology now exists that can create convincing fake videos of anyone, complete with an accurate voice copy. Imagine receiving what appears to be a genuine message from a trusted colleague asking for sensitive information.

This changing landscape brings both new risks and new protective measures. While threats are becoming more advanced and accessible, our defensive tools are also improving. AI-augmented solutions can fix security weaknesses in software products far more efficiently than ever before. New data protection systems better understand when sensitive information is being misused. Security monitoring tools can now spot subtle attack patterns which would have been impossible to identify with more traditional methods.

As investors in software companies, cybersecurity remains a critical consideration for us. Since 2017, our dedicated Cybersecurity team has completed hundreds of security evaluations through our assessment program. We regularly review all portfolio companies based on their specific risk factors and security maturity. When companies don't meet our standards, our team provides hands-on support, including temporary security leadership when needed. Through this proactive approach, we maintain strong protection across our investments despite rapidly changing threats.

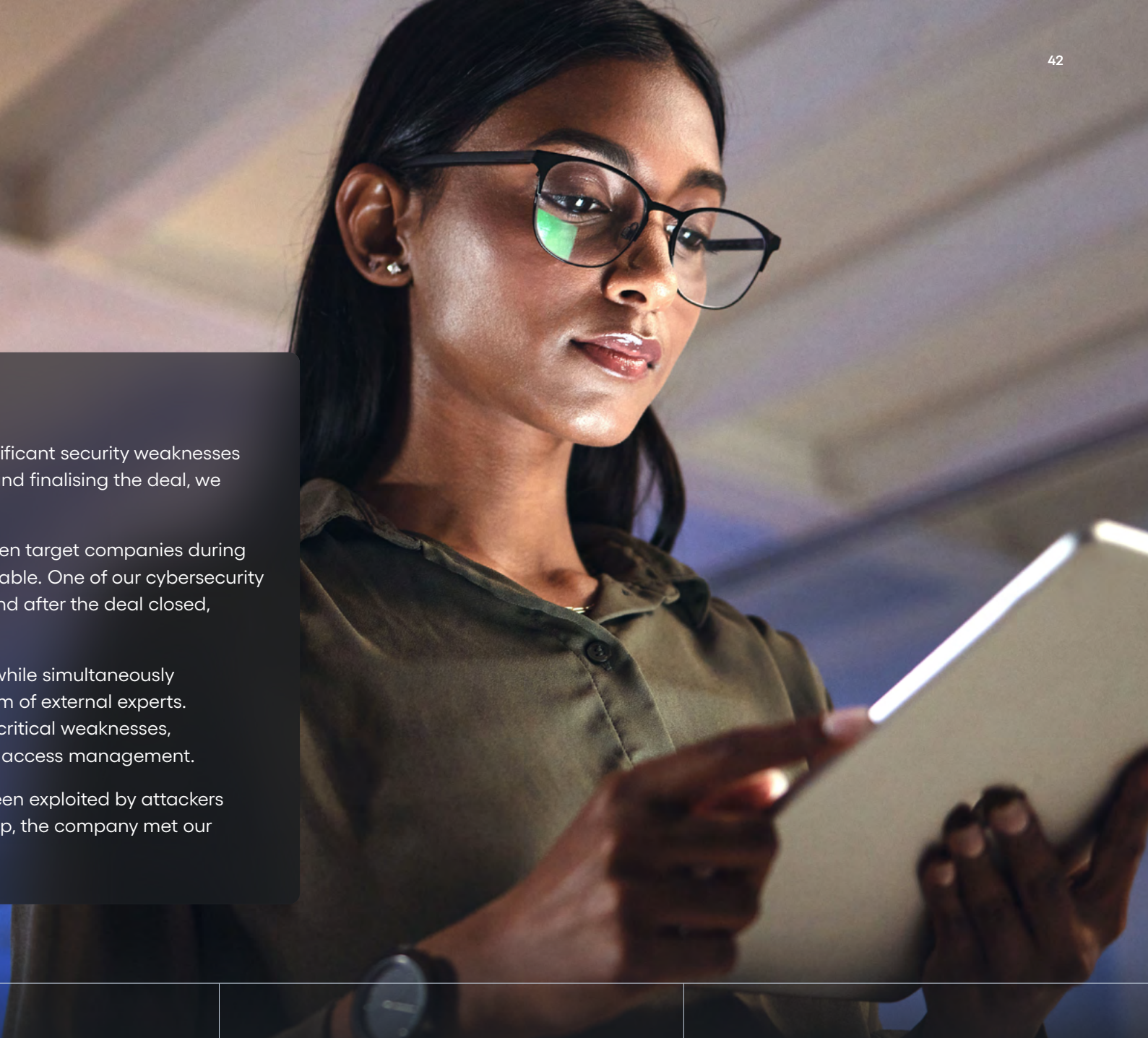
A Cybersecurity Case Study

During our evaluation of a potential investment, we discovered significant security weaknesses that required immediate attention. Between our initial agreement and finalising the deal, we assembled a specialised team to quickly reduce these risks.

