



# Responsible Investment

Hg ESG Report 2021/22



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This is Hg

# Hg in 2021/22

Reporting period: April 2021 – March 2022

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## Reflections on the past year

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Last year, when we prepared our previous Responsible Investment report, it would have been hard to predict just how far ESG issues were to propel forward across the business world in just 12 months.

Stark warnings from the scientific community on climate change combined with the global attention surrounding COP26, the continued backdrop of Covid-19 and, more recently, devastating war in Europe – there cannot be anyone who has not seriously reflected on their ESG contributions as a critical part of business in 2022.

I am proud that at Hg, we are doing our part. This report highlights some of our achievements made possible by the efforts of our people, built up over many years of work, collaborating with a strong sense of purpose.

In such times we must reflect on our Purpose. Hg is trusted to improve the future of millions of investors by building sustainable businesses for tomorrow. These are carefully chosen words – trust, future, sustainable, tomorrow. Choosing how we do business. The Hg family of over 40 software and service businesses saw revenue and EBITDA grow by around 27% and 30% respectively over 2021. This was significant and responsible growth – with Hg welcoming 28% more employees to the portfolio family this year in high-quality, knowledge-economy jobs.

This stable growth, against such a volatile backdrop, is crucial to us. It means we can provide stability to those beneficiaries that we serve. They are teachers, public servants, first-responders and charities – there are pension savers all around the world that we serve and who are benefitting from this stability for their future.

This stability also means we can focus on wider objectives. This year Hg worked with a handful of other PE firms to fund and develop guidance on how PE can commit and set science-based targets, with the goal to be Net Zero by 2050. Hg also became one of the first PE firms globally to get approved Science Based Targets, leading the path for the rest of the PE industry. We recognise the importance of these actions and are targeting net zero across all our portfolio companies within the next 20 years.

We have also looked at our own wellbeing. A period of such high activity, governed by periods of strict lockdown, can take its toll. With so many of us working for home, blurring the boundaries of work and home, we have worked hard to address employee well-being, learning & development, diversity & inclusion, flexible working location and, of course, our Purpose. Hg has conducted a Great Place to Work survey every two years for a decade and we are delighted that, at the end of 2021, 89% of employees were so positive about the firm they work for, up 5% from our previous survey, and after a period of remote working and intense activity. Yet we still have room for improvement.

We are pleased by the progress of The Hg Foundation, which is already having a real impact on disadvantaged individuals looking to develop the skills required for employment within the technology industry. 2021 saw The Hg Foundation set up four more partner programmes taking the total number of partnerships to eight, investing \$8.5 million into strategic funding serving more than 8,000 students across Europe and North America. The Foundation is still in its infancy, and we want to significantly scale funding and impact in the coming few years.

These are some highlights of our efforts, demonstrating the Hg team's commitment to Responsible Investment. They reflect real action, not just within Hg, but also our wider family of businesses, across wider society and spanning global issues. They reflect why we are proud to work at Hg, and why responsibility continues to be embedded into the purpose of everything we do.

**Matthew Brockman**  
Hg Managing Partner





# Building businesses that change how we all do business

“Over the past year, colleagues across Hg have gone above and beyond in our commitment to invest responsibly and build sustainable businesses. We strive to take an active approach to ESG within our portfolio. Through our annual assessment process, we have now gathered several years' worth of ESG data from across our 40+ portfolio businesses to drive best practice and ensure we are making a real impact. This year has seen ESG issues rise to the top of the agenda for business leaders, and I'm proud to say that our portfolio companies have led by example in taking action.”



**Dawn Marriott**

Partner in the Portfolio team, Hg

“In 2021, not only was Hg one of the world's most active tech investors, we also grew significantly as a Firm and continued to invest in our teams. Promoting equality, diversity and inclusion remains a key priority and last year we successfully onboarded one of Europe's largest Analyst & Associate cohorts in PE, which is the most diverse we have had at Hg to date. The Hg Foundation is now in its second year and has committed \$8.5 million since its launch under two years ago. It now directly supports more than 8,000 students in accessing education and training that will ultimately help them to get sustainable, long-term careers within the technology industry.”



**Martina Sanow**

Hg Partner and Trustee of  
The Hg Foundation

“2021/22 was a big year for ESG. We saw an increasing interest in ESG from across our portfolio and clients. Largely driven by new legislation, increased pressure from employees and society, as well as a desire to 'do the right thing', our businesses are more enthusiastic than ever before about defining their ESG strategies, implementing the right policies and procedures and being the best employers they can be, doing right by their employees and society. As the world was preparing for COP26 running up to November 2021, we were delighted to work collaboratively with our peers in the initiative Climat International (iCI) to define what science-based targets mean for the PE sector. We were also delighted to then be one of the road testers of the new standard and have our targets approved by the SBTi.”



**Caroline Löfgren**

Chief Sustainability Officer, Hg

# Key achievements in 2020/21

We recognise the importance of constantly moving forward with ESG improvements. The world does not stand still and we continually assess what we are doing on ESG to stay ahead. In 2021/22 we are particularly proud of the following achievements:



## Collaboration and standardisation



Collaboration is absolutely crucial to drive improvement and ESG performance across the private equity sector, which is generally known for being slightly behind listed companies when it comes the ESG reporting and standardisation. Hg has always been involved in and supportive of collaboration across our industry, through partnerships like the BVCA, ILPA and Invest Europe. In past years we have signed up to a number of new collaborative initiatives including the ILPA Diversity Action initiative, ESG Data Convergence project, Partnership for Carbon Accounting Financials (PCAF) and initiative Climat International (iCI). With the lack of consistent standards for ESG in PE, we recognise the great work done by the Value Reporting Foundation and are happy to have adopted their SASB standard for software businesses into our portfolio ESG assessment.

## Societal contribution



Hg donates a percentage of its annual profits and carried interest from all its funds to charitable activity via The Hg Foundation and through our internal charity committee. The Hg Foundation, launched in 2020, supports people from disadvantaged and underrepresented backgrounds in accessing education and training that will ultimately help them to get sustainable, long-term careers within the technology industry. Since launching the Foundation we have committed \$8.5 million and now directly support more than 8,000 students, working with eight top educational establishments and charities across the UK, Europe and US. In the last year we have announced four major new partnerships with upReach in the UK, Generation France, Merit America and the Technical University of Munich in Germany. In addition to the work conducted by The Hg Foundation, in 2021 our charity committee launched the Hg Giving platform, an online platform via Benevity, to facilitate donations and volunteering events for employees. This year we collectively donated over £300,000 across 272 charities.

## Diversity, equity, inclusion



We continue to make strides on making Hg a diverse and inclusive workplace. Building on our own experience and achievements, we are increasingly supporting portfolio companies in this space too. In 2021 we launched our Portfolio DEI Council consisting of about ten individuals from our portfolio. The Council is working collaboratively to develop a DEI Toolkit that can be shared with the rest of the portfolio companies to make their organisations more inclusive too.

## Climate change



We are very proud to have worked collaboratively with a number of our peers in the iCI to develop the first ever guidance for science-based carbon reduction targets in PE. The work was led by the Net Zero working group of iCI, supported by the World Resource Institute and Sustainability consultancy Anthesis. As part of the launch of the standard, Hg was one of the road testers and one of seven PE firms that had their targets approved by the SBTi in November 2021, just in time before COP26.

## Materiality



The topic of ESG constantly evolves and with our vision to be a leader on ESG it is important that we stay ahead. In the past year, Hg's Responsible Investment team took the opportunity to conduct an in-depth review of our ESG framework and approach, including engaging with all Hg partners to gain their input and to conduct a formal ESG Materiality assessment with granular input from external and internal sources. We are happy to share the results of this assessment in this report. As you would expect, cybersecurity, anti-trust, climate change and diversity & inclusion continue to be some of the most prioritised topics for Hg and our stakeholders.



## Hg at a glance

Hg is a private equity investor specialised on software and service businesses. Utilising its deep sector specialisation and dedicated operational support, we are committed to building businesses that change and improve the way that we all do business. In 2021, we are proud to have won 'UK Firm of the Year' in the Private Equity International Awards.

**\$40+bn**

funds under management

**~\$102bn**

aggregate EV

**2nd**

largest tech firm in Europe with the fastest growth

**280**

employees across London, Munich & New York

**>150**

clients

**44**

total portfolio companies

**19**

new portfolio companies

**55k**

employees across portfolio

**+28%<sup>1</sup>**

LTM employee growth across the portfolio

**+27%<sup>2</sup>**

Portfolio revenue growth

**+30%<sup>2</sup>**

portfolio EBITDA growth

**#1<sup>3</sup>**

most active tech acquirer in 2021

<sup>1</sup> Reported

<sup>2</sup> These figures represent the last 12 months (as at 31 December 2021) sales and EBITDA growth of the top 20 investments held by HgCapital Trust plc (HGT.L), calculated on a weighted basis, based on the respective gross valuations of the underlying investments.

<sup>3</sup> <https://hgcapital.com/agc-partners-ranks-hg-as-1-most-active-tech-acquirer/>



## Hg at a glance continued

We look to grow sustainable businesses which are great employers and good corporate citizens, whilst also generating strong returns for the millions of pensioners and savers who are invested with us. ESG is embedded into our business practices and the way we invest and manage our portfolio.



