



Responsible Investment

Hg Sustainability Report 2025/26



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Unless stated otherwise, this report is based on information and data from Hg’s financial year 2025/26 (1 April 2025 – 31 March 2026).

Please note that this Sustainability Report is not a marketing document and is provided for information purposes only. The act of selecting and evaluating material sustainability matters is subjective by nature, and there is no guarantee that the criteria utilised or judgement exercised by Hg will reflect the views, internal policies, or preferred practices of any particular investor or other asset manager or reflect market trends. The sustainability goals, commitments, incentives and initiatives outlined in this report reflect current thinking, are subject to change, are purely voluntary, and are not binding on Hg’s investment decisions and/or Hg’s management of investments. They are subject to Hg’s fiduciary or similar duties and applicable legal, regulatory, and contractual requirements. Any measures implemented in respect of such sustainability goals, commitments, incentives or initiatives may not be immediately applicable to the investments of any funds managed by Hg, and Hg may determine in its discretion, taking into account any applicable contractual commitments or regulatory requirements, that it is not feasible or practical to implement or complete certain of these based on cost, timing, or other considerations.



Steven Batchelor
Co-CEO and Managing Partner, Hg

Leadership statement

Our purpose is to improve the future of millions of investors by building sustainable businesses for tomorrow. It has guided Hg for more than twenty-five years, and it still sits behind the decisions we make today.

Taking on the co-CEO role at the end of 2025 gave me a reason to step back and ask what actually makes Hg the firm it is. The answer, every time, comes back to the people and the culture they've built together over many years. I've seen it first-hand: when people feel genuinely supported, heard and valued, they do better work. The evidence backs that up. Companies where people enjoy working tend to outperform the market by 2 to 4% a year¹. Our own employee net

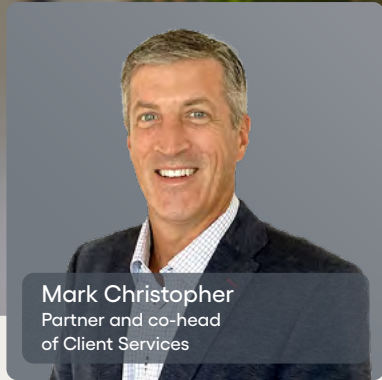
¹ Edmans, A. (2011). Does the stock market fully value intangibles? Employee satisfaction and equity prices. *Journal of Financial Economics*, 101(3), 621–640.

promoter score (eNPS) of +67 tells me we're on the right track, though it's the kind of thing you keep working at rather than treat as finished, so we'll keep listening and keep improving.

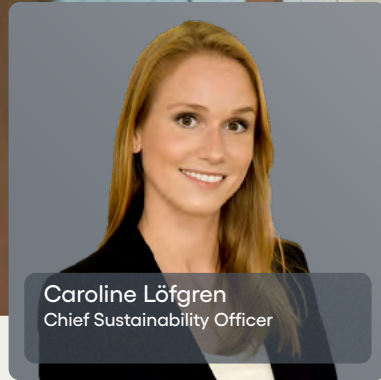
I think about sustainability in much the same way. Good governance, sensible risk management, using resources well, and being somewhere great people want to build their careers are, for me, simply part of what makes a business worth owning. We've held that view for a long time, and nothing about the past year has changed it.

Across the portfolio, this year gave us a lot to be encouraged by. Our sustainability score rose to 8.4, up 4% on last year. Lucanet became the first of our companies to score a perfect 10 out of 10. Given how demanding the assessment is, that is no small thing. We ran our first Responsible AI review, reflecting how central AI has become for our businesses and the people they serve. And 78% of our companies are now actively tracking emissions, with 39% having set, or in the process of setting, carbon reduction targets.

None of this happens without the people across Hg, our portfolio companies and our partners. What follows is some of what we managed to achieve together this year.



Mark Christopher
Partner and co-head
of Client Services



Caroline Löfgren
Chief Sustainability Officer



Martina Sanow
Partner and former Chair
of Hg's Culture Committee



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

“The trust our clients place in us goes beyond capital. They expect us to grow their investments and to do it the right way. That expectation is becoming louder. In 2025, we fielded over 250 sustainability-related client requests, a clear sign that responsible investing is firmly on our investors’ agenda.”

“Strong companies don’t just avoid problems, they create competitive advantages by reducing costs, inspiring their teams, strengthening stakeholder relationships and ultimately building resilience. Responsible business practices are not add-ons to business success; they’re a foundation that makes it possible.”

“Peter Drucker said ‘culture eats strategy for breakfast’, and after 20 years at Hg, I believe it. We invest as deliberately in culture as in any strategy, building on three foundations: our people, the talent and cognitive diversity that sharpen our judgement; our culture, the values and behaviours that define how we work; and our commitment, to our mission, our clients, and each other. In 2025, the Culture Committee kept pushing on all three – because when the foundations are right, better decisions and better outcomes follow.”

“AI is rapidly becoming the backbone of how our portfolio companies operate, innovate, and serve their customers. It’s central to how they create lasting value. By embedding AI thoughtfully across our businesses, we’re not just driving near term efficiency, we’re building more resilient, more adaptive companies that will sustain and grow value for decades to come.”

Hg in 2025/26

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Reflecting on the past year

Sustainability is about building better, more resilient businesses. In 2025/26 we continued to focus on the topics that deliver tangible results: preventing misconduct, cutting operational costs, energising teams, and strengthening stakeholder relationships. Below are some highlights from the year.



Sustainable value creation

In 2025/26 we conducted our eighth annual Sustainability Diagnostic of Hg portfolio companies. Updated on an annual basis to account for trends, investor requests and legal requirements, the assessment covers c. 100 questions.

In our 2025 assessment, the portfolio average score rose by approximately 4%, from 8.1 to 8.4 out of 10. For the first time, one of our companies, Lucanet, achieved the top score of 10 out of 10, demonstrating their very ambitious sustainability agenda. With more than 400 cumulative assessments completed since launch, we have built one of the most comprehensive sustainability benchmarks dedicated to private technology and software businesses.

Each Diagnostic results in a board report and tailored improvement plan setting out clear focus areas for the coming twelve months. Beyond the Diagnostic itself, our team provided selected companies with ad-hoc support to help them advance in line with their recommended improvement plans.



Responsible AI

We incorporated Responsible AI into our Sustainability Diagnostic, covering c. 20 questions across four categories:

- 1. AI Governance and Risk Management;**
- 2. Transparency and Third-Party Management;**
- 3. Ethical Use and Fairness, and;**
- 4. AI Incident Management.**

Of the total companies assessed, 74% were classified as 'leading' or 'established' across these areas, with AI governance focused on policies and oversight structures, being the strongest category. Looking ahead, our Sustainability, Legal and AI teams are partnering to support portfolio companies to continue to mature their responsible AI practices.





Societal contribution

We channel a portion of our annual profits and carried interest into meaningful change through The Hg Foundation and our internal Charity Committee. The Hg Foundation, established in 2020 as a registered charity, removes barriers to technology careers for people from disadvantaged backgrounds through targeted education and employment programmes. To date, the Hg Foundation has committed approximately \$45 million to over 55 non-profit partnerships, directly supporting more than 80,000 individuals from underrepresented communities.

Hg team members continued to give generously, contributing circa \$370,000 via our Hg Giving platform in 2025/26.

Climate change

Climate change remains a focus area for us. We request portfolio companies' scope 1 and 2 carbon emissions at minimum and strongly encourage scope 3 reporting. 78% of portfolio companies are gathering carbon footprint data and reporting this to Hg.

We encourage portfolio companies to set their own carbon reduction targets in line with science and as of the end of 2025, 39% of our portfolio companies were in the process of, or have already, set carbon reduction targets.

1.7% (representing 0.4% of our invested capital) of our portfolio companies have reached 'Aligned to Net Zero' status under the Private Markets Decarbonisation Roadmap, demonstrating a year on year reduction in line with their Net Zero target.

We continue to measure and offset our firm-level carbon footprint. In 2025, our scope 1 and 2 emissions have reduced by 43%¹ from a FY20 baseline.

Client engagement

We received over 250 sustainability-related enquiries from clients in 2025/26 – a new record and a clear indicator that responsible investment continues to be a priority across our client base. Using established frameworks helps streamline our reporting to clients, and we continue to align with the ESG Data Convergence Initiative, Invest Europe's European Data Cooperative Template, and ILPA's Driving Inclusion in Alternatives initiative. We did not conduct a repeat of the legacy UNPRI assessment in 2025 as it was not mandatory and there had been no major changes in our business but we continue to rely on our 2024 rating which has a five-star rating across all areas. We look forward to reporting against the new streamlined UNPRI framework in 2026.

In 2025, we published our inaugural Sustainability Disclosure Requirements (SDR) entity-level report, providing transparency on our governance, strategy, risk management and metrics in line with the FCA's expectations.

Cognitive diversity and culture

Hg maintained a 50% gender balance across the firm, with employees representing 46 nationalities. Our employee Net Promoter Score (eNPS) reached +67, an increase of 49% and 47 points above the True Benchmark for diversified financials, with a 92% completion rate, and +66 score for Manager Support. We continued to invest in our people through an expanded Mentorship Programme, which now includes 165 mentees and 125 mentors across 16 teams.

¹ Partially due to a change of methodology in FY24

Hg at a glance

Hg is an investor in European and transatlantic technology and services businesses. We are an AI leader in private equity, helping to build sector-leading enterprises that supply critical applications or workflow services to deliver intelligent automation for their customers.

Hg primarily seeks majority equity buyout investments ('Control Investments') but occasionally takes minority or other stakes ('Non-Control Investments'). Hg's businesses are predominately headquartered in Europe and North America but often have a global footprints and customer bases.

We take an active approach to value creation, combining deep end-market knowledge with high quality operational resources to support entrepreneurial leaders looking to scale and drive AI transformation.

With a vast European network and strong presence across North America, Hg has around \$110 billion in assets under management and c.410 employees. Our portfolio spans around 60 businesses worth over \$190 billion in aggregate enterprise value, employing more than 140,000 people and consistently growing revenues at more than 16% annually.

All facts and figures as of 31 March 2026 adjusted to currency spot rates, unless otherwise stated.

For the latest numbers, please see our [quarterly update on Hg's website](#).

1 Some transactions remain subject to closing. There can be no assurance that any pending transaction will close as expected or at all.

2 As at 31 Dec 2025

3 These figures represent LTM 31 March 2026 sales and EBITDA growth of the investments held by HgCapital Trust plc (100% Hg portfolio), calculated on a weighted basis, based on the respective gross valuations of the underlying investments. HgT, whose shares are listed on the London Stock Exchange, gives private and institutional investors the opportunity to participate in all Hg's investments. Past performance is not a reliable indicator of future results.

Our portfolio

<p>+\$190bn aggregate enterprise value of the Hg portfolio</p>	<p>c.\$110bn assets under management</p>
<p>c.60 portfolio companies</p>	<p>9¹ new platform investments in 2025</p>
<p>+140k² employees across the portfolio</p>	<p>+9% portfolio revenue growth</p>
<p>+\$28bn total revenue of our companies</p>	<p>+19%³ portfolio EBITDA growth LTM</p>
<p>8.4 average portfolio Sustainability Score (of 10)</p>	<p>25% portfolio companies with carbon reduction targets</p>

Our firm

c.410

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

25

years of investing
(30+ including pre-independence)

+\$30bn¹

of proceeds returned from all technology and services businesses since 2001 at 3.0x gross MOIC (Multiple on Invested Capital) / 31% gross IRR (Internal Rate of Return)

46

nationalities

51.5%

female employees firmwide

31%

Female investment professionals

+67k²

Employee Net Promoter score (Hg)

4.4³

Glassdoor score

300+

clients

★★★★★ | ★★★★★ | ★★★★★

UNPRI ratings (97% for PE, 94% for Policy, Governance & Strategy, 100% Confidence Building Measurers)⁴

“Together we build enduring technology and services leaders that transform how people work”

¹ As at 31 March 2026. Returns presented are gross and do not include the effects of fees, commissions and other charges. Past performance is not a reliable indicator of future results. The value of investments and the income from them can go down as well as up as a result of market and currency fluctuations and other factors, some of which may be outside of our control, and investors may not get back the amount they originally invested. Represents an indicative firm-level return which no investor would have received.

² As of January 2026

³ Based on 76 anonymous reviews.