Fast action was essential because evidence shows that hackers often target companies during ownership transitions, when organisations are typically more vulnerable. One of our cybersecurity team members stepped in as a temporary security leader before and after the deal closed, ensuring continuous improvement and risk reduction.

We supported the company in hiring a permanent security leader while simultaneously implementing crucial protective measures, with support from a team of external experts. These included setting up comprehensive threat monitoring, fixing critical weaknesses, creating protected backup systems, and strengthening device and access management.

As a result, we addressed major vulnerabilities which could have been exploited by attackers before completing the acquisition. Within three months of ownership, the company met our cybersecurity standards.



4.

Culture and Inclusion

We appreciate that business success depends not just on talent, but on the breadth and variety of perspectives within a team. This is where cognitive diversity becomes important as it helps bring different ways of thinking, processing information, and solving problems.

At Hg we seek to foster a culture of ingenuity and collaboration and celebrate fresh perspectives. Teams that include people who approach challenges differently generate a wider range of ideas and solutions. It helps us avoid ‘groupthink’ and pushes us toward more healthy debate and rigorous analysis. We believe that cognitive diversity, in conjunction with healthy evidence-led debate, leads to better judgement calls and investment and business outcomes. Our experience tells us that employees are more engaged and motivated if they feel their unique perspectives are valued and their voice matters. This not only enhances job satisfaction but also helps attract and retain top talent.



In line with our aspiration to continually improve in this area, our Culture Committee, consisting of individuals from across Hg and led by our partners Martina Sanow and Steven Batchelor, has full backing from our Senior Leadership Team and reports directly to our Board. The Culture Committee is dedicated to championing diversity in all its forms, including diversity of thought. The committee’s mission is to lay the foundations and set the strategy for a fully inclusive culture and environment at Hg. They focus on enhancing manager assessment, training, and development and embedding a culture of cognitive diversity across Hg.

At Hg, we prioritise understanding and enhancing cognitive diversity across Hg. Every team member completes a psychometric assessment revealing their unique thinking styles, strengths, and communication preferences. These profiles, shared throughout the organisation, inform how we build and develop high-performing teams. By creating a common language, they help colleagues bridge geographical and cultural differences, facilitates more effective communication, and creates a foundation for meaningful feedback – ultimately strengthening our collaborative culture and improving business outcomes.

We appreciate it is complex to report on cognitive diversity in numbers. At Hg, we strive for balanced representation across different ways of thinking. In practice, this shows through the composition of genders and nationalities within our teams.



Samantha McGonigle
Partner and General Counsel

“I joined Hg last year and was initially drawn to the firm’s reputation for excellence across all dimensions. The hiring process stood out to me because it was thorough yet genuinely focused on understanding my unique perspective and what I could bring to the table beyond just technical skills.

At Hg, everyone is encouraged to contribute and there is a genuine emphasis on ensuring that all voices are heard. This thoughtful balance demonstrates Hg’s commitment to creating an environment where everyone can thrive. Within my own team, we actively seek input from everyone during discussions, being mindful of different communication styles, and ensuring that recognition is distributed fairly.”



Appendix

01

05

- Reflecting on the Past Year
- Hg at a Glance
- A Snapshot of our Portfolio
- Hg's Value Creation Team
- Learning From Best Practice
- The Hg Foundation

02

15

- Embedding Sustainability into Our Investment Process
- Sustainability as a Value Creator Across Our Portfolio
- Building Stronger Businesses Through Collaboration
- Enabling Sustainable Growth Through Technology

03

29

- Our Governance Approach
- Focusing On What Is Most Material to Us and Our Stakeholders
 1. Business Conduct
 2. Climate Change
 3. Cybersecurity
 4. Culture and Inclusion

04

46

- Key Portfolio Metrics
- GRI table

Appendix 1: Key Portfolio Metrics

Below is an overview of a selection of sustainability metrics across our portfolio (covering 42 portfolio companies). Unless stated otherwise, all numbers are based on data collected from portfolio companies for calendar years 2022, 2023 and 2024. For further context on any of the metrics please contact Hg’s Sustainability team.