# A+

rating, UNPRI  
signatory since 2012



# 100%

carbon neutral  
since 2019



# \$400k

donated to  
charitable giving



# \$8.5m

donated via the Hg  
Foundation



# 48%

female employees



# 35%

women in Hg's  
investment team



# 4.3

Glassdoor score

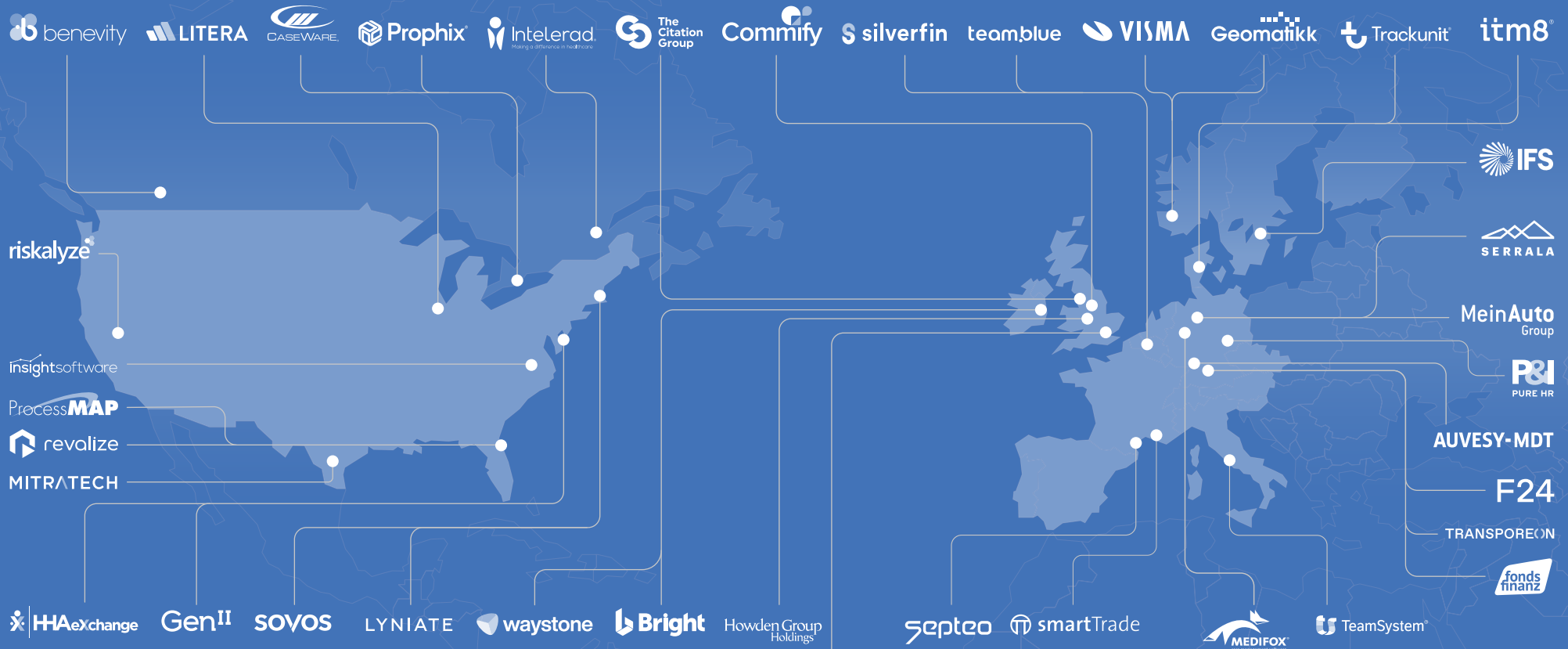


# 40

nationalities

# Our portfolio

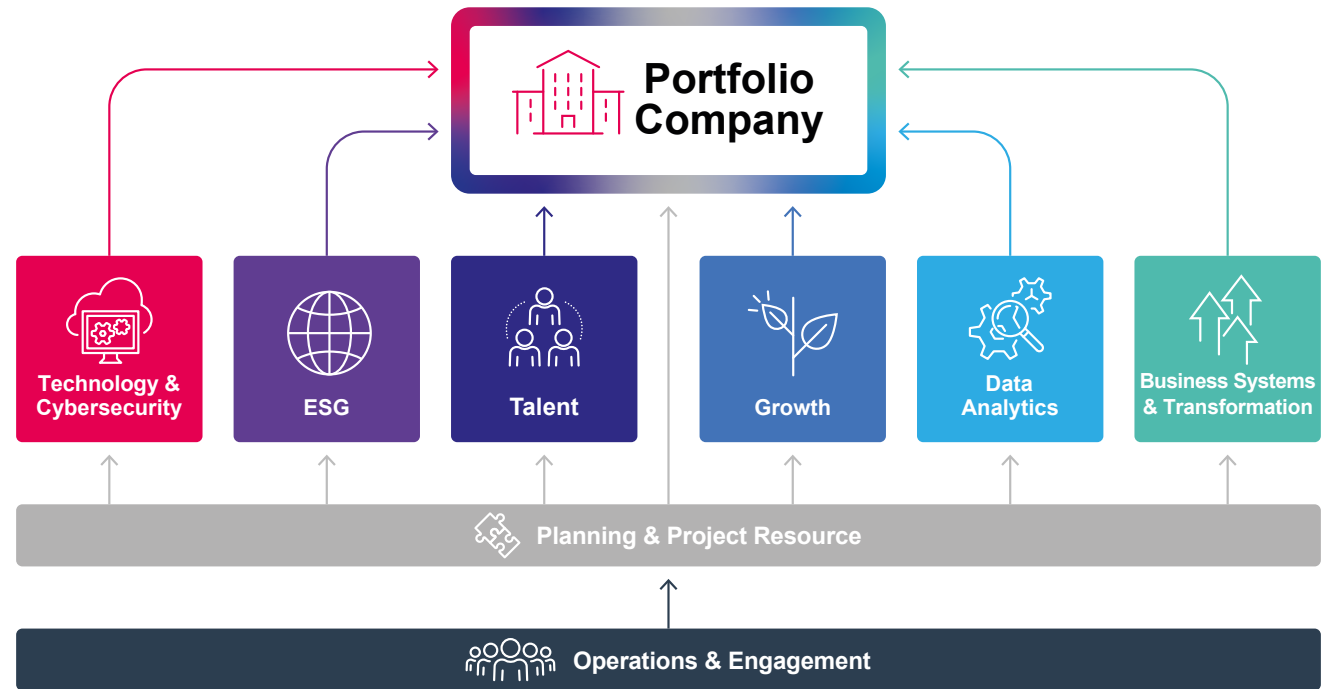
Hg has a clear investment approach, targeting Software and Services companies operating in "Hg clusters" growing faster than the broader economy. We primarily seek controlling equity buyout investments in businesses headquartered in Europe and North America.



# The Hg Portfolio Team

## How we create value across the portfolio

Hg's strategic support teams – creating value in our portfolio companies with strategy, experience and expertise:



One of Hg's biggest strengths is our Portfolio Team. As a focused software and technology-enabled service investor, many of our portfolio companies face similar challenges and opportunities as they grow and scale. Over the past five years, Hg has made a sustained investment in building a team of almost 50 full-time, specialist operators with deep knowledge and expertise in running different functions within software and service businesses.

The role of this team is to work in partnership with our portfolio company management teams to build value by improving their operating model and ways of working. We provide direct support and lift on portfolio company initiatives, leveraging best-practice IP and tools that we have codified and make available for repeatable use.

Following each investment, our Portfolio Team works with the management team to identify the key commercial and operating levers that will drive performance. Our focus areas cover growth, technology, business systems, cyber security, data analytics, ESG and talent.

For each of these focus areas, the Portfolio Team leverages its depth of knowledge of best practice to help drive value creation in close collaboration with management. By providing practical support to management teams, leveraging our codified IP and tooling, as well as facilitating the active collaboration of teams across sectors and geographies, we aim to create maximum value for shareholders.

A key part of our support to portfolio companies is to enable collaboration and leverage experience across the Hg portfolio. We manage a proprietary collaboration platform, Hg Hive, through which we offer our portfolio companies a full end-to-end digital engagement experience, hosting virtual events and sharing best-practice artefacts, tools and case studies. Hive collaboration is organised into discrete functional communities, such as Sales and Marketing, to ensure that content and sharing is focused and relevant. This platform has become ever more important in the virtual working environment necessitated by the Covid pandemic. In the last two years, we have hosted over 140 online events, attended by over 8,000 portfolio company executives.



# Our Responsible Investment Approach

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# Our Responsible Investment Approach

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At Hg, we are committed to being a Responsible Investor and that means taking action on a firm level and across the portfolio. Our purpose statement is “to improve the future of millions of investors by building sustainable businesses for tomorrow.” We bring ESG into the equation from the beginning and take an active role in how our portfolio companies manage ESG risks and opportunities. We encourage, support and stretch the companies we partner with to strive for best-practice ESG standards.



## Global initiatives and standards

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Major initiatives to ratchet up allegiance to ESG and climate change commitments on a corporate and global scale have been generated, and Hg is at the forefront of them. Working together on shared goals with other agents in the private market brings transparency, knowledge sharing and benchmarking, and ramps up progress towards those goals. By collaborating with our peers and partners, we do our part in advocating and accelerating ESG performance in private equity. Hg is proud to be part of the following partnerships and initiatives:

Launched in New York in 2006, the PRI has grown to more than 4,300 signatories, managing over \$121 trillion AUM. Scoring **A+ and A+** for Strategy and Governance and Private Equity Ownership



## UNPRI AA++

Signatory of:



The Principles for Responsible Investment (PRI) is the world's leading proponent of responsible investment. Supported by the United Nations, it works to understand the investment implications of environmental, social and governance (ESG) factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. Hg has the highest rating possible from the UNPRI and is fully committed to their six principles:

1. Incorporate ESG issues into investment analysis and decision-making processes.
2. Be active owners and incorporate ESG issues into our ownership policies and practices.
3. Seek appropriate disclosure on ESG issues by the entities in which we invest.
4. Promote acceptance and implementation of the Principles within the investment industry.
5. Work together to enhance our effectiveness in implementing the Principles.
6. Report on our activities and progress towards implementing the Principles.





## Sustainability Accounting Standards Board

SASB Standards are maintained by the Value Reporting Foundation, a global non-profit organisation that offers a comprehensive suite of resources designed to help businesses and investors develop a shared understanding of enterprise value. The SASB Standards are aimed to guide the disclosure of financially material sustainability information by companies to their investors. Hg uses the SASB Standard for Software and IT Services, which identifies a subset of ESG issues that are most likely to impact the financial performance of a software business, to guide our portfolio ESG reviews.

## Net Zero Asset Managers (NZAM) initiative

NZAM initiative is a partner in the UN Race to Zero Campaign. Organised by a global coalition of asset managers, the NZAMi requires its signatories to set specific quantified emission reduction goals, in order to reach net zero emissions across all AUM by 2050. Launched in 2020 and spurred by the consensual acknowledgment in COP26 of the need to limit global warming to 1.5 degree Celsius above pre-industrial levels, the power of the investment community has been harnessed to leverage its extensive impact. Total assets collectively managed by all signatories to NZAM is \$57.4 trillion, equivalent to the combined GDP of the US, EU, China, Japan and the UK.



## ESG Data Convergence Project

Hg has joined the ESG Data Convergence Project alongside more than 100 general partners (GPs) and limited partners (LPs) representing \$8.7 trillion USD in AUM and over 1,400 underlying portfolio companies. The ESG Data Convergence Project launched in September 2021 with the aim of cutting through the dizzying number of ESG frameworks and data points to offer a standardised set of ESG metrics. This allows private markets to create a critical mass of performance-based ESG data.

The project is aligned on 6 categories and 15 metrics for the 2021/2022 cycle. The categories are: GHG emissions, Renewable energy, Diversity of Board members, Work-related injuries, Net new hires, and Employee engagement. In Spring 2022, the inaugural data from the ESG Data Convergence Project members will be aggregated into an anonymised benchmark by Boston Consulting Group (BCG) for the 2021 calendar year. The goal is to create an incentive to improve ESG performance by increasing the quality, availability and comparability of ESG data in private markets. The group will meet annually to review and assess the prior year's data, and to build upon and add to the initial metrics.







Private equity action on climate change

## Initiative Climat International ('iCI')

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Hg is a founding member of the UK network of the Initiative Climat International ('iCI'). Endorsed by the UNPRI, iCI is a network of Private Equity firms working collaboratively to tackle climate change in our industry. The group works together to define tools, methodologies, and standards to enable climate change action, whether that is on how to measure and report on carbon emissions across their funds, or how to set credible carbon reduction targets. With the following three commitments, all iCI members are aiming to foster collaboration and accelerate the PE industry's move towards a more sustainable future:

1. We recognise that climate change will have adverse effects on the global economy, which presents both risks and opportunities for investments.
2. We will join forces to contribute to the objective of the Paris Agreement, to limit global warming to well-below 2 degrees Celsius and in pursuit of 1.5 degrees Celsius.
3. We will actively engage with portfolio companies to reduce their greenhouse gas emissions, contributing to an overall improvement in sustainability performance.

Hg is a member of the UK Operating Committee of iCI and is actively supporting the NetZero working group and the Carbon footprint working group.





SCIENCE  
BASED  
TARGETS

### Science Based Targets Initiative (SBTi)

Hg is one of the first PE firms globally to have our carbon reduction targets approved by the Science Based Targets initiative. As a founding member of the iCI, Hg played a key role in supporting the development of the SBTi PE guidance ([click here](#)), setting a new standard for the PE industry.

The Science Based Targets initiative (SBTi) is a global body enabling businesses to set ambitious emission-reduction targets in line with the latest climate science. It is focused on accelerating companies across the world to halve emissions before 2030 and achieve net-zero emissions before 2050. Please [click here](#) for further information about Hg's climate change commitments and targets.



PCAF

Partnership for  
Carbon Accounting  
Financials

### Partnership for Carbon Accounting Financials (PCAF)

PCAF participants are party to a large database of publicly available emission factors. These enable standardisation in the calculations made in performing an initial assessment of financed emissions of lending and investment activities for the most relevant asset classes. The emission factor database is directly based on the PCAF GHG Accounting & Reporting Standard of the Financial Industry, which was published in November 2020. It is web-based, providing downloadable files with emissions factors, and is further able to provide information on emission factor quality. The PCAF database is continuously filled by PCAF participants, strengthening its quality and scope. PCAF enables the calculation of three types of climate impact: generated emissions, avoided emissions (from renewable energies) and emissions removals (from carbon sequestered from forestry).





### **ILPA Diversity in Action**

ILPA, the Institutional Limited Partners Association, has produced a Roadmap for DEI inclusion in LPs and GPs work remits. Diversity in Action signatories currently undertake four essential DEI actions and at least two additional actions from this set of initiatives. They are required to report on these concrete actions. The Diversity in Action framework includes a broad range of possible actions that span talent management, investment management and industry engagement. Regular roundtable discussions, working groups and surveys are part of the process to help advance the DEI agenda within private markets.



### **The Invest Europe Responsible Investment Roundtable**

Invest Europe is the world's largest association of private capital providers. With the aim to build global understanding and awareness of private equity, and to make a constructive contribution to policy. Invest Europe have a number of Roundtables consisting of professionals from across their member base to help drive improvement and consistency across different topics. The Invest Europe Responsible Investment Roundtable is a permanent forum dedicated to responsible investment and ESG in Europe's private equity industry. Hg is a member of the Responsible Investment affiliate network and the Diversity & Inclusion Roundtable, actively contributing to these networks.



### **BVCA (British Venture Capital Association)**

The British Private Equity & Venture Capital Association (BVCA) is the voice of private capital in the UK comprising more than 700 influential firms, including over 325 private equity and venture capital firms, 100 institutional investors and 220 professional services firms across the UK. Similar to Invest Europe, BVCA has several advisory groups with the aim to foster collaboration on key topics. In 2021, Hg became a member of the BVCA's Responsible Investment Advisory Group which meets on a quarterly basis to assist the BVCA in being able to provide practical advice to its members to help them incorporate responsible investment considerations into their business decisions.

# Materiality

## Focusing on where we have the biggest impact

A materiality assessment is the process through which firms identify the ESG topics that matter the most to their business and to its stakeholders. In 2021, Hg undertook its first formal materiality assessment, taking into account the importance of environmental, social and governance topics to internal and external stakeholders.

Our materiality assessment is founded on an extensive review to identify the key ESG issues to Hg and the companies in which we invest. Hg's ESG team engaged with our stakeholders including investors in our funds, portfolio companies and employees through interviews, survey and document reviews. To integrate topics from an external perspective, we used an AI-based external scanning tool called Signal, allowing us to have a sense of how important the topics are in the media and news outlets. For the review of regulatory requirements and standards, our desk-based review was complemented by engagement with our legal advisors and participation in various ESG and private equity forums (e.g. SASB, ICI, ESG Data Convergence Project, etc.). This process has helped Hg prioritise ESG objectives for our FY23 strategy, considering what matters most to us and our stakeholders. Going forward, we will review our materiality matrix regularly to ensure that we continue to incorporate external trends and issues importance to our stakeholders.