⁴ Hg’s UNPRI transparency report can be found publicly on the [PRI data portal](#)

Societal impact

~\$45m

committed via
The Hg Foundation since 2020

\$370k

donated via Hg Giving (employee giving)
in 2025/26

80,000+

individuals supported by
Hg Foundation partnerships

150+

volunteering hours

55+

Hg Foundation non-profit
partnerships

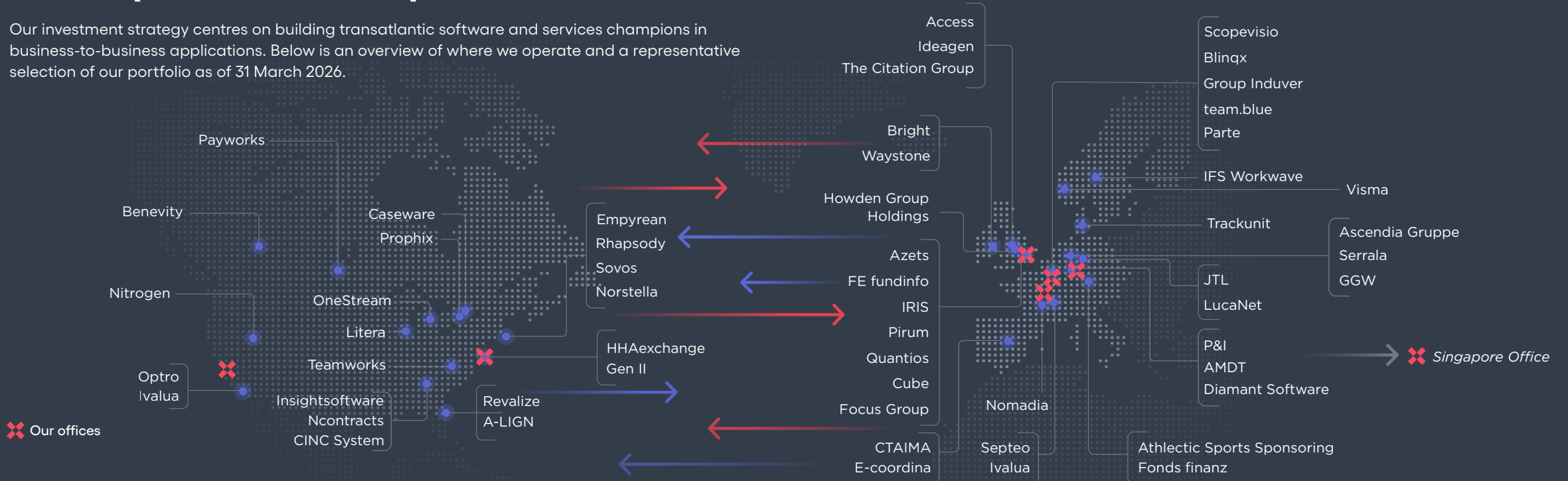
30+

Hg Foundation
Partnerships



A snapshot of our portfolio

Our investment strategy centres on building transatlantic software and services champions in business-to-business applications. Below is an overview of where we operate and a representative selection of our portfolio as of 31 March 2026.



North America

- Invested >\$9 billion of equity in North America
- New York office opened in 2019; San Francisco office opened in 2022
- 21 investments across North America

Europe

- Led / co-led 10 of the top 20 EU software buyouts of last decade¹
- >4x investment activity compared to the next largest software investor in Europe²
- In aggregate, Hg's portfolio would be the 2nd largest software business in Europe³

Note: As at March 2026, adjusted for post period events. Representing Hg's current unrealised portfolio

1 Analysis prepared by Bank of America as at 31 December 2024

2 Analysis prepared by Barclays as at 31 December 2024, looking at transactions completed by European Private Equity funds with fund sizes \$2bn+ and with dedicated Software & Services teams, since 2014 to cover the period 01 January 2014 to 17 March 2025

3 As at 30 June 2025; comparing Hg's aggregate portfolio EV vs. EVs of European public market tech companies such as SAP, Dassault systems, Amadeus, Sage, Nemetschek Group, Temenos (Source: CapitalIQ)

Hg's value creation team

Turning operational excellence into sustainable growth

Our portfolio companies operate in different markets but face comparable challenges as they scale. Our Value Creation Team, consisting of over 150 specialists, exists to help close that gap. We have built deep functional expertise across the areas that matter most to software and service businesses: AI Transformation, Data and Analytics, Growth, Technology and Cybersecurity, HR and Talent, Finance, Legal, Business Systems, Sustainability, and Value Creation Planning.

In 2025/26 we continued to expand our AI capabilities, including through Hg Catalyst, our AI incubator, which builds and deploys agentic AI products at speed across the portfolio.

The Value Creation Team offers a range of portfolio support; from diagnostics, opportunity identification and project planning, through execution and ongoing advice, to exit preparation. Our experts go deep into companies for extended periods, supported by Hg's proprietary tools, datasets and benchmarks, as well as a network of trusted third-party partners.



+1600

AI projects live across the portfolio, supported centrally by the Hg Value Creation team

+50

per annum webinars, dedicated events and podcasts, aimed at educating and engaging portfolio management teams

+150

in house and consulting AI experts

+100

AI products and features launched to customers

<hg_catalyst

Building enduring businesses for the agentic era

Hg Catalyst is Hg's in-house AI incubator consisting of a dedicated team of senior product, engineering and applied AI specialists who embed inside portfolio companies to design, build and launch agentic AI products at startup speed but enterprise scale. Operating from our offices in London and New York, Catalyst is helping our businesses respond to one of the most consequential technology shifts in a generation.

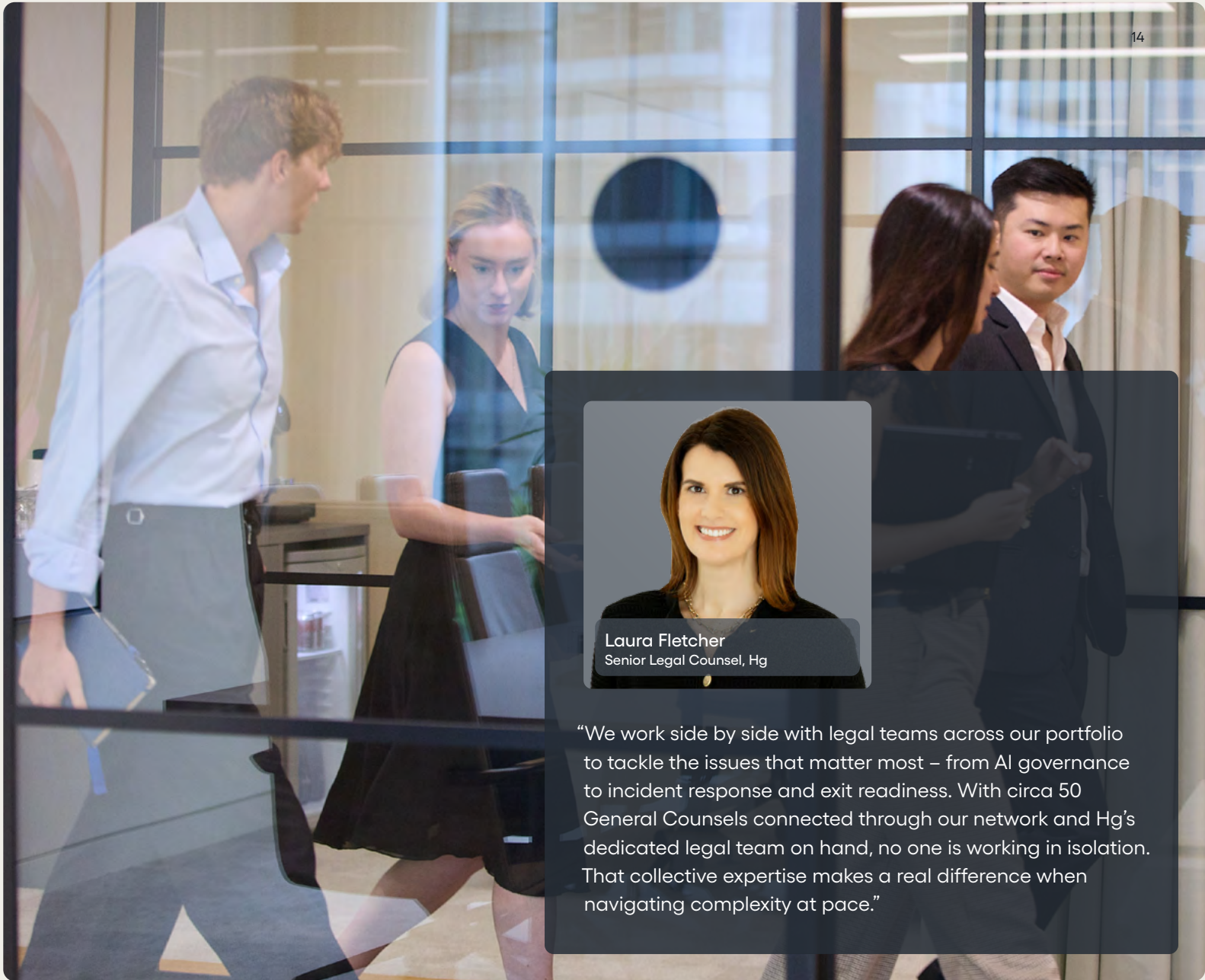
The model is deliberately collaborative. Catalyst works shoulder-to-shoulder with portfolio company teams across ideation, discovery, build and launch, and crucially, builds lasting in-house capability rather than dependency. Each engagement compounds Hg's collective pattern recognition across the portfolio, accelerating the flywheel for every subsequent build.

As of the 31 March 2026, Catalyst has launched 15 products across more than 10 portfolio companies, with an average time of just 12 weeks from concept to launch.

By helping our portfolio companies build genuinely useful, enterprise-grade AI that customers can rely on, Catalyst directly supports our purpose of building sustainable businesses for tomorrow. Its emphasis on accuracy, accountability and trust also complements the new portfolio-wide Responsible AI assessment introduced this year – ensuring the AI products our businesses bring to market are trustworthy as well as commercially valuable.

Hg Catalyst's first Hackathon in April 2026





Legal governance and strategic support for our portfolio companies

Hg’s experienced in-house legal team delivers strategic legal support, crisis management and legal transformation across the portfolio, partnering with boards and legal teams at moments of highest value and risk. We focus our expertise on legal function optimisation, AI enablement, incident response and exit readiness – providing hands-on support where we can make the greatest difference.

As part of our governance framework, we produce an annual Good Governance report setting out the minimum policies and procedures expected across the portfolio, supporting legal and compliance functions to mature and meet evolving regulatory requirements.



“We work side by side with legal teams across our portfolio to tackle the issues that matter most – from AI governance to incident response and exit readiness. With circa 50 General Counsels connected through our network and Hg’s dedicated legal team on hand, no one is working in isolation. That collective expertise makes a real difference when navigating complexity at pace.”



Learning from best practice

To learn from best practice and support the advancement of our sustainability work, we engage with a range of external initiatives. The following are some of the partnerships we find particularly valuable.



Hg has been a UNPRI signatory since 2012. We support its six principles and report progress annually. Our most recent UNPRI assessment achieved a five-star rating across their three assessment areas, with scores of 97% for Private Equity, 94% for Policy, Governance and Strategy, and 100% for Confidence Building Measures.



Hg is a member of the EDCI alongside more than 500 GPs and LPs, representing >\$59 trillion in Assets Under Management (AUM). The initiative, which now covers over 9000 PE-backed portfolio companies, provides a standardised set of ESG metrics, reducing reporting burden and providing benchmarking across the industry.



Since its launch, Hg has been tracking and reporting our decarbonisation progress against the PMDR, which provides a five-stage maturity framework for portfolio companies. Developed by Bain on behalf of the Initiative Climat International (iCI) and the Sustainable Markets Initiative's Private Equity Task Force, and with the input from over 250 GPs, LPs and experts, the PMDR aims to support Private Equity firms in advancing disclosure and reduction of greenhouse gas emissions.



Hg sponsors Level 20, the leading not-for-profit organisation dedicated to enhancing gender diversity within the private equity sector. Our team actively participates in Level 20's mentoring and networking programmes, connecting our people with both senior women across the industry as mentors and rising talent as mentees.



Hg is a member of iCI, a UNPRI-endorsed network of more than 200 private equity firms advancing climate-related disclosure and best practice. In 2024/25 we co-led an iCI working group developing scope 3 greenhouse gas (GHG) accounting guidance for the software and services sector.



Hg's Chief Sustainability Officer participates in the UK Private Capital's Regulatory and Reporting Taskforce, which is part of the broader Sustainability Committee of UK Private Capital (previously British Venture Capital & Private Equity Association).



Hg is a signatory of ILPA's Driving Inclusion in Alternatives initiative, which provides a standard framework for GP-LP reporting.