	2022	2023	2024
Sustainability Diagnostic scores ¹	n/a ²	7.7	8.1
Employees			
Employee Net Promoter Score (eNPS) ¹	36	26	23
Glassdoor / Kununu score ¹	3.9	3.8	3.7
Monitor employee engagement	90%	90%	98%
Organisation: % women ¹	37%	38%	37%
Senior Management: % women ¹	28%	31%	31%
C-suite: % women ¹	22%	26%	27%
D&I strategy in place	46%	59%	95%
D&I representative	78%	76%	76%
Mental health support	85%	85%	93%

¹ Average numbers as reported in our annual Sustainability Diagnostic

² Scoring methodology was updated between 2022 and 2023 and is therefore not comparable

³ As of FY end, 31 March 2025. The percentage include companies that have committed to SBTi and companies that have had targets approved by SBTi.

Society	2022	2023	2025
Percentage of energy consumption from renewable sources	22%	13%	27%
Green initiatives in place	90%	90%	90%
Carbon reduction initiatives in place	73%	78%	71%
Measure carbon footprint	80%	100%	93%
Have set carbon reduction targets	29%	32%	31%
Science-based carbon reduction targets ³	12%	17%	31%
Use data centres / cloud service providers with carbon reduction targets	80%	100%	100%
Communicate externally on Sustainability	54%	54%	69%
Publish external Sustainability report	17%	32%	38%
Invest in charities or the community	98%	98%	95%
Essentials			
Sustainability / ESG strategy in place	49%	59%	93%
Sustainability / ESG board accountability	51%	93%	95%
Anti-bribery and corruption policy in place	93%	98%	98%
Anti-discrimination policy in place	95%	100%	100%
Competition law considered as part of compliance structure	66%	88%	93%
Code of conduct in place	88%	98%	98%
Data privacy policy in place	100%	93%	98%
Health & Safety policy in place	93%	95%	100%
Risk register in place	85%	88%	95%

Appendix 2: GRI Table

Statement of use: Hg Capital has reported in reference to the GRI Standards for the period 1st April 2024 to 31st March 2025

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	(a) HgCapital LLP (b) Privately owned (c) London, UK (d) Hg has five investment offices based in UK (London), Germany (Munich), France (Paris), USA (New York & San Francisco).
	2-2 Entities included in the organization's sustainability reporting	This report covers our five investment offices and HgCapital LLP's approach to responsible investment across our funds.
	2-3 Reporting period, frequency and contact point	(a) 1st April to 31st March 2025, reporting annually (b) This is the same as our financial reporting (c) Publication date: 23 June 2025 (d) Caroline Löfgren, Chief Sustainability Officer, sustainability@hgcapital.com
	2-4 Restatements of information	Hg continually improves the quality of its GHG emissions data. Since publishing our last GRI contents index, we recalculated our footprint. Our most up to date carbon footprint can be found in our 2023/24 Carbon Footprint Report
	2-5 External assurance	(a) This report has been reviewed by senior executives at Hg (b) This report has not been externally assured.
	2-6 Activities, value chain and other business relationships	See Company Factsheet, latest version of is available here . (updated on an ongoing basis)
	2-7 Employees	(a) Hg employs c.400 people .
	2-8 Workers who are not employees	
	2-9 Governance structure and composition	
	2-10 Nomination and selection of the highest governance body	
	2-11 Chair of the highest governance body	
	2-12 Role of the highest governance body in overseeing the management of impacts	
	2-13 Delegation of responsibility for managing impacts	
	2-14 Role of the highest governance body in sustainability reporting	
	2-15 Conflicts of interest	
	2-16 Communication of critical concerns	
	2-17 Collective knowledge of the highest governance body	
	2-18 Evaluation of the performance of the highest governance body	
	2-19 Remuneration policies	
	2-20 Process to determine remuneration	
	2-21 Annual total compensation ratio	
	2-22 Statement on sustainable development strategy	See page 3 with leadership statement and pages 8 & 9 for a strategy update
	2-23 Policy commitments	
	2-24 Embedding policy commitments	
	2-25 Processes to remediate negative impacts	
	2-26 Mechanisms for seeking advice and raising concerns	
	2-27 Compliance with laws and regulations	
	2-28 Membership associations	(a) Hg is a member of the British Venture Capital Association (BVCA), Invest Europe, the UN Principles Responsible Investing (UN PRI) and the Initiative Climat International (ICI)
	2-29 Approach to stakeholder engagement	(a) See page 36
	2-30 Collective bargaining agreements	