## Hg stakeholders

The stakeholder groups we engaged with as part of the assessment:





## Key ESG topics

We identified five ESG topics that emerged as having the highest importance to Hg and its stakeholders:





## Key ESG themes

Topic	Description	Key aspects in tech	Importance to Hg and our portfolio
<b>Climate change</b>	Climate change is one of the biggest challenges we face globally. Environmental risks continue to dominate the World Economic Forum's Global Risks Report 2022 – for both the short and long term. The WEF defines 'climate action failure', 'extreme weather' and 'biodiversity loss' as the top three risks, making climate change a key issue and at the front of most investors' minds.	<ul style="list-style-type: none"> <li>• Data centre energy consumption</li> <li>• Carbon footprints</li> <li>• Climate change related risks</li> <li>• Regulatory compliance</li> </ul>	Hg takes our role in climate action very seriously. We believe that by better understanding and managing the emerging risks and opportunities that arise from climate change we can enhance our investment decisions. We aim to be a leader within the PE industry in the fight against climate change by aligning our own operations and our portfolio towards achieving Paris-aligned carbon reduction targets.
<b>Diversity and Inclusion</b>	Diversity can include but is not limited to age, gender, background, sexual orientation and ethnicity. The private equity and technology sectors have historically fallen short on diversity, which is why we have focused on executing our DEI strategy at firm level and across our portfolio companies.	<ul style="list-style-type: none"> <li>• Recruiting the next generation of talent from a diverse candidate pool</li> <li>• Greater representation for ethnic minorities</li> <li>• Greater diversity at Board level</li> </ul>	Building and maintaining a diverse and inclusive workforce where everyone feels valued is what we strive to do. At Hg, we aim to drive change as part of recruitment, development and retention and building an inclusive culture.
<b>Cybersecurity</b>	Cybersecurity continues to be one of the top 10 risks as defined by the WEF. It is vital for all companies in general and software companies in particular to manage and mitigate the risks associated with cyber threats and hackers.	<ul style="list-style-type: none"> <li>• Risk related to cyber attacks</li> <li>• Protecting sensitive company, employee and customer data</li> </ul>	A cyber-attack can be detrimental for a business, its employees, its customers and reputation. We want our businesses to be as secure as possible and be prepared for the challenges and responsibilities that come with being a big tech player.
<b>Competition Law</b>	Competition law exists to promote healthy, fair and open competition between businesses, which in turn will create the foundation for a healthy economy, more innovation, affordable goods and job opportunities. Competition law sets out a detailed framework for both fair and ethical business conduct as well as M&A activities.	<ul style="list-style-type: none"> <li>• High M&amp;A activity</li> <li>• Complexity and rapidly evolving competitive landscape in tech</li> </ul>	As Hg's portfolio companies are active globally our activities can be subject to competition and antitrust legislation at a national and regional level. We are invested in businesses that we believe can have a positive impact on competition and challenge current conditions for the better. We take a pro-active approach in managing competition and antitrust compliance across our portfolio and ensuring competitive, ethical and fair market practices at all times. This covers both the day-to-day business conduct of our growing portfolio as well as M&A activities.
<b>Governance</b>	Governance refers to the set of rules, controls, policies, and resolutions put in place to dictate corporate behaviour. It includes risk management processes, compliance with laws, codes of conduct and regulations and tax compliance.	<ul style="list-style-type: none"> <li>• Policies and procedures</li> <li>• Upholding ethical business conduct</li> <li>• Board accountability and practices</li> </ul>	It is of significant importance to Hg that we comply with relevant laws and regulation and that we have robust policies and risk management processes in place. We aim to be an example of good practice and identify areas of improvement across portfolio companies too.



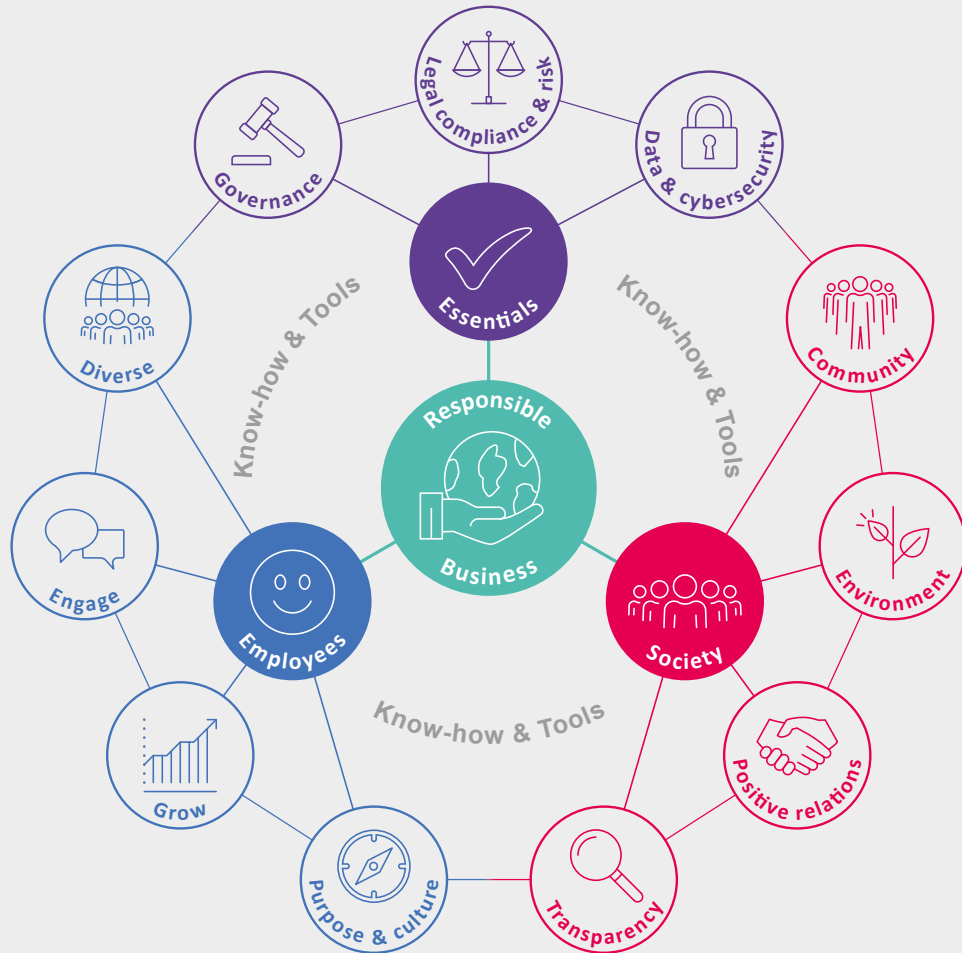
# Our sustainable business framework

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To demonstrate what is most important for our portfolio companies and engage with our investment professionals and portfolio companies on the topic of ESG, we have developed a bespoke framework, Hg's Sustainable Business framework, outlining key ESG and Sustainability focus areas for software and service companies. Originally defined in 2017, the framework is based on extensive research, including interviews, benchmarking and external standards, and forms the basis of Hg's ESG assessment which is completed with all portfolio companies during onboarding and annually thereafter.

Hg reviews the ESG framework on an annual basis to reflect key ESG trends, regulations, opportunities and risks. With ESG being such a prominent topic for businesses and regulators in the past year, our 2021 review resulted in an increased number of questions, including questions relating to the ESG Data Convergence Project, SASB Standard and ILPA Diversity in Action. Our 2021 assessment was the most comprehensive assessment so far, covering over 170 questions across three areas:








## Essentials

(83 questions)





There are certain minimum ESG requirements that Hg expects from all portfolio companies:

-  **Governance and Business Integrity**, such as code of conduct, appropriate controls and policies, board composition and appropriate health and safety and whistleblowing procedures.
-  **Risk and Compliance**, including compliance with applicable laws and regulations, active risk management, as well as standards and policies to combat bribery, corruption, money laundering, anti-competitive behaviour, tax evasion, harassment and other malpractice.
-  **Data and Cybersecurity**, which includes Hg's minimum standards for cybersecurity along with appropriate data protection and information security practices. Hg has a separate Cybersecurity assessment against which all companies are assessed as part of onboarding and regularly thereafter.

## Employees

(58 questions)





One of the most important assets of our portfolio companies are their employees. A diverse workplace with engaged and motivated employees is vital for growth and business success. We look at employees from four aspects:

-  **Purpose and culture**, including an engaging mission, purpose and values, as well as positive impact/contribution to the Sustainable Development Goals.
-  **Grow businesses and talent**, including job growth, healthy staff turnover, talent management and succession planning.
-  **Engage** and motivate employees by promoting transparent communications, health and wellbeing, development opportunities and recognition.
-  **Diversity of talent**, equal opportunities, and inclusion irrespective of ethnicity, gender, disability or background.

## Society

(34 questions)

We want all portfolio companies to strive to have a low environmental impact and make a positive impact by acting transparently and contributing to society through their business practice, charitable support and positive relations with key stakeholders. We assess external impact from four aspects:

-  **Community engagement** including apprenticeships, charitable giving and volunteering.
-  **Environmental impact**, such as energy use, data centre carbon footprints, waste management and climate change risks and opportunities.
-  **Positive relationships** with key external stakeholders such as customers, communities and suppliers.
-  **Transparency** of company commitments and progress, including external reporting and sustainability related communications.



# 2021 portfolio ESG review

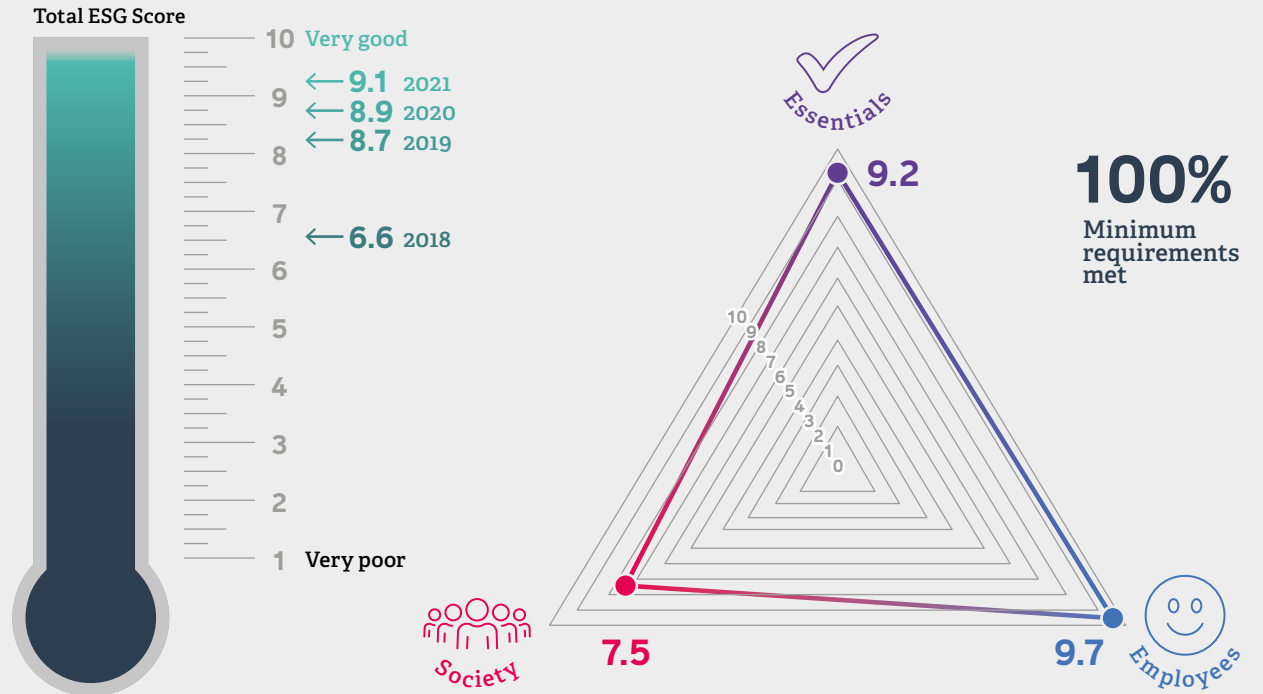
Our ESG assessment, which is based on our Sustainable Business framework, is a collaborative process starting with an initial introduction session followed by a self-assessment, discussion and review of status. The ESG assessment is led by Hg’s ESG team, who work together with key individuals, such as the Chief Human Resource officers and Chief Compliance officers from the portfolio companies. Each portfolio company responds to 170 questions, of which 98 are scored. Once completed each business gets a score from 0-10 to benchmark their performance across the Hg portfolio and an output report which forms the basis of their ESG improvement plans. The final report, which includes a scorecard and an overview of status and agreed actions, is shared with the company’s CEO and the Board.

The assessment is re-conducted at least annually to ensure improvements are being made year on year. Hg supports portfolio companies to progress on their ESG improvements plans by sharing toolkits, templates and providing general support through our ESG team and forums ([click here](#)). As an example, IRIS (highlighted on ) has elevated an ESG score of 6.5 in 2018 to 9.5 in 2021.