The Hg Foundation

Removing barriers to education and skills in technology

Technology continues to reshape every aspect of our lives, transforming the way we work and interact with the world. This pace of change, especially with the onset of AI, has highlighted the urgent need to upskill the current workforce for modern jobs and to ensure that opportunities in the tech sector are open to people from all backgrounds. Certain groups – particularly women and girls, those from low-income backgrounds, and people from specific ethnic communities – are less likely to gain tech qualifications and access to high-quality jobs in the sector. This is unfair, and represents a significant waste of talent.

On a mission to transform the technology industry

The Hg Foundation is dedicated to ensuring that the future technology workforce harnesses the talents of all, regardless of background. Its mission is to support underrepresented groups to access high-quality tech jobs by backing impact-focused education and employment programmes across the UK, Europe and North America.

To date, The Hg Foundation has committed approximately \$45 million to over 55 non-profit partnerships, directly supporting more than 80,000 young people and adults from underrepresented backgrounds.

Highlights from 2025/26

- Launched, with Futures For All, a landmark UK programme to transform young people's access to tech work experience, expected to reach approximately 16,000 students in state education.
- Supported Hopeworks, a US non-profit, to open in two new cities supporting hundreds more low-income adults into living-wage tech careers.
- Funded F1RST in Sweden to provide targeted support to lower income students through tech-focussed workshops, mentoring, and work experience.
- Expanded the mA*ths Online Programmes network to support an additional 2,600 underrepresented A Level Maths and Further Maths students.
- Established the Hg Foundation's inaugural Tech Advisory Board to strengthen insight into technology hiring trends across Europe and North America.
- Published "Past, Present, Future: The Tech Talent Pipeline", a synthesis of new research on the changing labour market and implications for access to tech employment.

More information is available at: thehgfoundation.com



Sponsors for Educational Opportunity is an education and training charity that connects talented students across the UK, France and the US with job opportunities. Hg has worked with SEO since 2021 and been a Sponsor member since 2022. We are active partners engaging across SEO's initiatives including providing speakers at their annual Alternative Investments Conference (AICON) and in mentoring, interview skills practice and insight days. The partnership is two-way, hearing how the next generation of talent thinks about the industry, technology and the future of work brings fresh perspectives into Hg.

Our responsible investment approach

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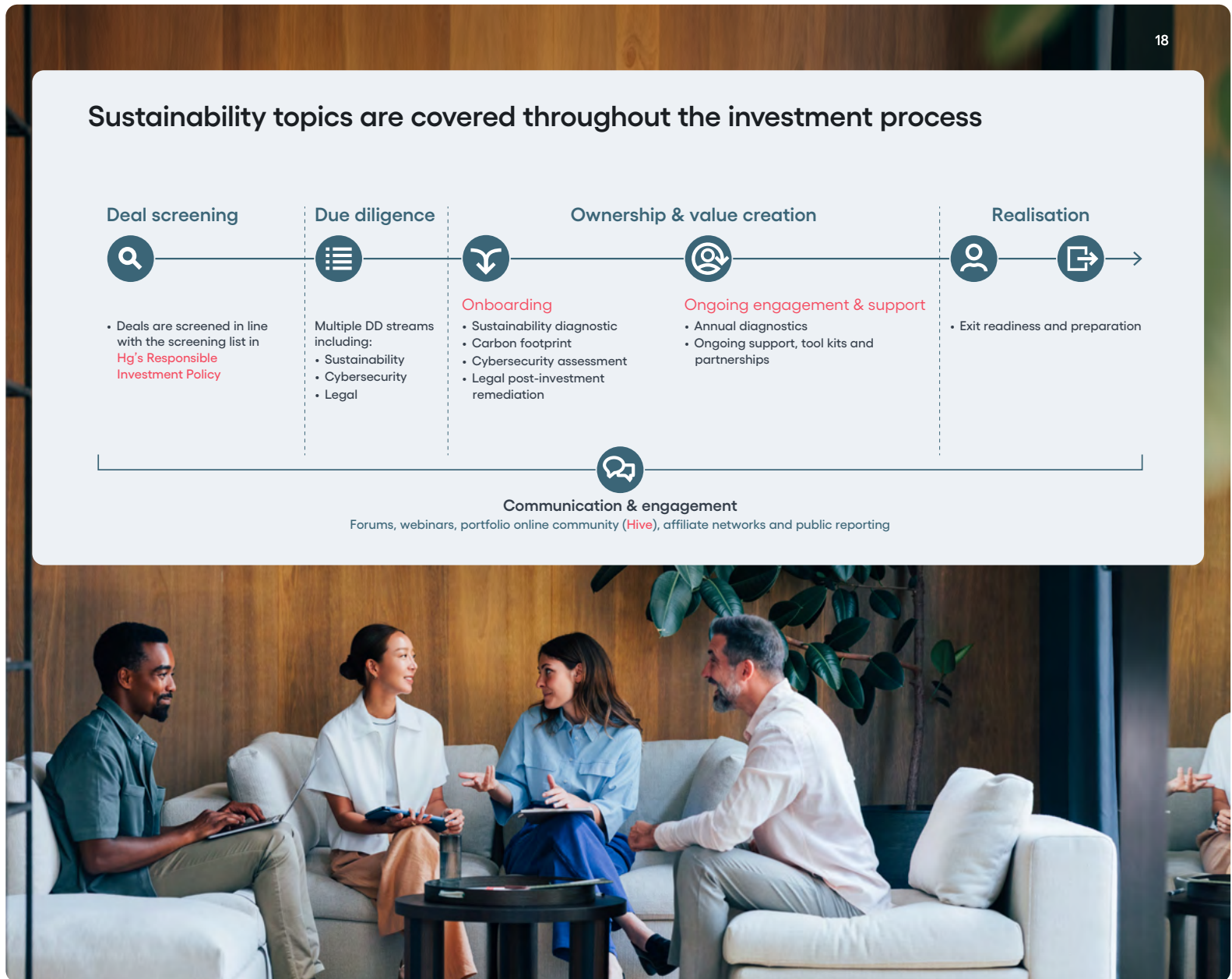
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Embedding sustainability into our investment process

Hg invests in businesses that are growing over the long term and, through that sustained growth, collectively create thousands of jobs worldwide. These are enduring businesses that generate consistent profits while creating value for their customers, by improving how people work.

We believe long-term sustainable returns depend on stable, well-governed social, environmental and economic systems. This is achieved through good governance, resource efficiency, effective risk management, well-managed talent attraction and retention, and the maintenance of a social licence to operate. We take an active interest in our companies' sustainability practices, encouraging, supporting and stretching the businesses throughout the ownership process to have a positive impact while minimising risks.

In a Non-Control Investment, where Hg is a minority owner, we still seek to use our knowledge and experience to conduct appropriate and useful ESG DD and ongoing engagement, often by working collaboratively with the majority owners to promote alignment with Hg's sustainability objectives. For further details about how we embed sustainability into our investment process, please see our [Responsible Investment Policy](#).



Sustainability as a value creator across our portfolio

Hg’s sustainable business framework

Hg’s Sustainable Business Framework, first developed in 2017, is reviewed annually to reflect emerging trends, regulatory developments and stakeholder expectations. It forms the basis of our Sustainability Diagnostic and is tailored specifically to technology and service companies. It incorporates external frameworks, including the EDCI metrics.

In 2025/26 we further refined the Framework to focus on the most material topics, and updated some of its content to resonate with a broader audience. The Diagnostic now consists of approximately 100 questions across three core pillars:

- **Business Integrity**
- **Workplace**
- **Stewardship**

In 2025 we introduced a new Responsible AI section of c.20 non-scored questions covering AI governance, transparency, ethical use and incident management.

Hg’s Sustainable Business Framework:



Overview of portfolio performance in 2025

Our most recent annual Sustainability Diagnostic, completed in early 2026 (based on data from calendar year 2025), assessed 47 portfolio companies.

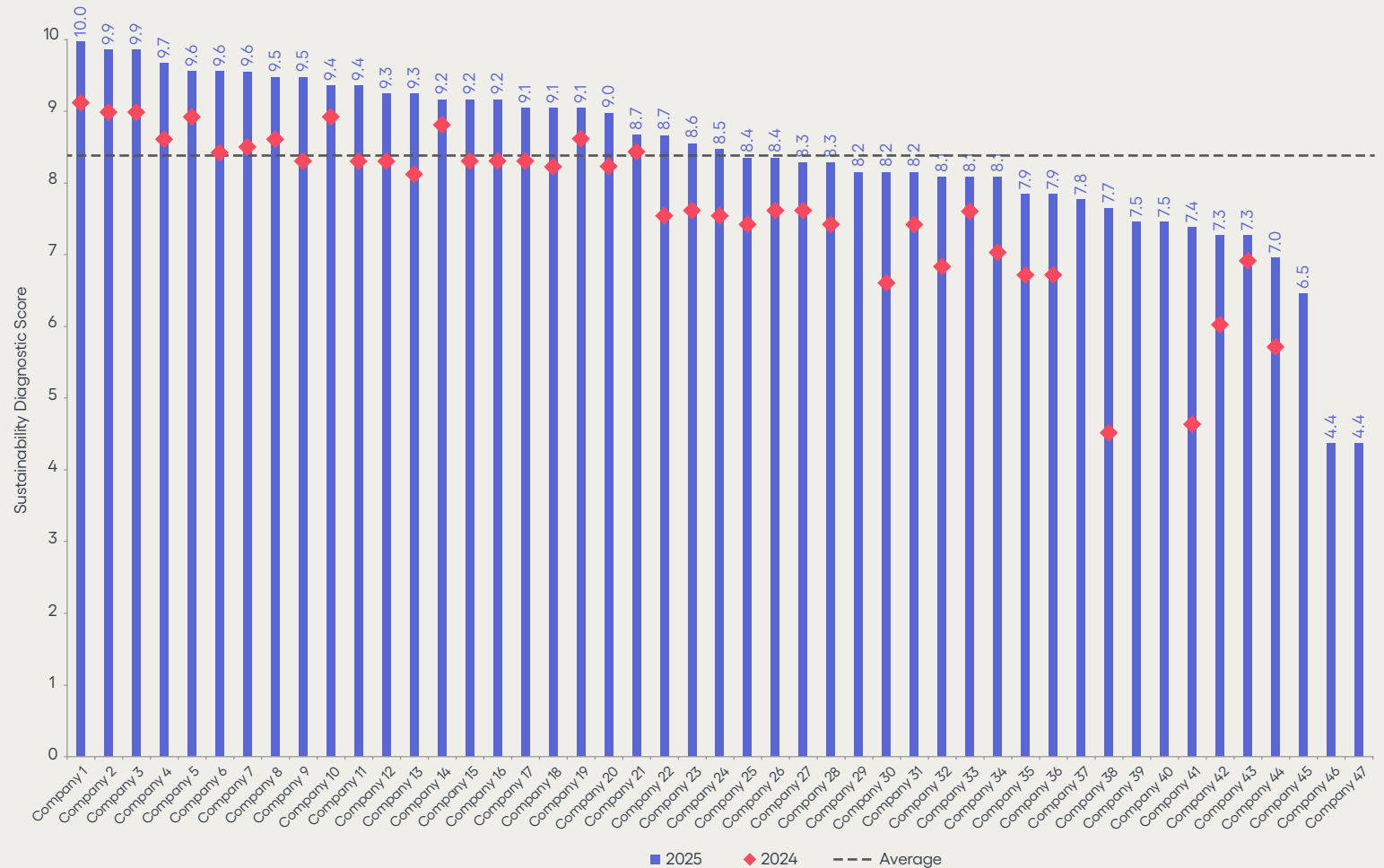
Despite having nearly 60 portfolio companies in our portfolio at the end of 2025, we only had access to assess 47 of them, as a result of:

- Hg being a minority owners in some of the companies, and the main investor took the leadership on sustainability. We do not want to burden our businesses by doing two different assessments focusing on the same topics, but rather collaborate with our peers to find the best solution for the company.
- A few portfolio companies had not yet been onboarded at year end. In an often very intensive first 100 days, it often takes a few months for our sustainability team to get access to conduct their full onboarding.

We were pleased to see the average score increase by approximately 4%, from 8.1 to 8.4¹ out of 10. Notably, Lucanet became the first company in our portfolio to achieve a perfect score of 10 out of 10.

The Diagnostic provides clear direction to portfolio companies on what sustainability entails for software and services businesses, while bringing these topics to Board attention. Our ongoing engagement is having a positive impact by driving meaningful actions and improving sustainability oversight across the portfolio.

Results of our 2024 and 2025 Sustainability Diagnostics



¹ Note that the methodology and questions changed slightly between the years and are not comparable on a full like-for-like basis.