GRI STANDARD	DISCLOSURE		LOCATION
GRI 3: Material Topics 2021	3-1	Process to determine material topics	See Materiality section on page 36
	3-2	List of material topics	See Materiality section on page 36
	3-3	Management of material topics	See Materiality section on page 36
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Climate change is a material topic to Hg and our stakeholders and we are committed to understanding the risk and opportunities presented by rising temperatures, climate-related policy, and emerging technologies in a changing world. We publish a voluntary annual TCFD report which outlines our climate-related risks and opportunities available on our website
	201-2	Financial implications and other risks and opportunities due to climate change	
	201-3	Defined benefit plan obligations and other retirement plans	
	201-4	Financial assistance received from government	
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	
	202-2	Proportion of senior management hired from the local community	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	
	203-2	Significant indirect economic impacts	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Hg's procurement is mostly limited to professional or business services suppliers, such as catering, professional services and office equipment.
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Hg has assessed the level of corruption risk associated with its business and has put in place appropriate policies and procedures to mitigate such risks. These include but are not limited to an anti-bribery and corruption policy, a financial crime policy, a gifts, entertainment & other benefits policy, and a whistleblowing policy.
			(a) Hg operates across five investment offices and 100% of these operations have been included in the risk assessment.
			(b) In our risk assessment we consider that certain jurisdictions (by reference to external data such as the Transparency International Corruption Perceptions Index), business activities, and/or business dealings involving Public Officials may give rise to elevated corruption risks. Taking these factors into account, Hg considers that the overall level of corruption risk in its business is low.
	Furthermore, 42 of our portfolio companies have been assessed on their bribery and corruption policies as part of our annual ESG review or onboarding.		
	205-2	Communication and training about anti-corruption policies and procedures	Hg's compliance team provides regular training to its staff, including all new joiners, on its anti-corruption policies and procedures. All Hg Portfolio Companies are required to have anti-bribery and corruption policies and procedures in place. Other business partners (e.g. suppliers, contractors etc) are subject to written contractual provisions relating to anti-bribery and corruption.
	205-3	Confirmed incidents of corruption and actions taken	No instances of corruption were confirmed, and no corresponding actions were therefore taken.
	GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices
(b) Not applicable			
GRI 207: Tax 2019	207-1	Approach to tax	Please see the Governance section on our website
	207-2	Tax governance, control, and risk management	
	207-3	Stakeholder engagement and management of concerns related to tax	
	207-4	Country-by-country reporting	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	As an asset manager, the use of raw materials is not material to Hg, therefore we will not be reporting on this topic for 24/25.
	301-2	Recycled input materials used	
	301-3	Reclaimed products and their packaging materials	

GRI STANDARD	DISCLOSURE	LOCATION
GRI 302: Energy 2016	302-1 Energy consumption within the organization	(a) 8691 kwh natural gas (b) None (c) i. 414,768 kwh ii. 0 kwh iii. 0 kwh iv. 0 kwh (d) Not applicable (e) 698003 kwh (f) Hg's carbon emissions are calculated in line with the Greenhouse Gas Protocol Corporate Standard, using the operational control approach. Activity data is collected partly using excel-forms from local offices which is then uploaded to the Normative (carbon accounting platform). In 2024, Hg partnered with Normative to calculate its emissions, where data is gathered and calculated using a centralised platform using emissions factors for each activity. Emissions factors are sourced from relevant industry bodies such as Defra and AIB. Estimations have been made for leased offices with fewer than 6 FTEs as they are both leased square footage and number of employees. Data has also been estimated where some monthly consumption data could not be obtained. (g) Defra (2023) 2.5626 kg to kgCO ₂ e
	302-2 Energy consumption outside of the organization	(a – c) We do not report on the energy consumption outside of Hg due to lack of available data.
	302-3 Energy intensity	(a) 8,297kwh / FUM (b) FUM in billion USD (c) Fuel and electricity (d) Inside, only
	302-4 Reduction of energy consumption	(a – d) In 2024/25, we saw a 9% increase in energy consumption across Hg's offices. In 2024, we opened a new office in Singapore and expanded our offices in New York and Munich. Despite the slight increase, four out of Hg's seven offices now use 100% renewable electricity.
	302-5 Reductions in energy requirements of products and services	(a – c) Not applicable
	303-1 Interactions with water as a shared resource	Water consumption and water effluents are not material to Hg. Our only source of water consumption and water effluent within our organisation is through our offices (cleaning, drinking and facilities).
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	
	303-3 Water withdrawal	
	303-4 Water discharge	
	303-5 Water consumption	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	To assess biodiversity risk across Hg's five investment offices, we utilised the WWF Biodiversity Risk Filter, which concluded that all offices have low physical and reputational risk scores.
	304-2 Significant impacts of activities, products and services on biodiversity	
	304-3 Habitats protected or restored	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	