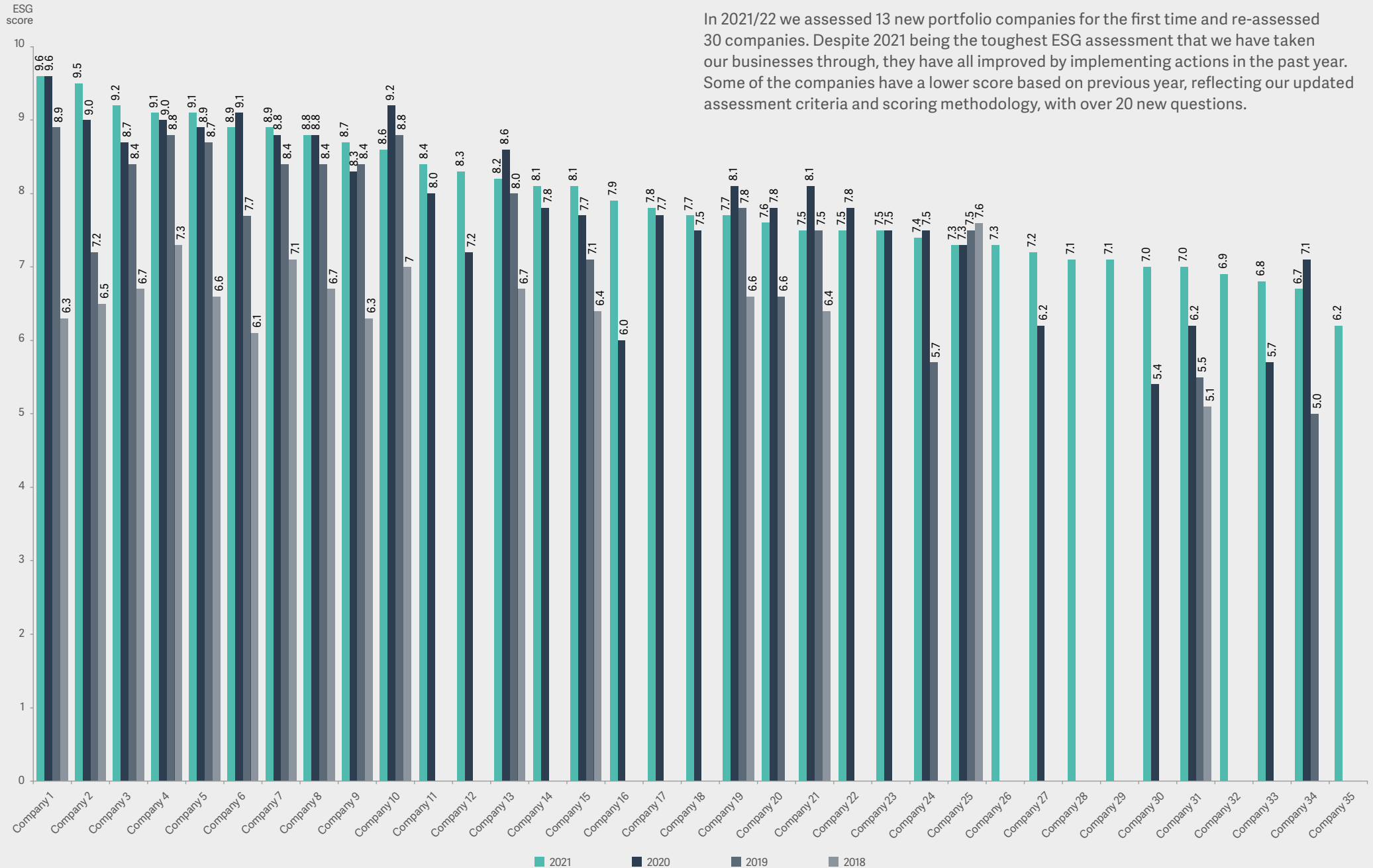
itm8, a company founded in 2003, which provides services that allow SMEs to move their IT infrastructure and operations into the Cloud, as well as providing end-user support and consulting, has improved its ESG score from 6.6 to 9.1, with very high levels of employee satisfaction.

Company	ESG score	Essentials score	Employees score	Society score	Employee turnover	Absenteeism	eNPS	Glassdoor /Kununu score	Senior Management: % women
itm8	9.1	9.2	9.7	7.5	9%	2.3%	35	3.0	17%
Portfolio average	7.9	-	-	-	20%	2%	40	4.0	29%
Industry average	-	-	-	-	15%	3.6%	34	3.7	10%



# ESG results overview

In 2021/22 we assessed 13 new portfolio companies for the first time and re-assessed 30 companies. Despite 2021 being the toughest ESG assessment that we have taken our businesses through, they have all improved by implementing actions in the past year. Some of the companies have a lower score based on previous year, reflecting our updated assessment criteria and scoring methodology, with over 20 new questions.



## ESG results overview continued

Despite the ESG assessment requiring a considerable effort from portfolio companies to complete, the feedback we have received from them is positive. The most common view of our portfolio is that the assessment clarifies what ESG means in the software sector and helps bring ESG to the Board. Our assessment of, and support to, portfolio companies is having a positive impact and helping them improve their ESG performance.



“ Hg’s annual ESG assessment provides us with a comprehensive framework to measure and understand our sustainability journey. The quantifiable measures help us to identify material issues most relevant for our organisation and provide clear direction as we continue to focus on delivering results while caring for the environment, our people and communities, and ensuring transparency and accountability in how we operate.”

### **Kate Scarles**

Chief People Officer, FE fundinfo



“ We are committed to putting sustainability at the heart of our Group strategy through the people we hire, the work we do, and our own impact as a company. We realise we are on a journey and this is something we strive to improve each year, and therefore participation in Hg’s ESG assessment is a hugely valuable exercise for us, it challenges our ambition and helps raise awareness of this important area amongst our wider Group.”

### **Sophie Arup**

Head of Corporate Social Responsibility, Howden Group



“ Our ESG progress is an outcome of Hg’s excellent guidance through this complex topic and a very good example of great teamwork between Hg and our teams. Getting support and positive feedback from Hg has certainly been a ‘booster for motivation’ across our organisation.”

### **Eckhard Rautenberg**

Chief Compliance Officer, Transporeon





“ Due to the size of the ESG assessment, provided by Hg, the process has helped itm8 in obtaining an improved understanding of where in the organisation we as a company can do better.”



**Amalie Brinks Andersen**  
Sustainability Manager itm8

“ After finalizing the ESG assessment, Hg has involved itm8 in the process of locating initiatives that will lead to a stronger performance. By doing this Hg shows big respect to our business operations”



**Line Blauenfeldt Nielsen**  
Sustainability Manager itm8



# Supporting our portfolio

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03



# Our portfolio community

Hg's experienced team of 280 employees includes more than 160 investment and portfolio management professionals, supported by a network of portfolio partners, all of them seasoned senior managers from across industry, who work with the management teams of the companies in which we are invested to create value for shareholders. At the centre of this network, Hg builds and shares knowledge and expertise by facilitating the active collaboration of management teams across sector clusters and geographies.



“ Being part of the Hg tech portfolio for more than three years makes me proud and humble. Engagement, professionalism and genuine global insight are all key words that describe our continuous and trustful cooperation.”

**Henrik Kastbjerg**

CEO itm8



“ We joined the Hg Portfolio family at the end of 2021 and we are definitely proud to be a part of it now. Our experience with the entire team has been beyond cooperative. The network and expertise the Hg Portfolio team offers is exceptional and will certainly help us to improve in some aspects of our business.”

**Markus & Norbert**

CEOs Fondz Finance



“ It is just over a year into our partnership with Hg and we have already experienced significant transformation. It is great to have the support of a global investment partner experienced in our sector. Especially as we embark on the next phase of our journey towards being a leading cloud audit and assurance software provider across the world. We look forward to harnessing Hg's extensive knowledge on managing global operations efficiently and its deep domain expertise on investment analysis as we work to accelerate the growth of our next-generation products so that we can equip our users with cutting-edge, efficient audit and analytics software solutions.”

**David Osbourne**

CEO, CaseWare





The logo for Hive, featuring the word "Hive" in a bold, black, sans-serif font. To the right of the word is a small red square containing the letters "Hg".

# Hive<sup>Hg</sup>



## Portfolio engagement: Hive & events

Hive is our online collaboration platform through which our portfolio companies connect, collaborate and share best practice. Our Portfolio companies share many similar characteristics, therefore we find that facilitating a space for companies to share ideas and knowledge, and problem-solve is hugely beneficial to them. It is a powerful tool for value creation among the Hg Family.

The Portfolio Engagement team runs a calendar of events throughout the year for senior leaders across our portfolio of Hg-invested businesses. The purpose of them is to facilitate opportunities for in-person networking and sharing of best practice. Engagements typically fall into one of three types of forum:

1. **Hangouts.** These regular, informal, catch-ups are tailored to each individual community we engage with. Topics tend to be structured around immediate needs, such as discussing emerging trends or current global issues and problem-solving together.
2. **Webinars.** We hold regular webinars during which an expert will typically present on topics of interest; a learning opportunity for executives across our portfolio.
3. **Forums and Summits.** These are one- or two-day in-person, high-quality networking events featuring external speakers and opportunities to engage with like-minded individuals across the portfolio; our communities find them extremely beneficial.

## Portfolio engagement: Hive & events continued

Between April 2021 and March 2022, we held 88 events supporting our portfolio, with over 5,750 attendees, with:

- 2,750 active members and growing
- 20 live communities
- Up-to-date news and information
- Knowledge sharing amongst peers
- Access to trusted tools and best practice resources
- Opportunities to network, build connections and communities
- Ways to source an expert or supplier

**Hive** Hg

**20**

live  
communities

**>2.7k**

active members  
and growing!

**>5.7k**

attendees  
to events

**88**

events between  
2021/22

### The CEO Community

Hg has a thriving CEO Community. The pandemic encouraged the introduction of a weekly hangout between CEOs from right across the portfolio of Hg-invested businesses; it was so popular that the hangouts continue to this day. CEOs regard it as a trusted forum to share ideas and common problems, and often refer to the community as the “CEO Hg family”. We also run in-person events for our CEOs, our 2022 CEO event took place in March and was a 3-day networking event attended by 23 of the CEOs.

### The ESG Community

The need and wish to incorporate ESG parameters into business has grown exponentially over the past year and we give a great deal of support to our portfolio in this respect. Our ESG and Sustainability webinar and Hangout series is hugely popular. Hangouts are held every six weeks discussing different topics and typically attract 35-40 people. In recent sessions we have covered topics such as carbon footprinting and Hg’s sustainable business framework, alongside informal conversations on topics picked by the community.

*By making collaboration and communication available across portfolio companies, Hg has made it easier for us to be inspired by other companies’ ESG initiatives and goals*

– itm8





## Portfolio diversity, equity and inclusion

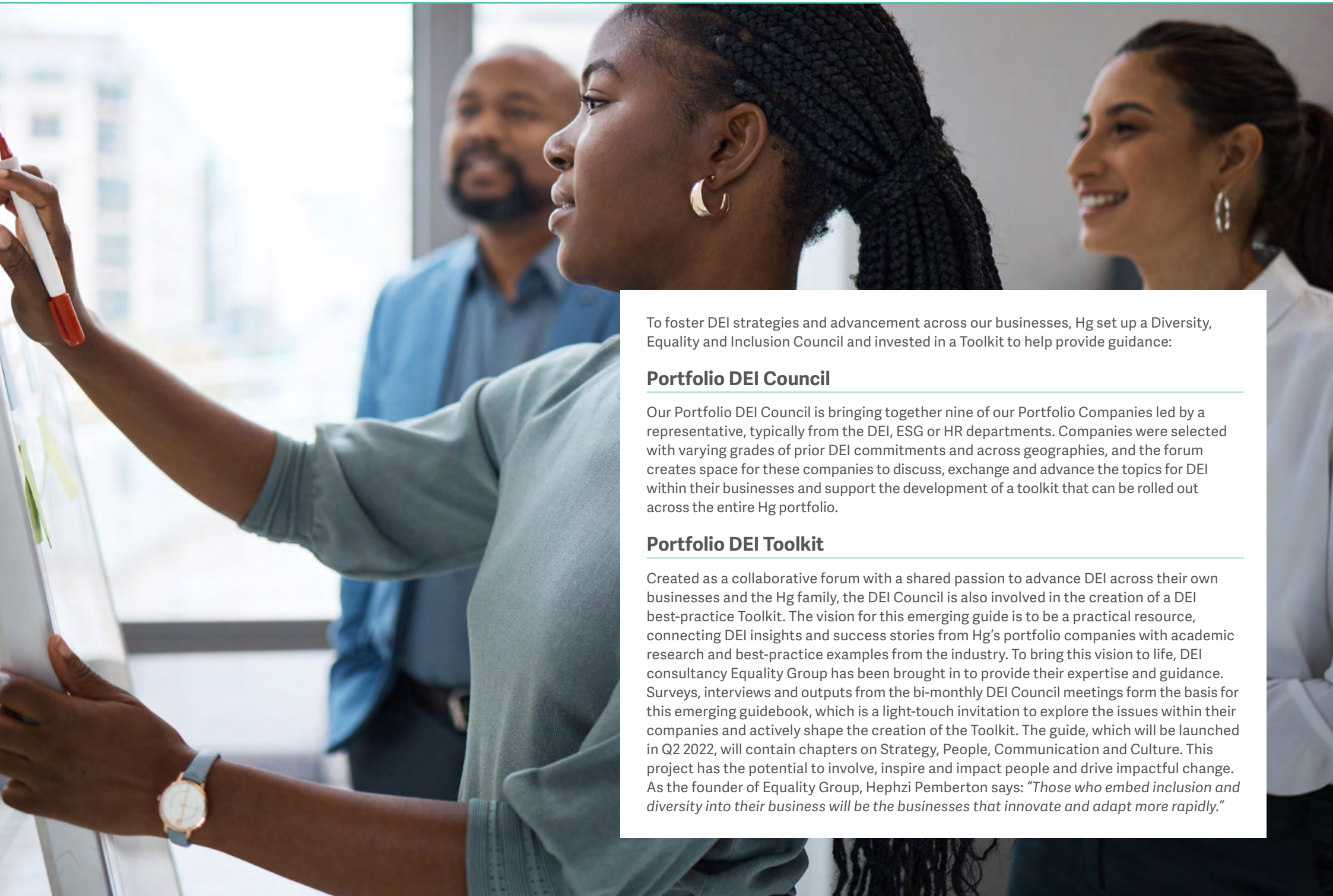
Diversity, Equity and Inclusion (DEI) is a strongly held principle of Hg's ( for further details about our firm DEI strategy). Hg believes in the force of empowerment and overcoming prejudicial barriers, and filtering the importance of this through to our portfolio.

In 2021, we held our first Equity, Equality, Diversity summit inviting all employees across the firm and portfolio to participate. The feedback, measured by a NPS score, was exceptionally high, 80, with over 200 individuals from across most of our portfolio companies attending. Following the success of the EED summit we held several follow-up webinars in a series committed to promoting the discussion of DEI topics across the portfolio. We brought speakers from within the portfolio together sharing their experiences and best practice from a practical view and how best to create change and implementation. We have also

brought subject matter expertise in from external speakers sharing views on promoting inclusivity to enhance growth businesses. These events are designed to be open for all executives across the entire portfolio and consistently have a spread of CEOs, CFOs, CHROs joining and contributing to the sessions.