“Hg’s annual Sustainability Diagnostic has become a valuable part of our partnership. It gives us a clear, external perspective on where we are on our journey and where to focus next, which has been instrumental in shaping our priorities and elevating sustainability conversations at board level. The benchmarking against other Hg portfolio companies is something we particularly value as it brings a richness of insight and collective experience that we simply could not generate alone, and it consistently sharpens our strategic thinking. Hg’s Sustainability team has been a trusted partner throughout, and the Diagnostic continues to be a meaningful catalyst for progress as we mature our approach at The Access Group.”

Carla Matthews

Director of Sustainability, The Access Group

“Hg’s Sustainability Diagnostic has been an invaluable tool for CUBE in strengthening our ESG focus. In a constantly evolving environment, it provides a clear and practical framework to identify areas where we are performing well, highlight opportunities for improvement, and track progress over time. The diagnostic also helps ensure sustainability remains a visible and rigorous topic at board level, while the scoring methodology drives accountability and meaningful action across the business. It also gives us the opportunity to recognise and celebrate the progress we are making through continued improvements in our score.”

Katie Simmons

Head of FP&A, CUBE

“The annual Hg Sustainability Diagnostic provides a structured, consistent assessment against Hg’s Sustainable Business Framework, supporting the ongoing development of Howden’s approach to sustainability in line with best practice and evolving regulations.”

Oliver Hawtree

Howden Group



Celebrating success at Lucanet

Lucanet, a German-headquartered CFO Solution Platform, became the first company in our portfolio to achieve a top score of 10 out of 10 on Hg’s annual Sustainability Diagnostic in 2025 – a result reflecting years of sustained, system-wide focus on responsible business practices.

In eight years of running the diagnostic across our portfolio, no company had previously reached the top mark, underscoring just how ambitious and demanding this benchmark is.

Lucanet’s ESG strategy is built on three pillars:

- Advancing sustainability,
- Attracting and engaging talent, and
- Growing responsibly.

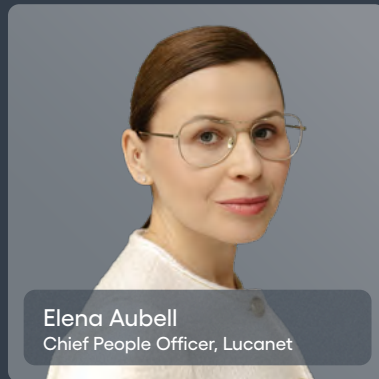
The company published its first ESG report in 2022 and has reported annually since, adopting the VSME voluntary sustainability reporting framework from 2024. In September 2025, Lucanet’s near-term science-based targets were validated by the SBTi, a significant milestone in its decarbonisation journey. The same year, Lucanet implemented a sustainability-linked loan, directly tying its borrowing margins to verified ESG performance. Lucanet is also a Certified Cloud Service Provider, holding ISO/IEC 27001, 27017, and 27018 certifications alongside SSAE 18 and ISAE 3402 assurance.

ESG is embedded in everyday operations through several initiatives. Lucanet’s Employee Advisory Board, established in 2023, gives colleagues from across divisions a direct voice in shaping these initiatives.

Today:

- 89% of employees say Lucanet is committed to DE&I.
- 91% of employees feel supported to use flexible working arrangements.

Lucanet’s own ESG Reporting solution closes the loop: built on the company’s holistic ESG approach, it empowers customers worldwide to monitor and enhance their own sustainability performance, turning compliance complexity into clarity.



Elena Aubell
Chief People Officer, Lucanet

“Doing business responsibly means recommitting every year, through every decision you make about your people, your products, and the standards you hold yourself to. Strong ESG mechanics are the most rigorous risk assessment a business can run. Real transformation is messy, and progress is rarely straight, but the direction is always deliberate. At Lucanet, we stay the course not because it is easy, but because we believe that building a sustainable business is worth every bit of the effort.”





Building stronger businesses through collaboration

Our portfolio events and Hive community

Hg fosters active collaboration across our portfolio through Hive, our custom-built engagement platform, connecting over 2.5k senior executives globally across our portfolio companies. Hive provides access to best practices, resources and expert guidance, and a secure environment for networking and knowledge sharing across 20+ specialist communities, including sustainability.

Hg also hosts an extensive calendar of specialist in-person and virtual events to facilitate peer-to-peer networking, collaboration and knowledge and best-practice sharing across the portfolio. The programme has now extended to include 150+ events each year, covering in-person summits and forums, virtual events for informal peer gatherings or webinars, and AI activations including practical academies, hackathons and AI competitions to drive adoption, innovation and progress.

Hg's flagship events include the Digital Summit (technology, product, data, AI and cybersecurity leaders), the Growth Summit (commercial GTM leaders), which attract 150-200 c-suite attendees

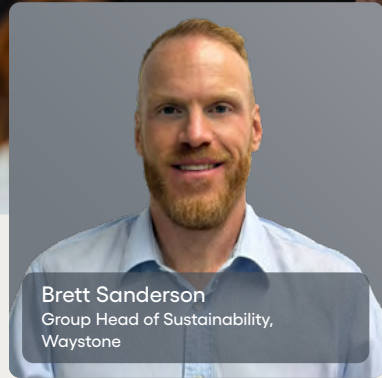
respectively, and our Silicon Valley Leadership Summit, which brings together portfolio CEOs and Chairs to navigate AI transformation alongside leading pioneers, start-ups and practitioners in the AI and technology space.

The sustainability community

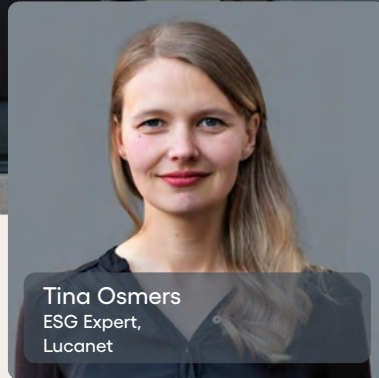
The Sustainability Community is an informal space for genuine peer discussion and shared learning. The community meets on a regular basis through 'hangouts' which normally attract about 40 participants. Topics covered in our sustainability related events in 2025/26 included Responsible AI, scope 3 emissions accounting, evolving ESG regulation, and sustainability-linked lending.

Our annual Sustainability Forum, typically held in spring, brings together portfolio leaders and external speakers to discuss the trends and tools that matter most. The 2025 Forum focused on Responsible AI, evolving climate disclosure and the human side of AI transformation.

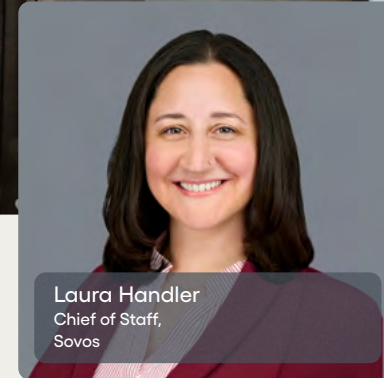




Brett Sanderson
Group Head of Sustainability,
Waystone



Tina Osmers
ESG Expert,
Lucanet



Laura Handler
Chief of Staff,
Sovos

“Hg’s Sustainability Day brings together an exceptionally diverse group – from sustainability and HR to legal and compliance – creating the cross-functional dialogue that drives real insight.

What makes it special is the balance between celebration and candour. Portfolio companies share wins alongside challenges, and in this trusted peer environment, every pain point becomes a learning opportunity, and every success story sparks the next breakthrough.”

“Attending the Hg Sustainability Forums in 2024 and 2025 has been incredibly helpful for building connections with ESG peers across the Hg portfolio. The combination of inspiring sessions and the chance to exchange practical insights with others in similar roles makes a real difference in my day-to-day work at Lucanet.”

“The 2025 Hg Sustainability Forum was Sovos’ first time attending, and I’m so glad I was finally able to prioritize it. It delivered both quick wins I implemented right away and strategic perspective that’s stuck with me. Most valuable: peers who were honest about what’s actually working, not just what looks good on paper.”



The general counsel community

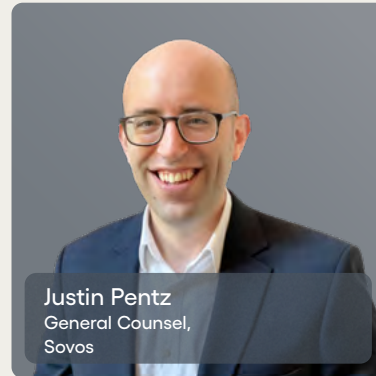
Hg's General Counsel community brings together about 50 GCs and senior legal professionals from across the portfolio to share knowledge, tackle common challenges and raise the bar on in-house legal capability. The community connects through Hive, where members access resources, share best practice and engage with peers across the portfolio.

We run regular virtual hangouts and networking opportunities throughout the year covering topics such as AI governance, regulatory developments and legal operations – providing a practical, peer-led forum for GCs to navigate issues at pace. Our annual General Counsel Forum brings the community together in person, combining expert external speakers with facilitated discussion on the strategic and operational challenges facing in-house legal teams in high-growth B2B software businesses.



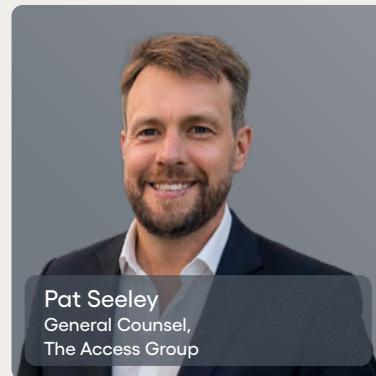
Vicky Harris
General Counsel,
Norstella

“Hg’s General Counsel community has been such a valuable forum for me. The Hg team facilitate regular, practical, peer-led discussions among legal leaders across the portfolio who are inevitably facing many of the same issues. I have particularly valued the opportunity to exchange views on topics such as AI governance, regulatory change and legal operations in a trusted setting, where the discussion is candid, commercial and directly relevant to the pace at which our businesses are operating. The annual GC offsite is a highlight of the year!”



Justin Pentz
General Counsel,
Sovos

“The Hg GC community has changed how I think about what in-house legal leadership can look like, rather than just what it typically looks like. The conversations push well beyond tactics and into questions of vision and identity for the function. That is a different and more valuable thing than most professional forums offer.”



Pat Seeley
General Counsel,
The Access Group

“What I value most about Hg’s GC community is the access it gives us to the collective experience of peers who are inevitably wrestling with the same challenges and to world-class advisers who can point us in the right direction. The resources are a key pillar of our horizon scanning efforts and the ‘Hg recommends’ tagline carries significant weight within our business. Everyone involved is a delight”.

Enabling sustainable growth through technology

At Hg, we recognise that our portfolio companies are uniquely positioned not only to implement sustainable practices internally, but also to develop innovative solutions enabling their customers to advance their own sustainability journeys.

Many Hg portfolio companies have developed ESG / Sustainability related products to help their customers navigate:

- The expanding global regulatory landscape requiring more comprehensive sustainability reporting.
- A continued focus across capital markets on robust sustainability data.
- The need of technology to measure and manage sustainability targets.
- The use of sustainability data for strategic decision-making, operational efficiency and competitive differentiation.

The following are examples of Hg portfolio companies whose products help customers navigate various types of sustainability challenges.



(part of team.blue) Developed by collaborating with people with disabilities and accessibility experts, AccessiWay is an AI-powered digital accessibility solution that makes websites, web apps and mobile applications inclusive and accessible for everyone, enabling their clients to meet the requirements of the European Accessibility Act.



Caseware is a leading global provider of cloud-enabled audit, financial reporting and data analytics solutions for accounting firms, corporations and government regulators. Caseware has embedded ESG reporting directly into its financial reporting and audit platform, allowing their customers to produce sustainability disclosures alongside financial statements. Caseware offers a Corporate Sustainability Reporting Directive (CSRD) reporting solution that guides companies through the full ESRS workflow, from materiality assessment and disclosure scoping, through collaborative data collection across internal stakeholders, to automated report generation.



Benevity is a certified B Corporation and leading provider of enterprise social impact software. Nearly 1,000 companies trust Benevity’s all-in-one platform to help them lead with purpose, inspire action, and create measurable social and business impact through charitable giving and volunteering projects. Benevity has supported more than \$44bn to more than 560,000 nonprofit organisations since 2008.



With a mission to prepare and protect the workplaces of tomorrow, Citation delivers integrated compliance and quality solutions across HR, health and safety, e-learning, background screening and environmental management. By using Citation’s personalised service and/or smart software solutions, Citation’s clients are 93% less likely to have an employment tribunal and 61% less likely to have a reportable accident¹.