GRI STANDARD	DISCLOSURE	LOCATION
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	(a) 0 tCO ₂ e (b – f) not applicable (g) Hg's carbon emissions are calculated in line with the Greenhouse Gas Protocol Corporate Standard, using the operational control approach.
	305-2 Energy indirect (Scope 2) GHG emissions	(a) 153 tCO ₂ e (b) 58 tCO ₂ e (c) Not available (d) FY2020 (our SBT baseline year) (e) AIB (2022); Defra (2023); (f) Operational control (g) Emissions from the Singapore, Paris, and Luxembourg offices (electricity and heating) have been estimated using the office's square foot and the AIB (2022) emissions factor. Four out of our seven offices are on 100% renewable electricity.
	305-3 Other indirect (Scope 3) GHG emissions	(a) 7150 tCO ₂ e (b) Not available (c) None (d) 1: Purchased Goods and Services, Consultancy Spend; 2: Capital Goods; 3: Fuel-and Energy-Related Activities Not Included in Scope 1 or Scope 2; 4: Upstream Transportation and Distribution; 5: Waste Generated in Operations; 6: Business Travel (including hotel stays); 7: Employee Commuting and homeworking (e) FY2020 (our SBT baseline year) (f) Exiobase (3.8.2), Ecoinvent (3.9.1), Defra (2023) (g) Employee commuting has been estimated based on the 50% of responses to a survey on commuting habits. Data has been extrapolated to account for all employees.
	305-4 GHG emissions intensity	(a) 8.56 tCO ₂ e / FUM (b) FUM in billion USD (c) Scope 1, 2 and 3 (d) CO ₂ only
	305-5 Reduction of GHG emissions	(a – d) In 2024/25 our scope 1 emissions remained zero, our scope 2 emissions increased by 26% (with an increase in available data from our New York office) and our scope 3 emissions decreased by 5%. As in previous years, business travel represents the majority (78%) of our total emissions.
	305-6 Emissions of ozone-depleting substances (ODS)	(a – d) We do not report on emissions of ozone depleting substances as these are negligible for Hg and our business' operations.
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	(a – c) We do not report on emissions of Nitrogen oxides (NOx), sulphur oxides (SOx), and other air pollutants as these are negligible to Hg and our business operations.
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	The production and management of waste is not currently a material issue for Hg. The main source of waste is through our offices. We track the volume of waste product and implement measures to increase recycling and reduce waste production across our offices. Any electronic waste is dealt with in line with the WEEE guidelines.
	306-2 Management of significant waste-related impacts	
	306-3 Waste generated	
	306-4 Waste diverted from disposal	
	306-5 Waste directed to disposal	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	The environmental impact of suppliers is not a material topic for Hg. However, we include suppliers in our carbon footprint assessment which enables us to identify and address hotspots if their carbon footprint is disproportionately high. For further information, please refer to our supplier code of conduct
	308-2 Negative environmental impacts in the supply chain and actions taken	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Please see page 8 of Hg's latest Diversity and Inclusion report
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3 Parental leave	