To help our portfolio companies navigate DEI matters and measure their performance. Our annual ESG assessment ( ) includes 22 questions relating to DEI including gender pay gap reporting, ethnicity pay gap reporting and measurements of gender and broader diversity. Whilst 94% of our portfolio companies have Equal Opportunities policies, a much smaller number, 44%, have established a DEI strategy. Nevertheless 60% have now appointed a DEI representative to drive these topics across their business.





To foster DEI strategies and advancement across our businesses, Hg set up a Diversity, Equality and Inclusion Council and invested in a Toolkit to help provide guidance:

### **Portfolio DEI Council**

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Our Portfolio DEI Council is bringing together nine of our Portfolio Companies led by a representative, typically from the DEI, ESG or HR departments. Companies were selected with varying grades of prior DEI commitments and across geographies, and the forum creates space for these companies to discuss, exchange and advance the topics for DEI within their businesses and support the development of a toolkit that can be rolled out across the entire Hg portfolio.

### **Portfolio DEI Toolkit**

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Created as a collaborative forum with a shared passion to advance DEI across their own businesses and the Hg family, the DEI Council is also involved in the creation of a DEI best-practice Toolkit. The vision for this emerging guide is to be a practical resource, connecting DEI insights and success stories from Hg's portfolio companies with academic research and best-practice examples from the industry. To bring this vision to life, DEI consultancy Equality Group has been brought in to provide their expertise and guidance. Surveys, interviews and outputs from the bi-monthly DEI Council meetings form the basis for this emerging guidebook, which is a light-touch invitation to explore the issues within their companies and actively shape the creation of the Toolkit. The guide, which will be launched in Q2 2022, will contain chapters on Strategy, People, Communication and Culture. This project has the potential to involve, inspire and impact people and drive impactful change. As the founder of Equality Group, Hephzi Pemberton says: *"Those who embed inclusion and diversity into their business will be the businesses that innovate and adapt more rapidly."*

## DEI case study



Trackunit wants to empower their employees to influence their strategy execution so they informally mobilised a “Core Team” of almost 100 members from employees “who live and breathe their culture”. This group is dedicated to building an inclusive and human-centric culture and meets monthly to discuss culture, engagement, inclusion and leadership.

Trackunit recently grew from a company of 200 to 360 people and this growth was a trigger point for them to be clearer and more deliberate in the communication around who they are and who they aspire to be. Culture fills the gaps that strategy does not and therefore they needed to be very specific and clear about their aspirations for an inclusive culture.

As a consequence, TrackUnit’s leadership held a join session with the group to define tools and guidance on how to build an inclusive culture for new colleagues, as well as any Dos and Don’ts to help people act accordingly. The ideas were shared across the company as open source tools and approaches. Having a bottom-up cohesive

group has enabled the company to give all employees an equal voice and a space to be heard. To further support DEI across the business, ‘The Trackunit Way’ was launched to give guidance on best practice behaviours.

“ All employees live according to Trackunit’s ‘Triple Focus’ mantra: ‘Impacting yourself’, ‘Impacting Teams and Relations’ and ‘Impacting Strategy and Purpose’. By doing this they ensure they apply themselves to be useful not just to themselves, but to all colleagues and the business – that is inclusive.”

**Flemming Karstens Søbørg**  
Chief People Officer







## DEI case study



### AZETS

As the future of the business was moving in a different strategic direction, away from traditional accounting services and towards the digital accounting and advisory services Azets looked for diversity in gender and experience as they built and enhanced the leadership team. The aim was to engage people with additional skills, focussed on technology, business transformation, automation, scaling maturing businesses. Seeking those skills from industries other than accounting was a key aim. This change in skills and diversity at management level was a conscious and integral part of decision making to help drive change and therefore the outcome and success of Azets.

Phase 2 of Azets was led by a female CEO without an accounting background, other key hires included a female Head of Risk, Head of Data, and the Chief People Officer, more recently a new CFO has joined the business, who is female. The COO, Head of Transformation and General Council all came from industries other than accounting. To counterbalance this, two new NEDs were appointed to the Board, both from the accounting industry, one female and one male. Azets hoped the decision to make this change at the top would also encourage and inspire those further down the people chain to recognise opportunities within the organisation that may not always look like the next natural step. Today the business is a 62% female/38% male split overall on gender balance.

The impact of promoting and hiring people with non-technical and more diverse backgrounds at management level has translated beneficially in financial terms for the business. Looking back over the last two years, Azets can clearly measure the results these decisions have effected. The company is subsequently a much bigger, better and more innovative company as a result of these people decisions.



## Climate change across our portfolio

Hg recognises the major challenges that the world is facing due to climate change. Slowing the rate of global warming over the next ten years is crucial for the future of the planet. According to the National Oceanic and Atmospheric Administration (NOAA) there is more carbon dioxide in our atmosphere today than at any time in human history and research by World Wide Fund for Nature (WWF) shows that average wildlife populations have dropped by 60% in just over 40 years. The Intergovernmental Panel on Climate Change (IPCC) warn of “severe, widespread and irreversible” climate change effects unless emissions are at least halved by FY31. In November 2021, the climate conference, COP26, further highlighted the role of businesses to set Paris-aligned carbon reduction targets.

Hg published its first Taskforce on Climate-Related Financial Disclosures Report in 2021 ([click here](#)), which outlines our governance, strategy, risk management and metrics and targets related to climate risks and opportunities. We support the disclosure of clear, comparable and consistent information on these areas.

As a private equity firm, Hg recognises its position to encourage its portfolio of companies to align to Net Zero as well. We believe that by better understanding and managing the emerging risks and opportunities that arise from climate change we can enhance our investment decisions.

Hg’s fiscal year runs from 1 April through 31 March.

### Portfolio carbon reduction targets

The Science Based Targets initiative (SBTi) is considered the most robust method for the corporate sector to reduce emissions in their activities and investments, with over 2,700 companies and financial institutions taking action. It is based on the principle that emissions must be halved by 2030 (Hg’s FY31) and drop to net-zero by 2050 to not exceed 1.5°C and avoid catastrophic impacts of climate change. As part of our involvement in the iCI ( ), Hg is one several firms who have invested in and worked together to create an SBTi standard for the Private Equity industry. Hg was one of the first PE firms globally to road test the standard and have our carbon reduction targets approved by the SBTi.

Hg’s detailed targets include:

1. 50% reduction in our direct emissions (Scope 1 and 2) by FY31
2. All portfolio companies to have adopted science-based targets by at least FY41

This should not be at a cost to business. According to the SBTi, companies that adopt science-based targets report that it also helps:

- Boost profitability
- Improve investor confidence
- Drive innovation
- Reduce regulatory uncertainty
- Strengthen brand reputation



“ We are going for net zero across all our portfolio within the next 20 years. We are absolutely committed to how this is going to be achieved”

**Matthew Brockman**  
Hg Managing Partner



“ Setting a science based target (SBT) is the highest level of GHG reduction ambition that a private equity firm can go for in transitioning toward a zero carbon economy. Through a private equity firm’s direct involvement and influence with so many private businesses, they are uniquely positioned to activate significant greenhouse gas (GHG) reductions in the real economy. It has been pleasing to support Hg who understand this and see science-based GHG reductions as crucial to the long-term resilience of their investments.”

- Anthesis

## Portfolio carbon footprint

Hg is committed to cutting carbon emissions across our portfolio in line with the recently published SBTi PE standard with the ultimate goal of achieving net zero by 2050. In 2021, we conducted a carbon footprinting exercise of all our portfolio companies by collecting scope 1, 2 and 3 emissions data, in line with the GHG protocol. For our 2022/23 carbon assessment, our focus has been on improving data quality on scope 3 emissions, recognising that the highest source of a company's emissions are scope 3. For software companies this largely resides in data centres which use large amounts of electricity to process and store data. As part of our partnerships with some of the world's largest cloud service providers, we are working closely with these players to raise awareness across our portfolio companies and provide tools to help them calculate the footprints that are arising from data centre usage.

By supporting our portfolio companies to calculate their carbon footprints, we are hoping to enable them to think more strategically about how to mitigate climate-related risks and identify opportunities for reducing their carbon emissions. It will also better position them to comply with current and future GHG reporting requirements and improve credibility and reputation among stakeholders, potentially increasing profitability and benefiting from cost savings through operational efficiency measures.

As part of our commitment to SBTi in late 2021, we are now starting to engage portfolio companies and encourage them to set targets in line with SBTi too. This will then necessarily spur action to reduce energy consumption and business travel, switch to renewable energy sources and actively seek to work only with cloud storage providers that have Net Zero and renewable energy goals.



85%

Portfolio companies with data centres with carbon reduction targets

88%

Portfolio companies with green initiatives

59%

Portfolio companies with carbon reduction initiatives

25%

Renewable energy sourced across portfolio companies



## Assessing climate change risks across our portfolio

Hg specialises in the software and services sector, which generally has lower financial risks related to climate change compared to other sectors that rely on energy-intensive processes or sourcing raw materials with complex supply chains. Furthermore, our portfolio companies are businesses headquartered predominately in Northern Europe and North America, which generally are areas that are less vulnerable to climate change risks and have more stringent policies in place.

Hg assesses the climate change risks and resilience of all our businesses as they join the Hg family. As a private equity firm, our typical hold period is between 3-5 years, but it can go beyond that. We recognise that climate change has a longer-term impact than our investment timeline. Our climate change risk assessment covers risks and opportunities at the portfolio level until 2030, which is the timeframe that most externally recognised climate risk frameworks currently align to.

At Hg, climate-related risks and opportunities are covered across the investment process – from screening to ownership. Throughout the investment process we focus on two main categories of climate-related risks:

- **Transition risks**, arising from the shift to a lower-carbon economy, which include policy and legal risks, technology risks, market risks, and reputational risks.
- **Physical risks**, arising from a changing climate, which include acute risks (such as extreme weather-related events), and chronic risks (such as sea-level rise).

Our climate change risk assessment tool, developed by PwC highlights if and where these risks occur and considers how resilient each portfolio company is in managing any potential risks.



“PwC was delighted to work with Hg to develop a climate change risk screening tool helping them to identify key risks and opportunities in the sectors and geographies where Hg invests. Key considerations in the software and services sector are policy risks associated with energy consumption including carbon pricing mechanisms and regulation to improve energy efficiency. The tool helps bring these risks to life by providing context via impact pathways and resilience questionnaires.”

- PwC





## Climate change case study

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### /// MEDIFOX DAN

MEDIFOX DAN is a leading provider of digital solutions to the professional care sector in Germany with over 13,000 customers. Its solutions support care providers with key services, including resource and route planning, care planning and documentation, as well as billing, factoring and administration services.

MEDIFOX DAN cares deeply about the environment and limiting its impact on climate change. In 2021, the Group installed solar photovoltaic technology across its two main offices in Siegen and Hildesheim. In addition, it sources all its grid-based electricity from 100% renewable sources. The PV system for the Hildesheim HQ is installed on the roof of the company building and has a nominal output of 57.12 kWh. This self-generation capacity significantly reduces electricity costs. The electricity not only supplies the company building, but also the 16 charging points for the MEDIFOX DAN vehicle fleet. The charging points are available to employees with company cars free of charge.







## Climate change case study



Visma is one of Europe's leading software companies, providing business optimisation and management tools to the private and public sectors in Europe and Latin America. It covers a wide range of business areas, including accounting, financial management, procurement, HR and payroll, e-government and school and welfare. It has a strong sustainability culture within the organisation and has taken a proactive role in developing software solutions to support their customers in the fight against climate change too. Two of their new products under development are:

### Sustion

Sustion is a tool, developed in association with climate scientists from Helsinki University, for organisations to calculate their CO<sub>2</sub> emissions based on financial data. This allows Visma's customers to lead and make decisions based on real-time business data and helps them identify areas where CO<sub>2</sub> emissions need to be addressed. Going forward, organisations are expected to have insight of the impact of their behaviour on the environment, as well as a concrete action plan of the measures they will take to reduce their carbon footprint, this is something that Sustion will deliver to their clients.

### Sustynex

Through Visma Sustynex, Visma offers smart sustainability reporting, which provides a user-friendly interface to companies, meeting a growing need of transparent sustainability reporting. New regulations such as the EU's Corporate Sustainability Reporting Directive (CSRD) increasingly require higher standard of reporting. Companies typically struggle with complex data spreadsheets gathered from internal departments, external suppliers, subsidiaries and other stakeholders. This is something that Sustynex is hoping aiming to resolve. Visma Sustynex is the world's first cloud native platform for gathering and reporting according to the major sustainability reporting standards. It can be tailored to use a wide variety of the metrics defined by the Global Reporting Initiative (GRI) and the SASB standards.





## Climate change case study

### TRANSPOREON

Transporeon is a leading software company in logistics. Its cloud-based logistics platform connects over 1,300 shippers and c.120,000 carriers worldwide, and it is using this platform to meet the goal of increase efficiency and decarbonising the logistics sector.

The road freight sector has lagged in making emissions cuts. Heavy-duty road vehicles account for 6% of all total CO<sub>2</sub> emissions within Europe today and if left unchecked, is expected to grow by almost 50% by 2050. The European Commission's climate and energy policy "Fit for 55" calls for a 55% emissions cut EU wide by 2030 and will apply carbon trading to transport as of 2026 onwards. In addition, companies are facing increasing demands from regulators and customers to report on their scope 3 emissions. A main challenge the sector faces is its fragmentation, and Transporeon provides solutions.