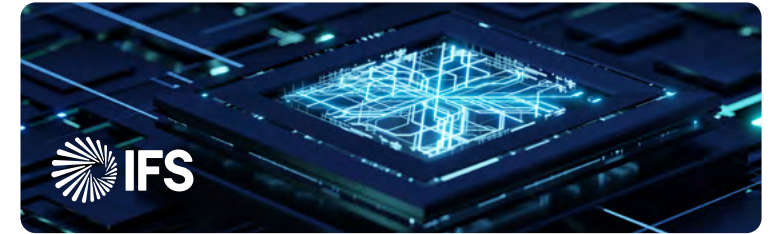
¹ <https://www.citation.co.uk/how-to-choose-outsourced-hr-health-safety-provider> (Citation HR and H&S client statistics vs national averages).



CTAIMA is a leading provider of software and specialised services for contractor management, health & safety, and compliance. The platform includes modules for occupational health and safety and environmental management, enabling organisations to monitor and manage sustainability-related compliance across their contractor and supplier networks.



Howden is a global insurance group. Howden’s Climate Risk & Resilience team combines deep expertise in climate science, risk management and financial markets to help businesses understand climate risks, build resilience, and use insurance to de-risk their future. Their approach works both ways: weaving climate thinking into insurance strategy, and insurance thinking into climate strategy.



IFS Cloud Sustainability Management

IFS’s AI-powered solutions span the needs of Enterprise Resource Planning (ERP), Enterprise Asset Management (EAM), Supply Chain Management (SCM), Information Technology Service Management (ITSM), and Field Service Management (FSM). IFS Cloud’s Sustainability Management module helps organisations streamline ESG data collection, analysis, and reporting. With a comprehensive KPI library and integration with advisory services, IFS Cloud supports transparent and responsible business practices, helping companies improve their sustainability performance.



FE fundinfo is a leading financial data company for the investment industry. As part of their broader product suite, FE fundinfo’s ESG Reporting service helps asset managers and institutional investors automate the aggregation of ESG metrics across fund portfolios, supporting reporting in line with SFDR, TCFD, and EU Taxonomy. The platform is data-agnostic, ingesting ESG data from multiple internal and external providers to produce branded, multilingual reports. Their end-to-end service covers data validation, report design, and delivery.



Ideagen is a regulatory and compliance software helping its clients comply with regulation, manage risk and keep people safe. Ideagen’s AI-powered carbon accounting platform helps streamline the emissions accounting process from data collection to audit-ready reporting and quality-assured outputs in line with the GHG Protocol standards.



IFS Zero

IFS Zero is an industrial AI emissions operating system designed for asset-intensive industries. It brings Scope 1, 2 and 3 data into one platform, connecting directly to assets and operations, and using agentic AI to validate data, identify anomalies and produce audit-ready outputs. This reduces data collection effort by 30%, saving hundreds of hours each year. Developed in close collaboration with customers across energy, manufacturing and fleet operations, IFS Zero is flexible enough to support different operating environments while maintaining strong data integrity.



insightsoftware is a global provider of comprehensive solutions for the Office of the CFO. insightsoftware's ESG platform consolidates sustainability data from across enterprise systems, including ERP, HRM, CRM, and spreadsheets, into a single management layer. It supports compliance with frameworks like CSRD through built-in eXtensible Business Reporting Language (XBRL) tagging, validation, and filing, and provides BI and visualisation tools for generating ESG reports and dashboards.



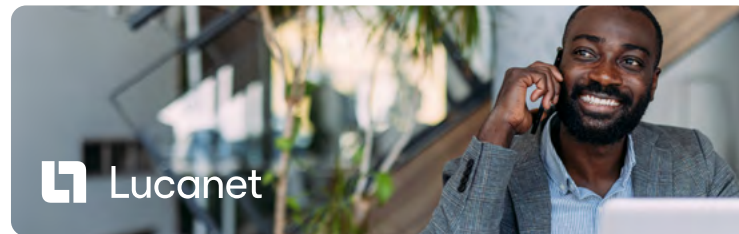
Ivalua is recognised as a leading provider of cloud-based, AI-powered Spend Management software. Their environmental impact management module helps procurement teams collect, normalise, and track emissions data across suppliers, products, and categories through configurable supplier questionnaires and third-party data integration. The platform provides real-time visualisation of impact trends to support enterprise sustainability reporting and drive decarbonisation across supply chains.



Optro (previously Auditboard) is a connected risk platform for audit, risk and compliance, enabling clients to select and map ESG metrics across frameworks such as CSRD and SASB, pre-populate reports, and monitor regulatory change through AI-driven alerts and impact assessments.



IRIS Software Group is a global provider of mission critical software solutions and services for finance, HR and payroll teams, educational organisations, and accountancy firms. The IRIS CARBON® ESG platform, powered by advanced automation, is designed to integrate, optimise, and accelerate ESG reporting. It enables organisations to identify material topics, assess and analyse impacts, manage risks, and deliver audit-grade ESG reports with speed and confidence.



Lucanet is a CFO Solution Platform automating processes such as consolidation and financial planning, extended planning and analysis, disclosure management, lease accounting, tax compliance and reporting, and banking and cash management. Lucanet's ESG Reporting solution integrates financial and non-financial data into a single platform, streamlining ESG data collection and enabling clients to produce audit-ready disclosures aligned with global reporting standards. The platform includes XBRL tagging for regulatory filing and progress tracking to help organisations maintain oversight of their sustainability performance.



Prophix® is a global leader in financial performance management. Prophix One brings ESG reporting into the same platform finance teams already use for budgeting, forecasting and consolidation. Teams can pull ESG data from across the business, model different regulatory scenarios and produce compliant disclosures aligned with CSRD, Global Reporting Initiative (GRI) and International Sustainability Standards Board (ISSB) standards.



(a Visma company) SmartTrackers provides sustainability software to more than 5,000 organisations across the Netherlands, Belgium, France and Germany. Specialising in carbon management and CSRD reporting, the platform enables organisations to monitor environmental and societal impact, track performance against targets and produce compliant sustainability disclosures.



Waystone is a leading asset-servicing solutions provider of institutional governance, administration, risk and compliance services to financial institutions. Waystone offers ESG advisory and analytics services for investment managers, helping them navigate the evolving regulatory landscape across major jurisdictions, including meeting their Sustainable Finance Disclosure Regulation (SFDR), Sustainability Disclosure Requirements (SDR) and Task Force on Climate-related Financial Disclosures (TCFD) disclosure requirements.



Trackunit is a SaaS-based IoT and machine insights provider to the global construction equipment industry. Their Emissions Reporting app helps clients monitor their fuel consumption, carbon emissions, usage hours, and electricity consumption, and gain valuable insight into the carbon footprint of their fleet.



WorkWave's field service and fleet management platform helps service-based businesses with large mobile workforces optimise their routes, reducing fuel consumption, vehicle mileage and associated carbon emissions while improving operational efficiency.



Material topics

01

5

- Reflecting on the past year
- Hg at a glance
- A snapshot of our portfolio
- Hg’s value creation team
- Learning from best practice
- The Hg Foundation

02

17

- Embedding sustainability into our investment process
- Sustainability as a value creator across our portfolio
- Building stronger businesses through collaboration
- Enabling sustainable growth through technology

03

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1. Business conduct
2. Climate change
3. Cybersecurity
4. Culture and inclusion

04

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- Hg’s governance function
- Governing sustainability at Hg

05

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- Appendix 1: Key portfolio metrics
- Appendix 2: Global Reporting Initiative (GRI) table

Focusing on what is most material to us and our stakeholders

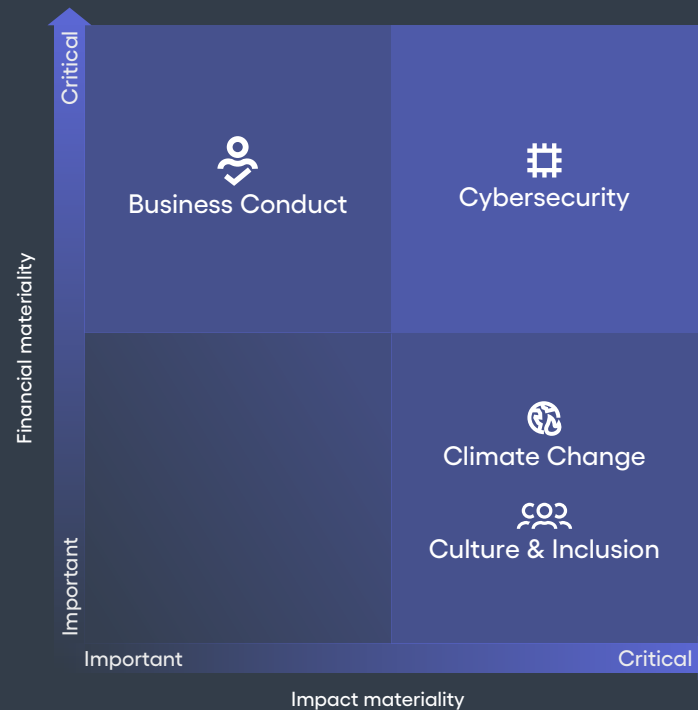


A materiality assessment is the process by which a company identifies the sustainability and broader emerging issues most important to its business and stakeholders given its operating context. Hg’s double materiality assessment, conducted in early 2025, identified four key sustainability topics through both impact and financial lenses.

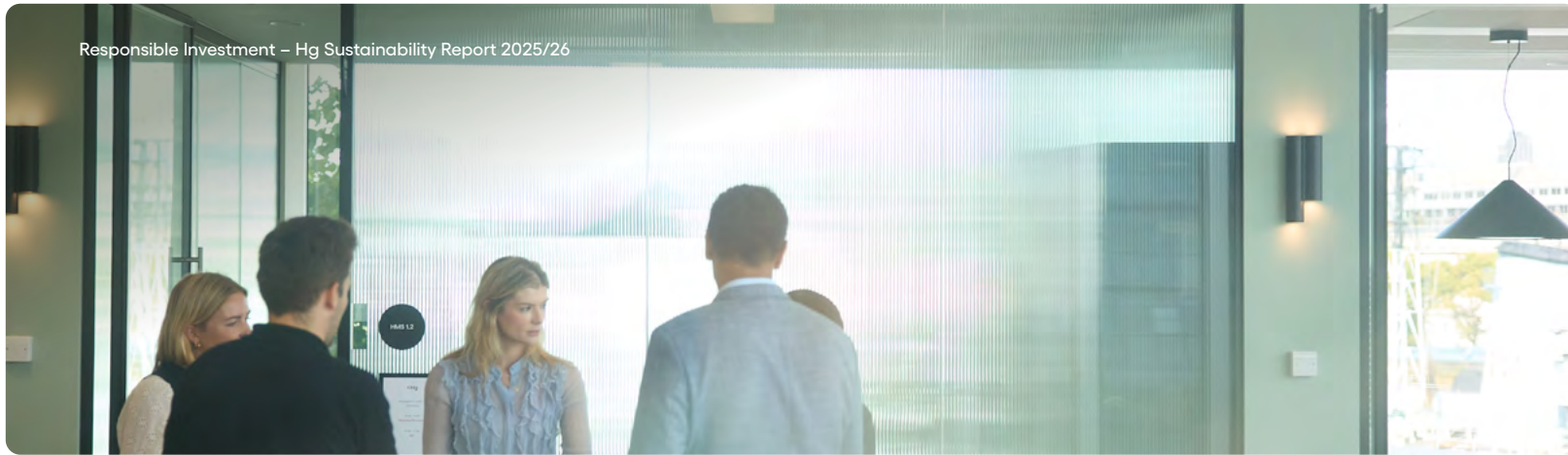
Our materiality assessment is grounded in:

- Direct conversations with those who know Hg best through focused interviews and surveys with stakeholders across our organisation, portfolio and external partners.
- Learning from others by reviewing best practices across the PE and technology space.
- External media scanning to capture wider perspectives.
- A comprehensive review of sustainability regulations.

This combination helps us focus our efforts where they will create the most meaningful change. Four material topics emerged from this work, each of which is covered in turn below.



Material Topic	Why it matters to Hg
Business conduct	Strong governance underpins trust, transparency and accountability. For Hg, governance extends beyond compliance, it forms the foundation for growth, effective risk management, and ethical decision-making across our firm and portfolio.
Climate change	Hg, our funds and our portfolio companies share a collective responsibility to support the global transition to a net zero economy. Resource efficiency improves performance, reduces dependence on fossil fuels, and strengthens business resilience.
Cybersecurity	AI-powered threats are evolving rapidly. Cybersecurity protects Hg and our businesses, enhances resilience, and supports long-term value creation in a rapidly evolving digital landscape.
Culture & inclusion	Business success relies not only on talent, but on a strong, inclusive culture that values diverse perspectives. Cognitive diversity strengthens decision-making, sparks innovation, and drives sustainable long-term performance.