GRI STANDARD	DISCLOSURE	LOCATION
GRI 402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	As an office-based organisation, occupational health and safety is not currently a material issue for Hg. However, Hg has a global Health & Safety policy in place covering all of its staff and office locations. As of April 2024, all four of Hg's global office manager are IOSH trained and certified, we also have outside specialist counsel on retainer for ongoing ad-hoc guidance and compliance advice. Some of our key Health & Safety processes and operating procedures include: • Annual general office and fire risk assessments for all locations • Trained first aid and fire marshals designated to all sites • Mandatory DSE training for all new staff • Mandatory manual handling training for all relevant roles • Global accident reporting and investigation procedures for all staff • Health & Safety onboarding training for all new joiners including accident / hazard reporting procedures, first aid awareness and evacuation protocols.
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-3 Occupational health services	
	403-4 Worker participation, consultation, and communication on occupational health and safety	
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8 Workers covered by an occupational health and safety management system	
	403-9 Work-related injuries	
	403-10 Work-related ill health	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Training and education is not currently a material topic for Hg so we have not reported on this topic. We have training programmes and provide each employee with training allowance, renewed annually.
	404-2 Programs for upgrading employee skills and transition assistance programs	
	404-3 Percentage of employees receiving regular performance and career development reviews	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	(a) i. Hg has a Board of 7 members of which 2 are Non-Executive Directors. All members (100%) of Hg Board are male ii. We do not have D&I/personal data on the non-executive board members, however of the Hg board members: 28%, 30-50 years old and 72%, 50+ years old. iii. 0% of Hg Board members self-identify as belonging to minority or vulnerable groups. (b) i. We publish a separate Culture & Inclusion report, in which we report on overall gender representation and then gender representation of our investment teams. The latest report is available on our website . ii. 25% of Hg employees are under 30 years old, 68% are 30-50 years old and 7% are over 50 years old.
	405-2 Ratio of basic salary and remuneration of women to men	(a) See details of Hg's gender pay gap here . (b) Not applicable
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	(a) We have not had any issues of discrimination involving Hg within the reporting period. (b) Not applicable
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Hg has a zero-tolerance approach to modern slavery in its various forms (slavery, servitude, forced and compulsory labour and human trafficking) and we are committed to acting ethically and with integrity in all our business dealings and relationships and to conducting assessments to ensure that modern slavery is not taking place in our own business or in our supply chain. For further details, see Hg's modern slavery act statement on our website.
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	

GRI STANDARD	DISCLOSURE		LOCATION
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Hg has not been involved in any violations involving the rights of indigenous people.
	413-1	Operations with local community engagement, impact assessments, and development programs	Hg engages with local communities through the independent charity ‘The Hg Foundation’ to which Hg donates part of its profits and carry. The Hg Foundation is focusing on development programmes enabling access to jobs in technology. See more on The Hg Foundation website .
GRI 413: Local Communities 2016	413-2	Operations with significant actual and potential negative impacts on local communities	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	We seek to work with external professional services partners and suppliers who respect human rights, care about their own working conditions and adhere to the UN Guiding Principles on Business and Human Rights. Our Modern Slavery Act statement, which is updated and approved by our Board annually, explains our approach to human rights within our direct supply chain. See here for further details.
	414-2	Negative social impacts in the supply chain and actions taken	
GRI 415: Public Policy 2016	415-1	Political contributions	Hg does not make political contributions; therefore this topic is not currently material to Hg.
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Hg is an asset manager, and its fund products are not sold to end-consumers. Hg’s portfolio companies are B2B SaaS companies, most of which do not sell physical products to end-users, therefore customer health & safety is not a material topic for Hg.
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	Hg is a UK-authorised Alternative Investment Fund Manager (AIFM) and markets its funds into certain EEA jurisdictions under applicable National Private Placement Regimes (NPPRs). Hg is therefore subject to the FCA’s Rules on Financial Promotions, and specific requirements on the information required to be provided to both prospective and existing investors, as well as to the Sustainable Finance Disclosure Regulation (SFDR) requirements on product labelling. All Hg funds created since 2022 are classified as Article 8 under the SFDR regulations. There have been no incidents of non-compliance concerning marketing communications for the reporting period.
	417-2	Incidents of non-compliance concerning product and service information and labelling	
	417-3	Incidents of non-compliance concerning marketing communications	
GRI 418: Customer Privacy 2016*	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	(a-b) There were no complaints concerning breaches of customer privacy and losses of customer data involving Hg in 24/25. (c) Not applicable

Disclaimer:
Hg is reporting ‘in reference to’ (rather than ‘in accordance with’) the Principles of the GRI Standards. Therefore, Hg has prepared the reported information in accordance with the requirements specified in ‘Reporting with reference to the GRI Standards’ at the end of section 3 in GRI 1 (and, for the avoidance of doubt, the disclosures are therefore not necessarily fully compliant with all nine requirements set out in section 3 of GRI 1).

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We constantly try to improve in this space and are committed to provide an update towards our commitments at least annually to the public and our clients.

If you have any questions about the content of this report, please contact sustainability@hgcapital.com.