Its software provides opportunities to reduce the number of empty trucks, improve transparency and cut waiting times with its efficient, digital end-to-end solution. It is supporting its customers to take a strategic role in managing GHG emissions by providing tools and guidance. In 2021, it held its first ever 'Logistics Sustainability Month' and

published a report, 'Road to Net Zero: Strategies, Concepts, and Best Practices for Supply Chain Sustainability', highlighting best practices for the logistics sector.

Transporeon's new product, 'Transporeon Carbon Visibility', will enable shippers, carriers, and freight forwarders to more accurately measure and report on their logistics emissions across the entire supply chain and all transport modes. The platform is the first of its kind and enables tracking of real primary emissions data in transport as opposed to data estimations.

Transporeon's product was trialled by IKEA, and Girteka Logistics, one of the largest logistics providers in Europe. The trial found that the emissions captured by Transporeon's granular and accurate methodology resulted in an average 5% decrease in recorded emissions, a great benefit in respect of the upcoming regulations. Girteka Logistics has launched Transporeon's product across its fleet of 16,700 trucks and trailers. Transporeon's methodology is fully compliant with the GLEC (Global Logistics Emissions Council) framework, the highest and latest standard for the calculation of GHG within logistics.



# Cybersecurity

The Cybersecurity threat landscape continues to evolve and change at pace. Threat actors have increased their level of sophistication, especially around the use of Ransomware attacks. These have been prolific and have evolved to be 'double knock', in that the attackers have combined data theft with environment encryption to maximise the impact and therefore their extortion attempts. There are well publicised attacks from around the world in this space, with ransom payments reportedly hitting the \$40 million mark for an individual payment in addition to generating considerable business interruption impact. This is a material change from only six years ago, where the largest disclosed ransomware payment was less than \$65k.

Highly organised criminal gangs have gained access to malicious tooling that would previously have only been in the domain of a Nation State. This has been a key enabler for the level of sophistication increase mentioned above. In addition to Ransomware there have also been a number of publicly disclosed large scale 'Supply-Chain' attacks. These attacks have infiltrated well known and 'trusted' software providers that have considerable deployed footprints within many customer locations. The attackers have demonstrated patience, breaching the software provider many months before deciding to execute their attacks. Given the 'trusted' nature of the maliciously engineered software deployed, these attacks were initially very successful in bypassing typical defences that existed in many companies. These attacks confirmed the need to have solid foundational protective measures deployed – such as patching, and further emphasised the need for organisations to improve their ability to detect and respond quickly to anomalous events.

Unfortunately, Cyber has also now been weaponised and deployed during conflict between countries. These Cyber warfare attacks have been designed to infiltrate military or National Infrastructure organisations and/or generate wide-scale infrastructure disruption and impact.

As Hg is a software investor, cybersecurity is one of the biggest risks for us. Hg takes this matter very seriously and has built a Technology & Cybersecurity team with deep expertise in this matter. In early 2017, the team launched its Cybersecurity Risk and Maturity Assessment Programme for both prospective investments and existing companies within the portfolio. Over 250 assessments later, Hg has learnt from experience and evolved with the ever-changing threat landscape to make cybersecurity a true organisational strength.





## Cybersecurity continued

The assessment, which is based on Hg's standard cybersecurity framework, leveraging 'industry standards' such as NIST V1.1 and CIS V8, begins during the early stages of due diligence for prospective investments, then continues for the entire ownership lifecycle as and when a company joins the Hg portfolio. The framework follows five key aspects:

1. **Identify** – capturing and quantifying main cybersecurity risks and threats.
2. **Protect** – standards, processes and systems to protect the business against these risks.
3. **Detect** – ability to detect an attack as quickly as possible.
4. **Respond** – well-defined cross-functional incident response plan, supported by an external expert security company.

5. **Recover** – robustness and protection of data backups for critical IT systems.

Focused on action and operating on a model of continuous improvement, the programme ensures that every portfolio company is assessed on a rolling basis, with frequency of assessment determined by their individual risk and maturity score. The goal is that every company is assessed at least annually, with low-scoring companies undergoing much more regular checks.

Hg's Technology & Cybersecurity team is also able to provide support and guidance, not just issue a report of recommendations, in how to address the recommendations. In partnership with the portfolio company Cybersecurity stakeholders, the Hg cybersecurity team can assist in creating a pragmatic and prioritised action plan for remediation, unique to each individual company.

“The threat of cybersecurity impact to any business is very real, is ever increasing, and is becoming more and more sophisticated through automation. There should not be an assumption that attackers are only interested in big enterprises/ corporates as the wide scale automation capabilities deployed by attackers enable them to indiscriminately find weaknesses in any company that is 'online' regardless of scale. An effective understanding of cybersecurity, from the boardroom through every employee, is the cornerstone of a successful defence. This then needs to be supported with an investment in, at a minimum, the 'hygiene' technical elements of a successful and layered cyber defence strategy – for example, advanced malware protection, data encryption and multi-factor authentication. Supply chain attacks are also becoming more prevalent. It is important to consider not only the services you use, but also those you provide and to whom. An attacker might be more interested in who they can get to through you, than what they can get directly from you. A mindset of how well protected we are, how quickly and well can we respond **WHEN** we are attacked, rather than **IF** we are attacked, is recommended.”

**Jason Richards**  
Head of Portfolio  
Technology and  
Cybersecurity



## Cybersecurity case study



Many of our portfolio companies are looking outside of their own operations to support their customers in navigating cybersecurity issues too.

Visma is an international software company, headquartered in Norway, with clients spread across the entire Nordic region, Benelux, Central and Eastern Europe. Its financial and business process systems are used in the public and private sectors. Its interface with financial and personal data can make it a target for cyber crime, and Visma is counteracting that threat from every angle. It has devised programmes to deter, discern and effectively shield from viruses and cyber-attack, programmes that build resilience into software system design so that it keeps working correctly even under malicious attack.

The proper handling of software security activities requires specialised tools and knowledge. However, agile development teams are generally small, and do not have specialists in security. Visma has overcome this challenge by empowering certain team members to be 'security engineers.' This bottom-up approach leads to the utilisation of security practises as part of the teams' routine, rather than top-down compliance.

Visma engages its companies and clients with safeguarding practises against cyber-attack. Transparency it believes is essential for its secure programmes to have maximum impact. It even uses social media as a channel to reach far and wide, hiring a group of dedicated communications specialists to produce content for its companies to share information on cybersecurity in contextualised form. The skills and expertise that Visma is building in software security is shared with the scientific community through the publication of articles and books so that techniques can be advanced to neutralise the effects of cyber-attack.



# Antitrust and competition law

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 antitrust legislation at a national and regional level. We take a proactive and stringent approach to managing antitrust compliance, starting during the due diligence process and continuing through investment periods. We have a dedicated in-house antitrust lawyer to support Hg and its portfolio companies with M&A, compliance programmes, ethical awareness initiatives as well as advice on a day-to-day basis.

“ We are committed to an antitrust 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.”

**Lisa Eger**  
Senior Legal Counsel, Hg







## Employees and wellbeing support

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The health, happiness and wellbeing of the employees that are spread among the Hg Family are crucial to us. The number of employees across our portfolio have more than doubled from the end of 2018 to the end of 2021 to number 55,000. The people in our portfolio are the most important asset. They are absolutely key for the growth and success of each business. A more engaged workforce contributes to increased productivity, customer loyalty and a lower staff turnover.

We encourage our portfolio companies to conduct surveys to measure levels of engagement among their workforce and our 'HR, People and Culture' community and Hangouts collaborate on these topics. In 2021, 94% of our businesses conducted an employee engagement survey. An employee Net Promoter Score (eNPS) is a basic positive/negative feedback score which is calculated based on the percentage of promoters minus detractors in a business. 74% of our companies did an eNPS survey and the average eNPS score across our portfolio was 40. To put this into context; an eNPS score between 10-30 is considered good. eNPS benchmarks are industry specific, the average eNPS score in SaaS software businesses is approximately 27. With an average score of 40, our portfolio is performing above that. An increasing percentage of our portfolio is prioritising health and wellbeing support among its employees, and 82% now have initiatives to promote mental health.





## Employee engagement case study

### IRIS

IRIS Software Group (IRIS) is a software business whose mission is to simplify the day-to-day tasks of Britain's businesses by helping create greater operational accuracy and efficiencies. Its software solutions and services apply to many organisational sectors such as Accountancy, Education, HR, Payroll and Biometrics.

IRIS has been recognised on the UK's Best Workplaces™ for Wellbeing list by Great Place to Work® UK, in the 'Super Large' (1,000+ employees) category. The ranking was based on a survey produced by Great Place to Work, that analysed physical and mental well-being, including work-life balance, sense of fulfilment, job satisfaction, psychological safety and financial security. IRIS provides a leading example of putting health and wellbeing centre stage, from Mental Health First Responders to Belonging Champions, Social Committees and Green Groups to Women into Leadership and Returnship programmes.

IRIS also won the 'Best Covid-19 Response Involving Finance/Professional Services' category at the Covid Response Awards – which paid tribute to companies that have demonstrated resilience, resourcefulness and tenacity in response to the pandemic. Many initiatives kept the spirits and motivation up of the employees and encouraged charitable giving and the putting forward of entrepreneurial ideas, with a £25,000 cash prize for the winner.







## Employee engagement case study

### FE fundinfo

FE fundinfo is a global leader in investment fund data and technology. Every day, thousands of people rely on their data to make investment decisions. In 2021, FE fundinfo increased their focus on employee health & wellbeing, charitable giving, and bringing employees together across their global offices through an app called Charity Miles. The app tracks every mile employees walk, run, and cycle, these miles all count towards a monthly target and when that target is reached a donation is made to a nominated charity.

Each month a different office is responsible for nominating the charity. Some of the charities have very personal connections for their employees, which further incentivises participation in working together towards common and meaningful goals. Through employees sharing stories about the charities they have selected in townhall meetings, Charity Miles has facilitated important conversations throughout the organisation about, mental wellbeing, ending hunger, women's rights, life-saving care and much more.

Especially after coming out of lockdowns and isolations, Charity Miles has provided a fantastic motivation to create and build healthy habits and positive connections. FE fundinfo collectively walked, ran and cycled over 135,000 miles and they are expecting to go even further in 2022 as popularity for the initiative continues to grow.



**This is Hg**

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**04**



## This is Hg

The culture of Hg is much more like a tech company than a traditional PE firm and that is what makes us so special. It enables us to attract some of the best talent and management teams, all being proud of being part of the Hg family.

For Hg it is important that we walk the talk and act as a good role model for our businesses – if we ask them to take certain ESG topics seriously, we need to do so too.

**Private Equity  
International**

AWARDS 2021

### UK firm of the year

Hg was proud to win the UK Firm of the Year award in the 2021 Private Equity International awards. The PEI Awards celebrate the private equity industry's standout firms, highlighting their contributions to the worlds of fundraising, secondaries and more. This year's industry-voted awards recognise the achievements of GPs, investors and advisory firms across more than 70 categories.



# Purpose and values

Our work as a private equity firm is more than just profit and growth. A sense of purpose and meaning fuels good work and drives positive change. Our purpose, defined in 2020, is:



Our clients help bring our Purpose to life:

“*The office of endowments oversees most of the University’s financial assets including the assets of most of the academic units, as well as our large hospital system and many affiliates. The University employs over 17,000 people and the core of what we do is to educate students, but our activities go beyond that to influence policy-makers, business leaders and other academic research.*

*The returns that Hg helps to generate for the endowment support an ecosystem of learning. We have the best thinkers, the best researchers supported by world-class tools to advance knowledge and make our world a better place.”*



THE UNIVERSITY OF  
CHICAGO

The University of Chicago office of endowments





# Our values

Hg is entrusted with pension funds, endowments; millions of underlying investors and therefore its responsibility reaches deep and wide. Furthermore, improvements in software utilisation affects the lives of millions of people, and we grow businesses for the long term, creating jobs and improved services. Our guiding principles in social and environmental governance also serve as a motivational force in driving positive change.

Hg has embedded its values into the company ethos such that they inform our actions every day. They guide us in our work within our teams and partnerships.