1. Business conduct

Good business conduct refers to the standards and practices that guide how a business and its employees operate. This includes ethical principles, rules and values that guide employees on how to conduct themselves professionally and how the organisation interacts with its key stakeholders. It covers topics such as anti-corruption, anti-bribery, fair competition, respect for intellectual property, and responsible tax principles. We also recognise that we have a role to play in upholding good business practices and fostering a culture that supports the fundamental principles set out in The Ten Principles of the UN Global Compact, The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and The UN Guiding Principles on Business and Human Rights.

Hg operates under a comprehensive policy suite which is reviewed and updated on a regular basis to ensure alignment with regulatory requirements and industry best practice.

¹ [Hg Responsible Investment Policy 2026](#)

Key policies relating to good business conduct include but are not limited to:

- [Antitrust Policy](#)
- [Code of Ethics](#)
- [Criminal Facilitation of Tax Evasion Policy](#)
- [Data Privacy Policy](#)
- [Employee handbook](#)
- [Equal Opportunity Policy](#)
- [Information Security Policy](#)
- [IT & Cybersecurity Policy](#)
- [Responsible Investment Policy¹](#)
- [Risk Management Policy](#)
- [Sustainability Policy](#)
- [Whistleblowing Policy](#)

Our values

Our ethical values reach beyond what is legally required. They define the behaviours we believe are acceptable and morally right in our workplace interactions, and they act as a compass in complex situations. We build Hg together by living our values. They are not just words on a wall, but principles embedded in our ethos, informing daily actions and guiding how we work.

Our four cornerstones

Be Genuine

Authenticity in every circumstance.

Humility in our approach. Honesty in our conversations and actions.

Go Beyond

Striving for excellence at all times.

Taking ownership. Going the extra mile.

Outlearn

Challenging assumptions.

Adopting a growth mindset. Leveraging our collective expertise.

Win Right

Inclusive mindset.

Consider the long-term impact on the next generations of stakeholders. Play hard but always play fair.

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



Our purpose

Hg’s purpose is not a corporate slogan. It is a genuine articulation of why we exist and what drives every investment decision we make. Purpose matters because it shapes how people show up every day. When teams understand how their work connects to a bigger picture, they are more engaged, more resilient, and more likely to deliver great results. It gives us meaning beyond financial returns and fuels our drive to create positive change.

Each word of our purpose carries weight. This section unpacks what our purpose means in practice:

Trust

Our purpose begins with trust. We invest other people’s money, and that responsibility demands the highest levels of integrity in everything we do. Trust is the foundation of every relationship we build: with the investors who allocate capital to our funds, with the management teams we partner with, and with the broader communities our businesses serve.

We are trusted to deliver returns, while protecting the reputation and legacy of our clients by investing responsibly. We don’t just

manage our clients’ money; we honour the confidence placed in us by upholding high sustainability and ethical standards throughout the entire investment process.

Improving the future of millions of investors

Improving the future of millions of investors might sound like a bold claim but it is a reminder we carry with us that every euro, every dollar we invest comes from somewhere and that somewhere matters deeply. Our clients include:

- **Pension funds** looking after the retirement savings of teachers, nurses, and public sector workers. Our returns make a difference to real retirement outcomes for these individuals.
- **Foundations** supporting world-leading cancer research hospitals, supporting communities and protecting child welfare, as well as conserving the environment.
- **University endowments** funding research and education for future generations, including postgraduate fellowships for students from around the world. Our returns contribute towards the future of these educational institutions enabling them to thrive over the long-term.

Building sustainable businesses

We want our businesses to be here for the long term. That means building companies that endure. Businesses that are here to stay, that grow, and that employ more people every year in the knowledge economy. Their purpose is to help their customers do their work more efficiently. This sustainable, long-term approach is something we share with our investors.

Businesses for tomorrow

When we talk about businesses of tomorrow, we are talking about forward-looking companies that are innovative and modern. Businesses that are well-run and use technology to improve efficiency and the working experience of the people who use their products every day. Growth-oriented companies at the heart of the knowledge economy that will remain relevant and resilient as the world around them changes. We are proud of the businesses we have built over the last two decades, and we look forward to the businesses we will build together in the future.

2. Climate change

We recognise our responsibility to guide and support our portfolio companies in aligning with and supporting a low carbon future. This is not only in line with many of our clients' expectations, but also enables our businesses to increase energy efficiency, manage risks, build resilience and reduce their dependence on fossil fuels. We recognise that to reach net zero by 2050, the whole world needs to take action. This requires both companies and governments to do their part.

Our Carbon Reduction Targets

In 2021, Hg became one of the first private equity firms globally to road-test the Science Based Targets initiative's (SBTi) private equity standard and get approval for our carbon reduction targets. Our targets as committed to the SBTi, on a FY2020 baseline, are:

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

As we approach the mandatory SBTi re-baselining in 2027, we are carefully considering the options available to us and our portfolio companies to make sure we continue to embrace an ambitious climate change agenda, whilst making sure our portfolio companies have enough options catering to their various maturity levels and budgets.

Portfolio climate maturity

We track and report our portfolio decarbonisation efforts by using the [Private Markets Decarbonisation Roadmap \(PMDR\)](#).

- 75% of our portfolio companies have started their journey by capturing emissions data or setting reduction targets¹.
- 39% of our portfolio companies have set carbon reduction targets (this includes all types of targets including short-term and long-term, science aligned and targets approved by SBTi)².
- 26% of companies, representing 45% of Hg’s invested capital, are now covered by science-aligned targets³.
- 13 (22%) portfolio companies, representing 25% of invested capital, have targets approved by the SBTi⁴.

Despite considerable efforts from across the more mature companies in our portfolio, just one Hg portfolio company has achieved ‘Aligned to Net Zero’ under PMDR, demonstrating year-on-year emissions reductions in line with a science-based pathway. This shows just how hard it is to meet this criterion, especially in the software space.

1 ‘Capturing data’, ‘Preparing to decarbonise’ or ‘Aligning’ and ‘Aligned’ under PMDR on a calendar year basis for 2025.

2 ‘Preparing to decarbonise’ or ‘Aligning’ and ‘Aligned’ under PMDR on a calendar year basis for 2025.

3 ‘Aligning’ and ‘Aligned’ under PMDR on a calendar year basis for 2025.

4 SBTi targets and tracking are on a financial year (FY) basis, from 1 April 2025 – 31 March 2026.

5 PMDR numbers are provided on a calendar year basis.

The five stages of PMDR⁵:

		Not started	Capturing Data	Preparing to Decarbonise	Aligning	Aligned to Net Zero
PMDR	Definition	Not started to measure emissions or plan how to reduce them	Reporting emissions data but currently no plan in place to reduce emissions	Planning to reduce emissions in-line with an approach agreed with the GP	Committed to a decarbonisation plan aligned to a transition pathway	Delivering against a net zero plan and operations aligned to science-based target
	Criteria	Minimal or no emissions data No decarbonisation plan in place	Measuring Scope 1 and 2 emissions from operations alongside material Scope 3 emissions, and making data available to fund	Decarbonisation plan meeting minimum requirements in place but level of ambition not aligned to net zero pathway	Committed to near-term science-based target aligned to a long-term net zero pathway	Demonstrated YoY emissions profile in line with net zero pathway
Position Hg port cos		<p>2025: 22% 2024: 6.4%</p>	<p>2025: 39% 2024: 37%</p>	<p>2025: 14% 2024: 15%</p>	<p>2025: 24% 2024: 41%</p>	<p>2025: 2% 2024: 0.4%</p>
No. of port cos		2025: 13 2024: 15	2025: 23 2024: 26	2025: 8 2024: 6	2025: 14 2024: 10	2025: 1 2024: 0

■ Percentage of Hg portfolio by number of companies

■ Percentage of Hg portfolio by invested capital

◆ 2024



Supporting our businesses to reduce carbon

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

Hg's carbon reduction toolkit, launched at our 2024 Sustainability Forum, continues to be a resource for portfolio companies wishing to set and achieve reduction targets. The toolkit takes companies through five steps:

1. Establish a GHG inventory baseline
2. Identify material emissions sources
3. Identify and prioritise carbon reduction opportunities
4. Build a solid decarbonisation plan
5. Set carbon reduction targets aligned with science

Measuring and managing carbon footprints across our portfolio

We support our companies in understanding their climate |impact by sharing portfolio-based scorecards with each company based on the scope 1, 2 and 3 emission data they share with us. We continue to encourage our businesses to calculate their carbon footprints with an external carbon accounting expert. In 2025, 78% of portfolio companies worked with a third-party specialist on their carbon footprinting.

Measuring and managing our firm-level carbon footprint

We publicly report our firm-level carbon footprint in line with the GHG Protocol, and have compensated for scope 1, 2 and 3 emissions since 2019.

In 2025, our carbon footprint was 7,119 tonnes of carbon emission equivalents (CO₂e). This is a reduction of 1% from previous year¹.

Our scope 1 and 2 carbon footprint decreased by 43% since our baseline year. This is largely due to the increase in renewable energy procurement across four of our offices, and a change in methodology in 2024, resulting in scope 1 emissions being accounted for within scope 2 instead. For further details, our latest Carbon Footprint Report and TCFD reports are available on our [website](#), alongside our 2025 Sustainability Disclosure Requirements (SDR) entity-level report.

¹ Note: Hg changed the reporting period between previous carbon footprint report and our 2025 year report to align with what is required for our regulatory reporting.

Identifying climate change related risks

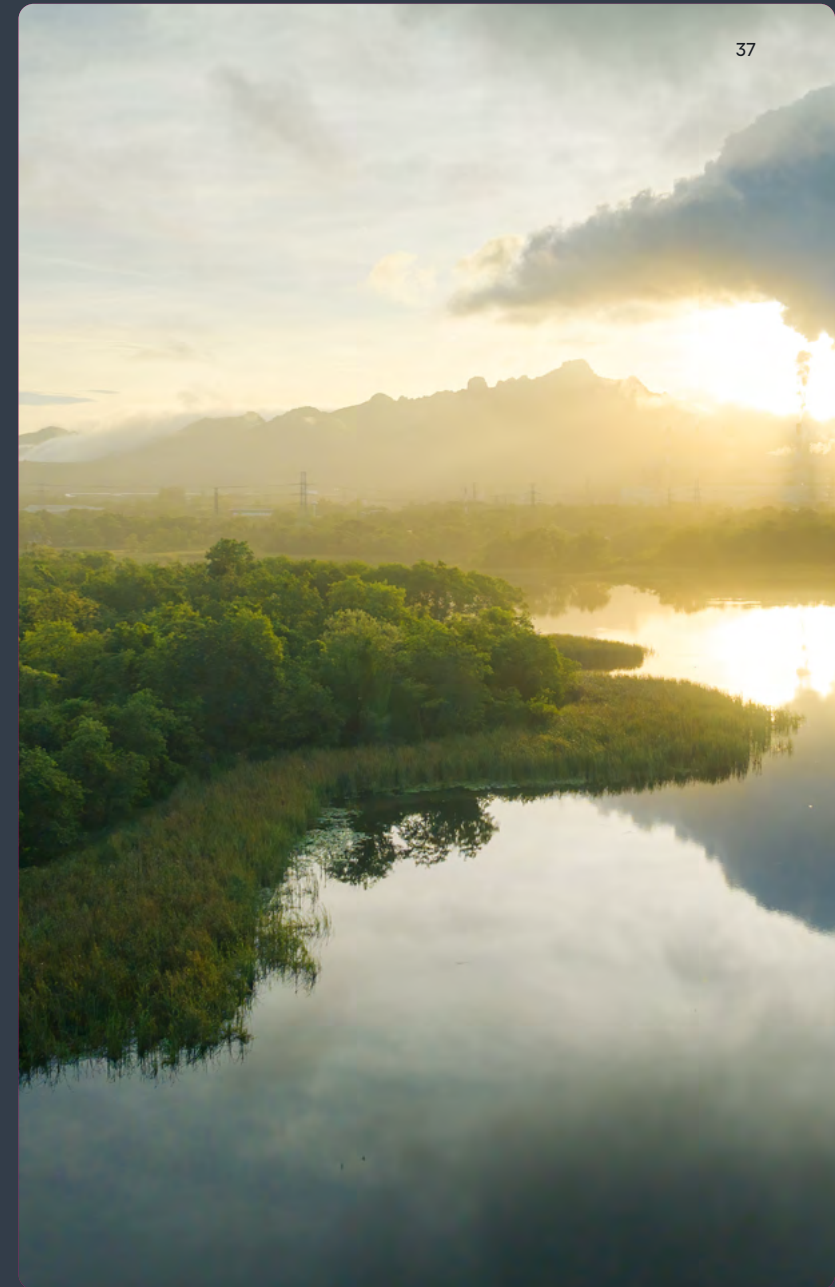
In 2025 we onboarded a new external reporting tool, Unwritten, to assess physical and transition climate related risks across Hg and our portfolio.