The four cornerstones are:

## Be genuine

- Be authentic
- Be honest
- Speak the truth as you see it
- Retain humility

## Outlearn

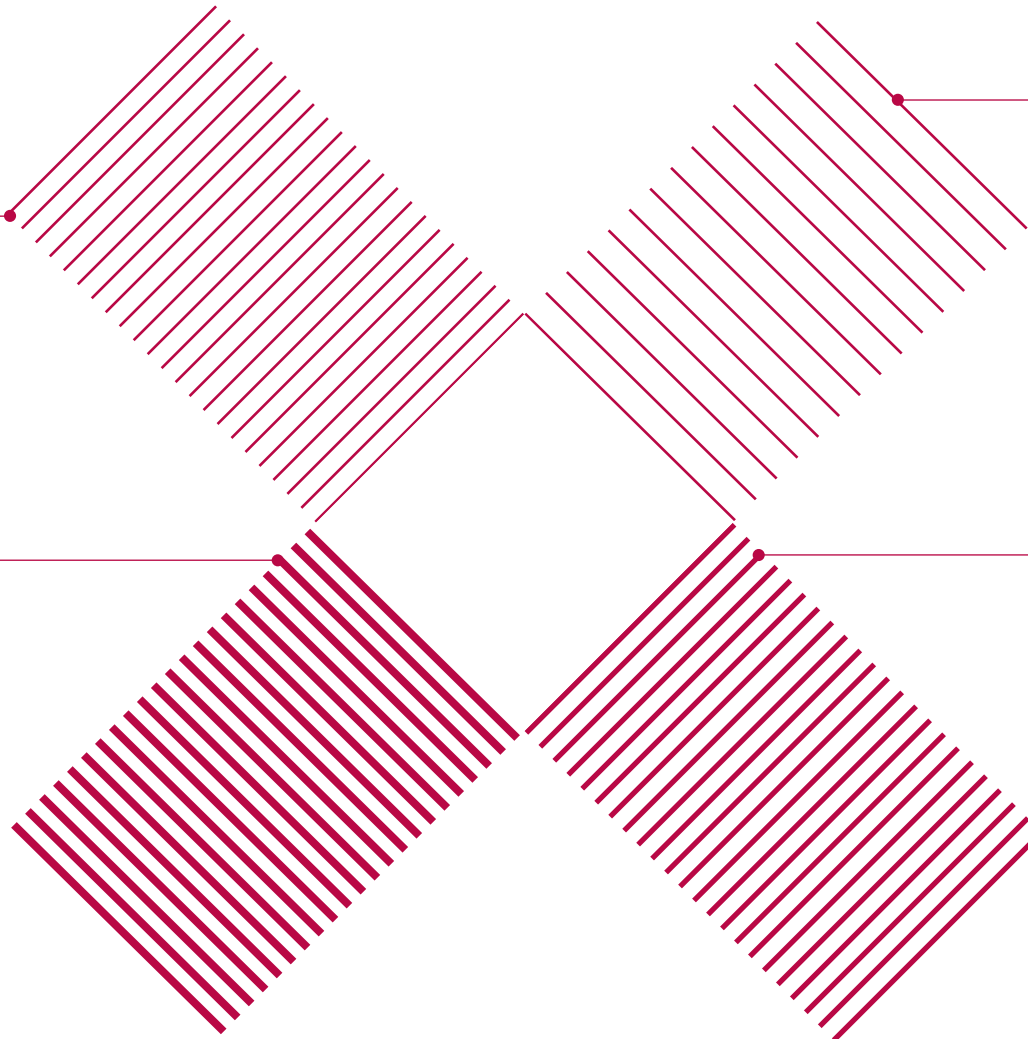
- Leverage collective expertise
- Smart and entrepreneurial
- A growth mindset
- Continuously challenge

## Go beyond

- Be ambitious
- Strive for excellence
- Perspiration as well as inspiration
- Take ownership

## Win right

- A "One Firm" & inclusive mindset
- Consider our long-term impact
- Play hard but always play fair



# Great place to work

Great Place To Work® is an independent workplace assessment survey providing insight into how employees view a company's culture. Hg conducts the survey across our three offices every two years. Our most recent assessment was conducted in 2021.

With a 90% response rate, 89% of our employees said 'This is a Great Place to Work' (up 2% from 2019). Here are a few highlights from our 2021 survey:

## What you think makes Hg a Great Place to Work

*"Open culture, people encouraged to be themselves"*

*"Low-ego, friendly fun and collaborative. Good compensation and benefits. Flexible hybrid working and trust"*

*"The quality of people – everyone is exceptional. Ability to get things done – most efficient and effective place I've ever worked"*

*"Entrepreneurial, high performing and very collaborative. Feel proud to work at Hg and it is a brand which is great for my career in the long term"*

*"Flexibility in where you work"*

*"The amount the business is doing to give back to the community, I think we should really be proud of the Foundation and all of the other charitable initiatives"*

*"I really love the opportunity for growth and development"*

**GREAT  
PLACE  
TO  
WORK®**



## Great place to work continued

### Management & Leadership



97%

Management has a **clear view** of where the organisation is going and how to get there

97%

Management is **honest and ethical** in its business practices

96%

Management is **competent** at running the business

### Equity/Diversity & Inclusion



99%

People are treated fairly here **regardless of their sexual orientation**

99%

People are treated fairly here **regardless of their race or ethnic origin**

95%

People are treated fairly here **regardless of their disability**

### Pride & Community



97%

I'm **proud** to tell others I work here

98%

People are **willing** to give extra to get the job done

95%

unified by a drive for **success and capability**

# Health & Wellbeing

At Hg, we believe that healthy individuals are the key to a healthy organisation. Supporting our staff's physical and mental health became even more vital as we navigated the global pandemic and it remains an important area of focus. We provide a range of services and help lines that employees can access confidentially and for free and we continually review the offerings we provide.

As an example, we have increased the number of trained Mental Health First Aiders and we provide free access for all employees to Headspace, the most science-backed meditation app in the world. Hg has also continued to ensure that our employees have access to medical support through our GP network or apps, giving people round-the-clock access to medical professionals, as well as annual medical and eye check-ups.

Exercise is a great motivator and health enabler. We continue to operate our cycle to work scheme and ClassPass membership packages, providing discounted work outs for our employees to help them stay fit in a way that suits them. We run a number of outdoor charity events that employees are keen to participate in, such as Row the Thames and the Princes Trust step challenge.

We also offer independent advice on returning to work after parental leave, and support with care issues from elder care, post-operative convalescent care, to planning ahead for later-life care. A menopause planning service gives women access to a GP trained in the full menopause experience who can provide advice and an action plan to support.

We understand the difficulties of combining work with families and provide a variety of resources to help with this such as access to holiday activity sessions and children's clubs, and a number of free days of child-care support each year.







## Diversity, equity & inclusion

Hg believes that having a diverse workforce deepens Hg's talent pool and brings us a wider range of perspectives. It manifests in how we navigate the business world, including the investment decisions we make. As Hg's founder Nic Humphries said recently: "Diversity is 100% essential and possibly the top thing for our firm" (AICON 2022 Leadership Voices, Tech Investing webinar). Hg won the Diversity and Inclusion Leader of the Year Award GP Upper Mid-Market at the Private Equity Awards 2021.

### Recruitment

Recruiting the next generation of exceptional Hg talent is crucial to our success and we recognise that we need to work hard to attract the best talent, and in the past couple of years we have been ensuring we attract a broad range of truly diverse candidates. We have done this in multiple ways. At our junior levels we have continued to form connections with groups who are traditionally under-represented within our industry via inclusive recruitment events, industry wide mentorship schemes, providing internships with the #10,000BlackInterns scheme and through our trusted partners such as SEO.

At more senior levels, we ensure our recruitment partners extend our reach to a broad range of profiles and we go to great lengths to ensure an engaging, fair and consistent recruitment process for all.

Throughout 2021 we have continued to work with many inspirational partners who have supported us on our journey in attracting and retaining truly exceptional and diverse talent, and we will continue to build on these partnerships in the year ahead as we continue to drive change within Hg and our industry.



“ At Hg we aim to lay the foundations for a fully inclusive culture and environment, where all diversity is welcomed, encouraged and celebrated. We're at an interesting point in this journey, with lots achieved, but still lots to do. Where we have most visibility is on gender diversity and we're really proud to show improvement, increasing from 25% to 35% female execs over last three years. Diversity in recruitment has also been successful, with our Analyst and Associate intake this year over 50% female and over 50% ethnic minorities. As we continue to evolve and grow as a firm, we are increasingly focusing on development and retention to ensure that the hard work done in these early stages translates to diversity across the whole firm, so that we can create a lasting environment where everyone can bring their best and whole selves to work.”

### Martina Sanow

Hg Partner and Deputy COO



“ With diversity you source and analyse deals, ask and answer questions, and manage teams differently. It adds up to better investment and business decisions. The more complex the challenge at hand, the greater the returns”

### Nic Humphries

Hg Senior Partner





## Development and retention



Developing, supporting and retaining our people is crucial to ensure we maintain talent for the long term. We want individuals from all walks of life to have an equal opportunity to reach their full potential and become leaders of the future.

To ensure Hg is a place where everyone can thrive, we have a comprehensive benefits programme that caters to the individual needs of our employees. For example, our family-friendly policies include 26 weeks of fully paid parental leave (salary and bonus), regardless of gender and we provide emergency backup childcare to support parents when they need it most. See Health and Wellbeing above ( ) for our raft of support programmes.

When it comes to career development, we believe a transparent and fair career-management process is fundamental for success and we build our talent development programmes around this. To support our talent as they build their careers with Hg we have an executive mentoring programme and many targeted development opportunities, for example last year we ran a 'Personal Leadership' programme for our junior women investors and a two-week onboarding academy for all of our newest junior investors.

## Inclusivity



We strongly believe that our inclusive culture, established in the very early days of Hg, has been key to the success of the firm. Inclusivity remains a big part of life at Hg, but that doesn't mean we can ever afford to stand still.

Each year we host multiple educational and awareness events across a range of topics such as Black history and the challenges marginalised groups within the LGBTQ+ community face. Our employee resource groups also foster relationships between groups of employees based on common interests, backgrounds or demographic factors to ensure a support network for all.

We run regular employee surveys ( ) on Great Place to Work to solicit candid feedback to discover where we can make material improvements to our culture, with action plans always taking place once feedback is analysed, then as a further safeguard, we have our annual managing unconscious bias programme for all new joiners which features guidance on how everyone can play a role in ensuring an inclusive culture at Hg.

## Our DEI steering group and targets



At the end of 2019 the Hg Board set two gender balance targets, one near- and one medium-term. The first, near term, was to reach more than 30% female executives by March 2021. We achieved 30% female representation within our executive teams in March 2021 and a goal for 35% by March 2022 was set: we are pleased to report that we have achieved this once again.

The medium-term target was to reach more than 20% females at the senior executive level, and we are working hard to ensure progress is made year on year here too. This mirrors the target set by Level 20, a not-for-profit organisation dedicated to improving gender diversity in the European private equity industry.

Hg's DEI Steering Group, which is reporting directly to the Board, has the mission to lay the foundations for a fully inclusive culture and environment at Hg where all diversity is welcomed, encouraged and celebrated, and they have been working hard throughout this year to ensure that progress is made each day.





## Environment



CarbonNeutral.com



### Hg's carbon footprint

Hg has been certified as a CarbonNeutral® company since 2019 and we annually calculate and publicly report on our carbon footprint in line with the GHG Protocol. In the past three years we have offset our entire footprint by supporting the Acre Rainforest Protection project. Sourced by Climate Impact Partners (formerly Natural Capital Partners), the project prevents deforestation, saving large amounts of carbon release (approximately 360,000 tonnes a year) and promotes sustainable economic livelihoods in the Acre region of the Brazilian Amazon, a key habitat for several endangered and vulnerable species. In addition to the benefit of protecting the forest, the project supports many of the Sustainable Development Goals as defined by the UN and shown above.

Our most recent carbon footprint report is available to view on our website ([click here](#)). Our most recent carbon footprint from 2020/21 was 87% lower than the previous year as the Covid pandemic brought about a sharp decrease in carbon emissions, mostly by the absence of business travel. As office emissions were also negligible, Hg introduced new categories of carbon emissions associated with home working and IT equipment, as we supported our employees with equipment needed at home. Going forward, the break from the traditional office model has helped us examine how we reduce our carbon footprint as the world goes back to normal again.

In 2021, we continued to make improvements to our offices, rolling out energy performance reviews and shifting to renewable energy for our London office. We are aiming to move all of our offices to renewable energy in 2022.





## One Earth, One Future

The Nature Conservancy (TNC) Project in Africa is proudly supported by Nic Humphries, senior partner of Hg. To spread TNC's important message across the Hg Family of employees and portfolio companies, we held a webinar and charitable giving campaign to help raise additional money for TNC's critical mission: to conserve the lands and waters on which all life depends.

One of the world's largest environmental organisations, TNC has been at work for more than 70 years, partnering with communities to create a world where people and nature thrive. Nic is a long-term supporter of TNC's Scale

Up Fund (SUF), which helps accelerate action by providing strategic capital injections, spurring additional investments in conservation projects. With its substantial return on investment, the SUF is a powerful financial tool for driving massive conservation outcomes.

TNC strategies focus on Land, Freshwater, Oceans and Climate. With habitat loss, land fragmentation, and human-wildlife conflict on the rise, land projects protect critical parcels and provide wildlife corridors, including over four million acres in Northern Tanzania alone. Driven by the idea that people and nature can—and must—coexist, TNC is convinced that, together, we can find a way forward.

**“** We keep going because what is at stake is too valuable to lose. What's at stake is more than climate, more than biodiversity. What's at stake is us: the future of our planet, the legacy we leave to our children and their friends.”

### Katharine Hayhoe

TNC's chief scientist and a featured speaker in Hg's webinar



**“** Nic's support of this fund is a natural fit. His generosity and vision are helping to power tangible, transformative results. Here at TNC, we couldn't be more excited about the potential his leadership represents as our partnership with Hg evolves.”

### Matt Brown

TNC's global director of conservation





## The Scale Up Fund at Work in Africa

One of the best places on the planet for immediate and sweeping conservation action is Africa, where the population is expected to more than double to 2.5 billion by 2050, putting ever-greater pressure on precious natural resources. Through projects like those below, the SUF is helping TNC support human progress, while also protecting the continent's natural treasure.



**Green Bonds:** TNC is developing a green bonds strategy and exploring debt restructuring opportunities in Gabon, Angola, Kenya, and Zambia that will generate new resources for conservation.



**Water Funds:** An innovative tool that enables downstream water users to invest in upstream projects, a water fund benefits nature and communities. SUF investment helped is helping TNC replicate water funds in important watersheds across Africa.



**Marine Planning:** SUF support has helped TNC leverage more than US\$12 million in public funding for planning and protection, in the WIO. The Blue Bond model pioneered in Seychelles is inspiring progress in Kenya, Gabon, Angola, and Tanzania.



**Forest Protection:** With its support of the African Forest Carbon Catalyst (AFCC), the SUF is helping to harness the power of trees to battle climate change by dramatically increasing the pipeline of bankable projects ready for large-scale private investment.