Across the portfolio, 2030 climate risk assessment indicates that physical climate risk is the most material near-term exposure, while transition risk remains generally low to moderate. For our software and services businesses the risk is not sector driven, but driven by the geographic location of their offices and proximity to low-lying ground, coastal areas, water-scarce areas, subsidence-prone locations and specific hazards like earthquakes and wildfire. See below table for further details:

As the majority of office locations across the Hg portfolio are leased rather than owned, direct exposure to property value loss or structural damage is limited. However, businesses in higher-risk areas may face increased insurance premiums depending on their coverage arrangements.

Efforts to increase resilience across Hg and the portfolio include enabling remote-working arrangements, as well as putting business continuity and emergency response plans in place. According to our 2025 Sustainability Diagnostic, nearly 95% of our portfolio companies have emergency and continuity plans in place. For further details about climate change risks, please see our annual [Task Force on Climate-related Financial Disclosures \(TCFD\) report](#).

Exposure type	Risks	Main geographical exposure across Hg and our Portfolio
Low-lying ground	Flooding	Netherlands
Coastal exposure	Storm surge, coastal flooding	Sydney, New York, Boston, San Francisco, Los Angeles
Water-constrained areas	Water stress	Belgium, India, Spain
Subsidence-prone locations	Subsidence	Netherlands
Specific hazard zones	Cyclone, earthquake, river flooding, wildfire	Singapore, Manila, California



3.

Cybersecurity

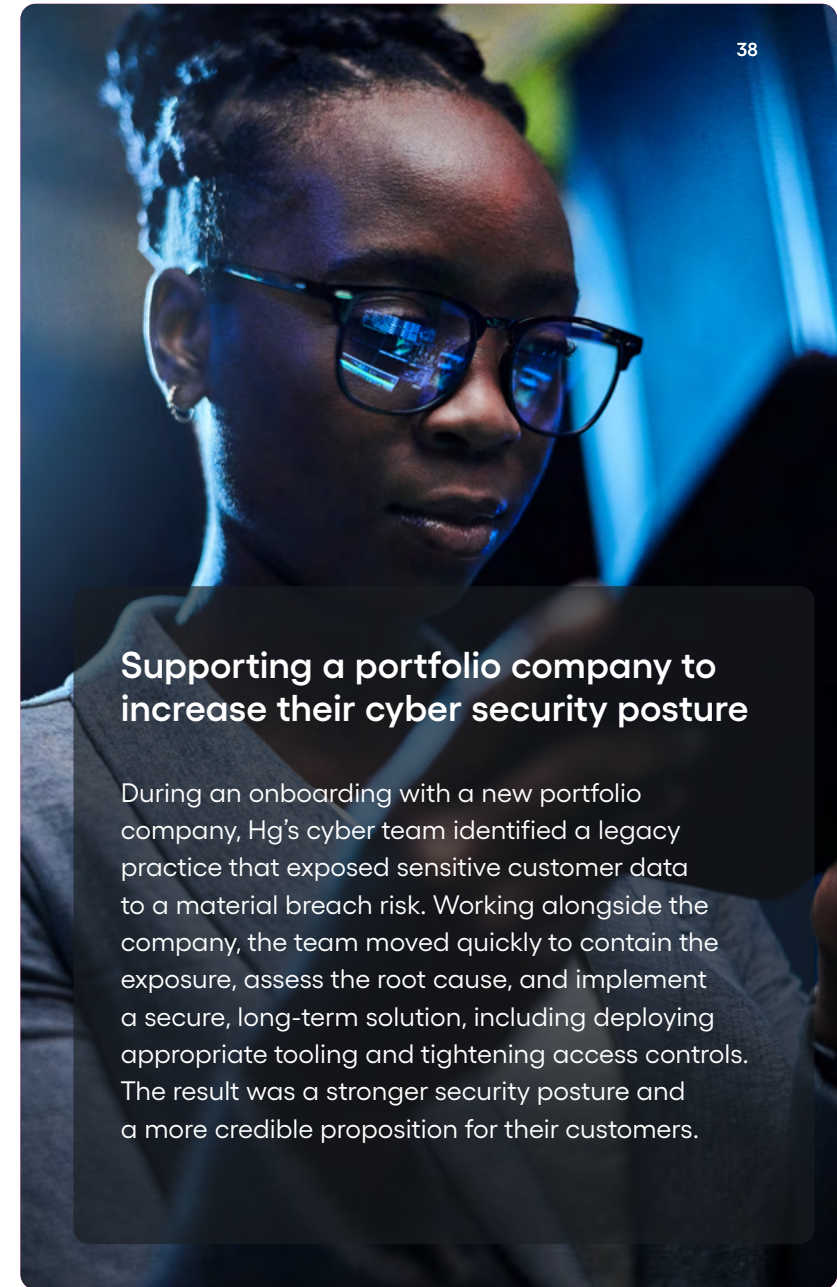
Today's cyber threats are evolving rapidly, powered by AI tools that make sophisticated attacks easier to execute and more widespread. This shift means we are likely to see more cyber incidents worldwide. Technology now exists that can quickly identify a multitude of vulnerabilities and weaknesses in software, chaining these together to create high impact attacks. This changing landscape brings both new risks and new protective measures. AI-augmented solutions can fix security weaknesses far more efficiently than ever before. Modern data protection systems can better understand when sensitive information is being misused. Security monitoring tools can identify subtle attack patterns that would have been impossible to detect using traditional methods.

Cybersecurity is a Board-level priority at Hg. As an investor in business-critical software, the security of our own systems, data and people directly underpins the trust placed in us by our investors, portfolio companies and partners.

Firm-level cyber risk is overseen by the Audit and Risk Committee, with operational delivery led by our dedicated Cybersecurity team and supported by a Managed Security Service Provider. Our firm-level programme is aligned with recognised industry frameworks and underpinned by formal Information Security and Data Protection policies. Key elements of our layered defence include for example, 24/7 Security Operations Centre monitoring, dark web monitoring and ongoing threat intelligence, regular independent penetration testing, patch management, multi-factor authentication, regular phishing simulations and firm-wide security awareness training.

Cybersecurity posture evaluations across the portfolio

Since 2017, our dedicated Cybersecurity team has completed hundreds of cybersecurity evaluations through our assessment programme. We regularly review all portfolio companies based on their specific risk factors and security maturity. When companies do not meet our standards, our team provides hands-on support, including temporary security leadership where needed.



Supporting a portfolio company to increase their cyber security posture

During an onboarding with a new portfolio company, Hg's cyber team identified a legacy practice that exposed sensitive customer data to a material breach risk. Working alongside the company, the team moved quickly to contain the exposure, assess the root cause, and implement a secure, long-term solution, including deploying appropriate tooling and tightening access controls. The result was a stronger security posture and a more credible proposition for their customers.

4. Culture and inclusion

Strong businesses are built on strong cultures. As a global, AI-led Private Equity investor in a fast-moving market, we are powered by human judgement and the willingness to evolve our thinking as the evidence changes; both are products of the culture we have built together. We invest in that culture deliberately, because cognitive diversity, well-managed talent, and an inclusive environment strengthen judgement, analysis and drive better long-term outcomes for our investors and portfolio companies.

At Hg we seek to foster a culture of ingenuity, entrepreneurialism and collaboration that celebrates fresh perspectives. We build teams that include people who approach challenges differently to generate a wider range of ideas and solutions, helping us avoid groupthink, engage in healthy debate and more rigorous analysis. Our experience tells us that employees who feel their voice matters are more engaged, more motivated and more likely to stay with us.

Building cognitive diversity

Every Hg team member is invited to complete a psychometric assessment upon joining. It is one of the first investments we make in our people, helping them surface their thinking styles, strengths and communication preferences. These profiles are shared transparently across the organisation and inform how we build and develop high-performing teams. They create a common language that helps colleagues bridge geographical and cultural differences, supports more effective communication, and provides a foundation for meaningful feedback.

Talent development and engagement

Our talent development approach reflects our values; building high-performing teams (Win Right), encouraging authentic leadership (Be Genuine), stretching capabilities (Go Beyond), and continuous development (Outlearn). Initiatives include:

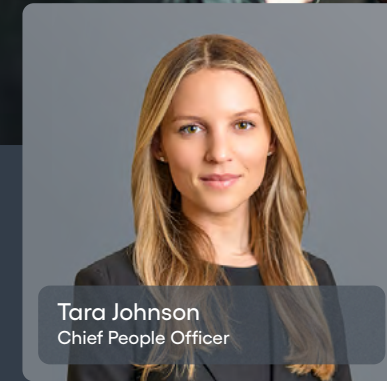
- Next Generation Leadership Development Programme
- Mastering Executive Presence group coaching
- Leading Others Coaching Track with flexible personalised sessions
- Mentorship Programme, pairing employees with experienced mentors

In 2025/26 our formal Mentorship Programme expanded to include 165 mentees and 125 mentors across 16 teams, with an estimated 990 mentorship sessions taking place over the year.

Fostering belonging

Our Culture Committee reports directly to our board and has full backing from our Senior Leadership Team. The Committee is dedicated to championing diversity in all its forms, including diversity of thought. Its mission is to lay the foundations and set the strategy for a fully inclusive culture and environment at Hg, focused on enhancing manager assessment, training and development, and embedding cognitive diversity across the firm.

We continue to embrace our flexible hybrid working model, which supports parents, caregivers and colleagues with varying needs and circumstances.



“I am often asked what makes Hg distinctive. My answer will always be the people, and the conditions we build for them to do their best work. Cognitive diversity, best-in-class performance, mentoring and sponsorship, family support, the willingness to listen – these are how a firm earns the trust of its people, its clients, and the businesses it backs.”

Engagement metrics

We measure employee engagement using Peakon's eNPS methodology, with the True Benchmark adjusted for diversified financials. Our most recent results as of January 2026:

+67

overall engagement eNPS

(47 points above True Benchmark) and an increase of 49% on our prior engagement score

+66

management support eNPS

4.4

Glassdoor score



Diversity & Inclusion initiatives in 2025/2026

In summer 2025 we hosted a Pride panel for all employees, bringing together senior LGBTQ+ leaders from across the finance industry to share their personal journeys, reflect on what has changed in recent years, and discuss how firms can accelerate progress on representation and inclusion.

Our annual International Women's Day panel in March 2026 brought together perspectives from women and men across the organisation and our portfolio to explore how mentorship, sponsorship and investing in others shapes careers in finance. A theme that resonated was the value of building a personal "board of directors", a close network of people with different skillsets and perspectives, each bringing something unique to support career decisions over time.

We continued to support organisations expanding access and opportunity in finance and tech, and nurturing the next generation of women investors and leaders, including Girls Who Invest (US), Stemettes Futures (UK) and SheDoesFuture (Germany). Through our partnership with SEO London, a non-profit that prepares students from underrepresented backgrounds for careers in finance and other professional sectors, we continued to support the development of diverse talent into the investment industry.

Family support and wellbeing

Building a family looks different for everyone. Hg provides 26 weeks of fully paid parental leave for all employees globally, regardless of gender or family structure, complemented by personalised parental transition coaching, and paid emergency child and elder care. We also offer holistic fertility and family planning support, mental health coaching, neurodiversity and developmental support, and menopause care.

Good governance

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Strong governance builds trust, transparency and accountability. Governance is not just about compliance: it is the foundation for sustainable growth, value creation and risk management. We seek to promote strong oversight, transparency and risk management at all levels through robust management structures, transparent decision-making processes, balanced compensation frameworks, and comprehensive audit and risk controls.

Hg's governance function

Hg's Compliance function is responsible for ensuring that the firm meets its regulatory obligations, including compliance with applicable laws and regulations across the jurisdictions in which the firm operates. Among other things, the team reviews the effectiveness of Hg's risk management policies and procedures, oversees the compliance of Hg and Hg Staff, ensures adequate training, and manages the measures taken to identify and mitigate risks facing Hg.

Hg's Risk Management function operates independently and is led by Hg's Head of Compliance and Risk. The function has access to all parts of Hg's business that affect Hg's risk profile and holds quarterly meetings with senior members of staff responsible for the various business areas to identify new risks and monitor mitigation of existing ones.