© Roshni Lodhia/The Nature Conservancy

The Nature  
Conservancy 

“ I think about my children and their friends. I like to think they and their kids will all have a planet to live on. It's pretty simple – if we don't do something now, what kind of a legacy are we going to be leaving them?”

**Nic Humphries**  
Hg Senior Partner





## Societal contribution

# The Hg Foundation <sup>†Hg</sup>

Removing barriers to education and skills in technology

**\$8.5m** **>8,500**

committed to date

students directly supported

The Hg Foundation's goal is to make an impact on the development of education and skills, with a view to improving quality employment prospects within the technology sector. The Foundation focuses on individuals from under-served backgrounds who may otherwise experience barriers to access. The Hg Foundation teams up with experienced and proven partners across Europe and the US, providing funding and operational support where they can demonstrate measurable, long-term and scalable impact. They work with leading researchers to qualify and build the most effective themes and access the best partners.

Hg expects to provide funding of £50 million in the next five to ten years, achieved by working alongside world class partners, and experts in the field.

“

*It is our ambition to increase the population of students, particularly disadvantaged students who are interested in and qualified to enter into a career in software and technology, through education in STEM, and in helping them with their first steps into work. Hg has built a position as the leading software house and tech investor in Europe. That is a unique position to be in. We have access to a fabulous network of knowledge, expertise and jobs.”*

**Tom Attwood**

Chair, Hg Foundation





# Hg Foundation Partnerships:

## Imperial College London

### Imperial Further mA\*ths Online

In association with Imperial College London, the leading STEM university in England, The Hg Foundation provides funding to combat the attainment gap for disadvantaged students in A-Level Further Maths. The Hg Foundation helps to prepare for quality employment opportunities in the technology sector. For those at an earlier stage who are interested in studying STEM subjects at university but have more of a disadvantaged background, the Foundation helps fund 450 students. In addition, an open access online platform will create a multiplier effect from 150 Further Maths teachers, reaching >2,000 users of all backgrounds.



This partnership, to which funding was committed in April 2021, will support 500 undergraduates from disadvantaged backgrounds who are looking to secure careers in the technology sector. Anyone who meets the criteria in the UK can apply. They will be offered a comprehensive programme of training, development and career opportunities. Hg's portfolio companies will be able to participate with this programme through offering mentoring and work experience. The programme will also offer Digital Skills Training to a further 2,500 students.

## SEO Career Tech Developer

The Hg Foundation, through SEO Career, sponsors high achieving Black, Latinx and Native American college students to land top careers in tech. Participants can be studying anywhere in the US. A 300-hour immersion programme for sophomores majoring in computer science, engineering and related fields prepares them for entry-level tech industry roles. Seminars, mentoring and internships maintain interaction with industry leaders, educators and recruiters. The programme has received some fantastic feedback from students so far:

*"This has been one of the best summers I have had in a long time and one of the best experiences of my life. I learned so much, met so many people, and had so much fun. I am, because of having gone through this program, a much more confident developer/person now. I learned so many things that I wouldn't have otherwise like public speaking (I can still improve), collaborating with others, some concepts that I had never heard of, being able to take an idea, plan and bring it to reality and much more."*

Emile C.

*"I loved this experience! It's fantastic that more opportunities are being given to those who are under-represented in the programming industry, and I hope this continues for a long time."*

Ariana H.

*"I am very happy to have been part of this program because I feel more confident in my programming skills and believe I have learned a lot of valuable information I can take with me in the future."*

Demi B.

*"I loved my experience with SEO this summer and what I've learned here I'll take with me for the rest of my career. I appreciate the program and I have really gotten a lot of confidence in my programming skills. I really feel like I belong in Computer Science more and that I actually have a chance in the market of internships and work opportunities in the future. I've met so many great people and have learned so much I just really want to say thank you!"*

Christian S.





*“The donation of laptops has enabled us to start the Tutoring Programme whilst the year group were self-isolating, rather than delaying the tutoring to a future date.”*

*Ruth Baldwin, Headteacher,  
Waterloo Primary School*

## Hg Foundation Partnerships:



The Hg Foundation’s programme with Generation France, started in July 2021, is aimed at bridging the gap between employers struggling to recruit entry-level talent with unemployed young individuals in France. It covers four core dimensions:

1. Providing job opportunities within technology businesses.
2. Volunteers and mentors from across the Hg network.
3. An evaluation of the ROI and impact to assess effectiveness.
4. Building out three new specialised training programmes for additional career opportunities.



The Hg Foundation was one of the founding funders of an online tutoring pilot, which laid the ground for the National Tutoring Programme. This is to help narrow the evident gap that the Covid-19 lockdown widened considerably between those children from advantaged and disadvantaged backgrounds and runs across the UK.



Technische Universität München

The Technical University of Munich is a university of excellence in Germany and one of the leading universities in Europe. This new partnership offers girls and young women access to STEM programmes and a protected space to gain experience and knowledge. It is targeted at female students aged 14-16 from rural areas of Bavaria where access to extra-curricular programmes is limited.



The Hg Foundation proudly supports Merit America, a scheme to provide pathways to skilled careers for adults without bachelor’s degrees across America. It offers a comprehensive 26-week training programme via online learning and live support. The Hg Foundation is specifically sponsoring the data analytics and evaluation strategy workstream from this already successful programme.



The Tutor Trust is one of four tutoring charities involved with the pilot of an online tutoring model which supported the launch of the National Tutoring Programme (NTP) and is based in the North West of England. As part of this project The Hg Foundation provided reconditioned computer hardware to pupils learning online at home, as well as tutoring services. This made a big difference during lockdown.



# The Hg<sup>®</sup> Foundation Partnerships:

**SEO Career**  
Tech Developer



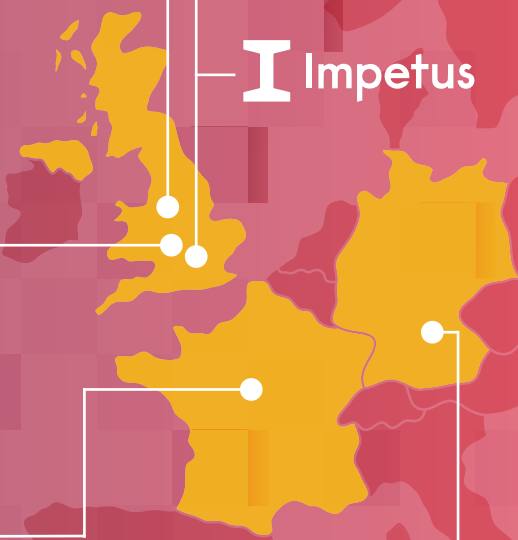
**merit**  
AMERICA

**upReach**  
transforming Social Mobility

**THE TUTOR TRUST**

**Imperial College London**

**Impetus**



*Generation*  
FRANCE

**TUM**  
Technische Universität München

## Hg giving

In April 2021 Hg launched its own charitable giving platform, Hg Giving, via Benevity. Through Hg Giving employees are able to:

- Make personal donations to the causes they care about via payroll, credit card or PayPal.
- Receive automated 1:1 matching on their contributions, doubling the impact of their giving.
- Sign up to volunteering campaigns and events, and receive rewards for any logged volunteering hours.
- Create their fundraising pages to share with colleagues, friends and family.
- Keep up to date with charities, internal Hg fundraising and volunteering events.

Since the platform was launched last year >\$400,000 has been collectively donated across 272 charities, with over 80% of employees actively participating in giving or volunteering campaigns.

As well as personal donations by employees, the Hg Charity Committee made donations to a number of organisations linked to key giving events such as International Women's Day, Pride Month, Earth Day and Mental Health Awareness Week.

In the wake of the war in Ukraine, the Charity Committee made donations to UNICEF, The Red Cross, UNHCR and International Medical corps and also increased the match amount on any employee donations from 1:1 to 1:3. The Benevity platform has enabled us to give to vetted organisations that are delivering aid to refugees fleeing Ukraine.

Employees enthusiastically get behind charity fundraiser events and are often keen to financially support them too.

Giving campaigns are often made fun and help connect people from across all parts of Hg.







Prince's Trust

## Future Steps

London staff from Hg participated in the 2022 Future Steps challenge, completing on average 280,000 steps each, equivalent to 140 miles, five and a bit marathons and eight trips up and down Ben Nevis. This raised almost £10,000 for the Prince's Trust, at a time when such outdoor support for young people is needed more than ever.



## Impetus Triathlon 2021

On Saturday 18th September a brave bunch from across Hg took part in various disciplines at the annual Impetus Triathlon. Hg took first place in the Olympic triathlon relay and also the Sprint triathlon relay with one of our swimmers overtaking 13 others on the 1,500m lap emerging second! 16 people took part from Hg in total; all our teams put in a very impressive display and Impetus raised over £400k on the day.



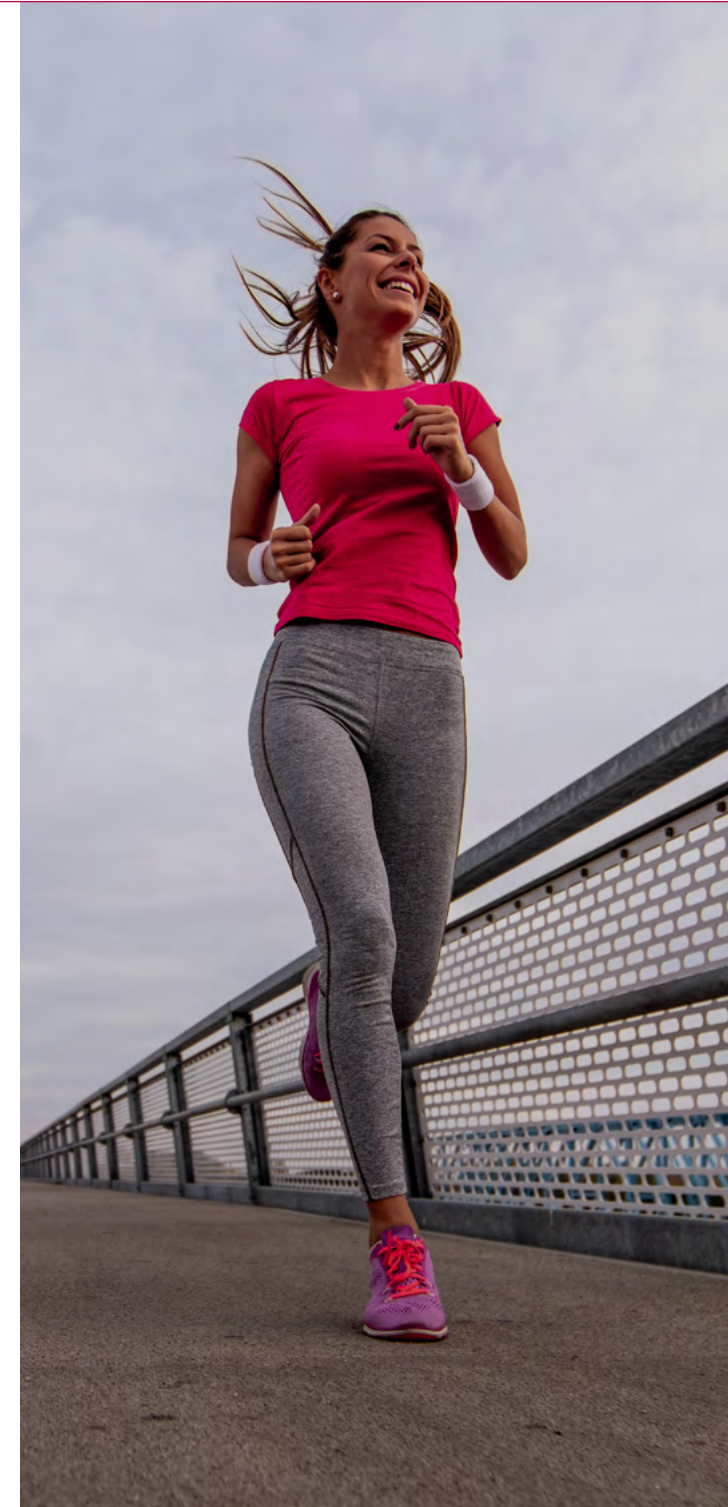
## Race the Thames

After the success of previous year's event, we had four Hg teams enter 2022's Race the Thames challenge, with each team having to compete with one another to complete 346km (the full length of the River Thames) in seven days with the fastest pace possible, come sun, rain or snow. Overall Hg put in a great performance both on and off the tarmac – placing 2nd in the Financial Services category, 10th overall and in pole position for raising the most money with each team donating £12k to Samaritans & London Youth Rowing Charity.



## The Thames Ten

On a sunny Friday afternoon in July, seven of Hg walked the glorious ten bridges from Tower Bridge to Vauxhall Bridge in just two hours and four minutes raising £866 towards MIND, the national association for mental health, which was doubled by the charity committee.







## Stepney City Farm

Five volunteers (Hg & family) spent the day in East London volunteering at Stepney City Farm. The day included a variety of activities, including creating a path with woodchip on top and feeding the animals. Their volunteer programme has been a tremendous help to the organisation, helping to maintain regular operations and enabling the Farm to do major improvement works which would otherwise not have been financially or practically viable.

## 12 Days of Christmas



With our 12 Days of Christmas fundraiser, every day from the start of Advent every employee who made a donation to Save the Children was entered into a daily raffle and had the chance to win £250, or local equivalent if based in Germany or the US, to give away to the charity of their choice. On the 12th day, the winner won £2,000 to donate to charity. The Giving campaign itself raised £4,032 for Save the Children.

## Giving Tuesday



Giving Tuesday is the biggest day of global generosity; a day when people all around the world spread awareness of, volunteer for and support the causes they love. In 2021 this took place on the 30th of November and Hg helped raise £10,922 through our Hg Giving platform on the day.





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