Hg's Audit and Risk Committee (ARC), which meets at least quarterly, oversees Hg's overall risk profile. The ARC reviews and approves Hg's Risk Management Framework annually, ensuring it adequately identifies the risks to which Hg is, or may be, exposed. It is a committee of the Board, and ARC papers form part of the quarterly Board papers.

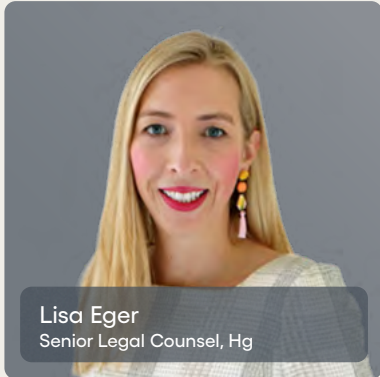


Sean Farnsworth
Head of Compliance & Risk, Hg

“Effective governance and risk management are what allow Hg to earn and keep the trust of our investors, partners, and stakeholders. In a fast-moving environment, getting this right doesn't just protect us – it positions us to thrive.”

Antitrust

Hg believes that competition drives our businesses to be the best they can be. As Hg’s businesses are active globally, our activities can be subject to antitrust legislation at national and regional levels. We take a proactive and stringent approach to antitrust compliance, starting during due diligence and continuing through investment periods. Hg’s two dedicated in-house antitrust lawyers – one in Europe, one in the US – work closely with Hg and our portfolio companies to ensure we stay ahead of evolving regulatory trends and maintain robust compliance standards.



Lisa Eger
Senior Legal Counsel, Hg

“We foster a culture of antitrust compliance that runs from Hg’s leadership through to our portfolio companies. Getting this right matters as it protects the integrity of our businesses and ensures we compete on the strength of what we build.”



Data privacy

As a global business, Hg is subject to applicable data privacy laws across all jurisdictions in which we operate. We recognise the importance of managing data privacy risks wisely, both for Hg and in supporting the portfolio companies we invest in. Our legal team provides privacy support throughout the investment lifecycle aligned with regulatory requirements and business objectives.

Governing sustainability at Hg

Sustainability topics are governed across various teams, functions and committees, across Hg. Responsibilities are assigned to the Board, committees and appropriate individual personnel, and oversight is provided through the following bodies:

Hg Board: Is ultimately accountable for sustainability-related risk and opportunity management. The Board has oversight of Hg’s Responsible Investment and Sustainability policies, as well as major external disclosures.

Sustainability Board Sponsor: Steven Batchelor, co-CEO, Managing Partner and Board member acts as the Partner-level sponsor providing Board representation and accountability for sustainability topics.

Audit & Risk Committee (ARC): ARC oversees risk management, including climate, cybersecurity, and governance matters. Material sustainability-related matters are reviewed quarterly by the ARC and at least annually by the Board.

Senior Leadership Team (SLT), Chief People Officer (CPO), Head of Compliance & Risk and General Counsel (GC): Are accountable for business conduct, culture and inclusion. These topics are covered in Hg’s firm-wide scorecard with key metrics and measures.

Chief Information Officer (CIO): Manages cybersecurity with support and involvement from CFO and with CEO oversight.

Chief Sustainability Officer (CSO): Leads execution of the sustainability strategy and oversees the integration of sustainability-related matters across functions and portfolio companies. The CSO reports to the Head of Client Services and provides regular updates to the Sustainability Board Sponsor.

Hg Board Sustainability Sponsor											
Focus	Sustainability Strategy			Sustainability Related Risks		Culture & Inclusion		Workplace Health, Safety & Sustainability		Portfolio Sustainability	
Structure	– Sustainability steering group: Consists of cross-functional representatives. – Quarterly updates between Hg Chief Sustainability Officer and Hg Board Sustainability Sponsor			– Risk & Audit committee (ARC): Oversees firm-level risks and reports into Hg’s Board.		– Culture Committee: Formal committee reporting into Hg’s Board.		– HSS working group: Consists of individuals from across Hg’s offices.		– Quarterly review between Hg Chief Sustainability Officer and VCT lead Partner.	
Responsibilities	Reporting	Compliance	Sustainability Strategy and targets	Climate change	Sustainability	Culture & Inclusion	Employee Engagement	Hg carbon footprint	Office initiatives	Sustainability Diagnostic	Portfolio sustainability targets and projects
Teams involved	Cross-functional			Compliance & Sustainability		Cross-functional		Facilities & Sustainability		Value Creation & Sustainability	



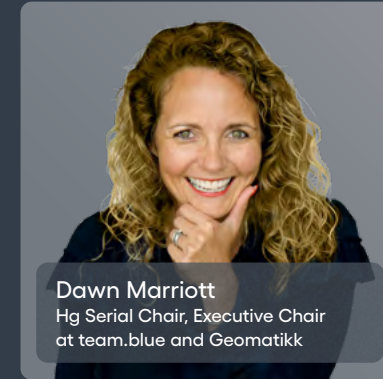
Portfolio board sustainability oversight

Effective board oversight of sustainability matters is both a regulatory expectation and a strategic necessity. Hg’s Sustainability Board Sponsor programme, implemented in early 2023, ensures that each portfolio company has a designated sponsor advocating for sustainability at the highest level. As of March 2026, 87% of our portfolio companies have a Sustainability Board Sponsor in place.

Key responsibilities of a sustainability board sponsor:

- Ensuring Board-level consideration of material sustainability matters.
- Championing sustainability strategy and policy development.
- Evaluating material sustainability topics, stakeholder expectations and emerging issues.
- Supporting allocation of adequate resources to address material topics across the organisation.

Dawn Marriott is a serial chair, chairing two of Hg’s portfolio companies in 2025, team.blue and Geomatikk. As Board Sustainability Sponsor for both companies, she ensures that key sustainability topics are not a side conversation but are standing items of the board agenda.



Dawn Marriott
Hg Serial Chair, Executive Chair
at team.blue and Geomatikk

“What has made the difference at team.blue and Geomatikk is not simply having the right structures or roles in place, but the depth of engagement across the organisation. Where sustainability performance has improved most meaningfully, it is because there is authentic belief from the Board and leadership teams, and active participation from the wider workforce.

When people understand why sustainability matters to the business, and how their own decisions and behaviours contribute, it moves from compliance to ownership. As Executive Chair, I have seen that alignment – between Board sponsorship, leadership conviction and employee engagement – become a real catalyst for progress.”

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Appendix 1: Key portfolio metrics

Below tables provide an overview of selected sustainability metrics collected during our Sustainability Diagnostic. The 2025 Diagnostic covered 47 portfolio companies in total. Previous year, 2024, covered 42 portfolio companies in total.

Unless stated otherwise, all numbers are averages calculated based data collected from portfolio companies that were assessed or onboarded by the end of each calendar year (2023, 2024 and 2025).

Sustainability diagnostic score	2022	2023	2024	2025
Average Sustainability Diagnostic score (out of 10) ¹	n/a ²	7.7	8.1	8.4
Business integrity				
Sustainability / ESG strategy	49%	59%	93%	62%
Sustainability Board Sponsor	51%	93%	95%	89%
Anti-bribery and corruption policy	93%	98%	98%	100%
Anti-discrimination policy	95%	100%	100%	98%
Code of conduct	88%	98%	98%	98%
Data privacy policy	100%	93%	98%	100%
Health & Safety policy	93%	95%	100%	96%
Risk register	85%	88%	95%	91%

¹ Hg reviews and amends the questions and associated scoring of the Diagnostics on an annual basis to reflect key trends, reporting requirements, regulations, opportunities and risks. Even if a large part of the assessment remains the same between years, above average scores are not on a complete like-for-like basis.

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

Workplace	2022	2023	2024	2025
Employee Net Promoter Score (eNPS)	36	26	23	33
Glassdoor / Kununu score	3.9	3.8	3.7	3.6
Monitor employee engagement	90%	90%	98%	91%
Organisation: % women	37%	38%	37%	39%
C-suite: % women	22%	26%	27%	25%
Board: % women	12%	17%	15%	14%
D&I strategy in place	46%	59%	95%	62%
D&I representative	78%	76%	76%	74%
Mental health support	85%	85%	93%	96%
Stewardship				
Percentage of energy consumption from renewable sources	22%	13%	27%	59%
Green initiatives in place	90%	90%	90%	85%
Carbon reduction initiatives in place	73%	78%	71%	77%
Measure carbon footprint	80%	100%	93%	75%
Use data centres / cloud providers with carbon reduction targets	80%	100%	100%	100%
Communicate externally on Sustainability	54%	54%	69%	62%
Publish external Sustainability report	17%	32%	38%	43%
Invest in charities or the community	98%	98%	95%	96%

Climate change (59 companies assessed in 2025) ¹	2022	2023	2024	2025
Have set carbon reduction targets (any types of targets, even if not science aligned or approved by SBTi)	29%	32%	31%	39%
Science-based carbon reduction targets ¹ in line with Science Based Targets initiative (SBTi) ²	12%	17%	31%	24%

Responsible AI (new in 2025)	Average score
AI Governance and Risk Management	80%
Transparency and Third-Party Management	73%
Ethical Use and Fairness	80%
AI Incident Management	79%

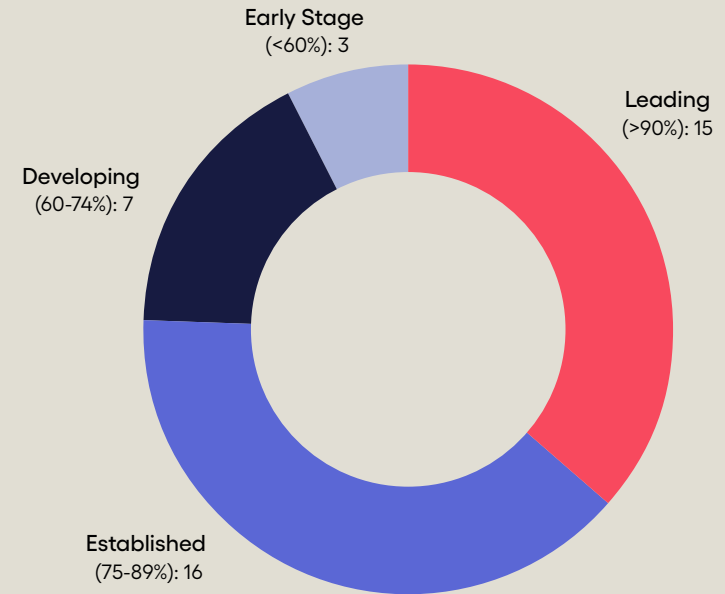
¹ Numbers as of FY end, 31 March 2026.

² As of FY end, 31 March 2026. The percentage includes companies that have either committed to the SBTi or had targets approved by the SBTi.

Science-based carbon reduction targets approved by the SBTi: 20.3% of companies.

Committed to set Science-based carbon reduction targets through the SBTi: 3.4% of companies.

Scores by tier



42
Companies Assessed

84%
Avg Overall Score

76%
Leading or Established

Appendix 2: Global Reporting Initiative (GRI) table

Statement of use: Hg has reported in reference to the GRI Standards for the period 1 April 2025 to 31 March 2026.

GRI STANDARD	DISCLOSURE	LOCATION / RESPONSE	
GRI 2: General Disclosures 2021	2-1	Organizational details	HgCapital LLP, privately owned, headquartered in London, UK. Hg has five investment offices: London, Munich, Paris, New York and San Francisco.
	2-2	Entities included in the organization's sustainability reporting	This report covers our five investment offices and HgCapital LLP's approach to responsible investment across our funds.
	2-3	Reporting period, frequency and contact point	1 April 2025 – 31 March 2026, reporting annually. Contact: Caroline Löfgren, Chief Sustainability Officer, sustainability@hgcapital.com
	2-4	Restatements of information	No material restatements to report. In developing this report, Hg has applied professional judgement and a range of assumptions to interpret and present sustainability-related information. Where data gaps or methodological challenges have been identified, these have been addressed using reasonable assumptions, applied only where, in Hg's view, such use would not be misleading. Sustainability methodologies continue to evolve. As methodologies, regulatory guidance, and market practices mature, Hg will continue to refine its data collection, validation, and reporting processes.
	2-5	External assurance	This report has been reviewed by senior executives at Hg. It has not been externally assured.
	2-6	Activities, value chain and other business relationships	See Hg Company Factsheet, available at hgcapital.com
	2-7	Employees	Hg employs c.410+ people across six offices.
	2-22	Statement on sustainable development strategy	See Leadership Statement and Hg in 2025/26 sections
	2-28	Membership associations	UK Private Capital, Invest Europe, UNPRI, iCI, ILPA Driving Inclusion in Alternatives, Level 20, ESG Data Convergence Initiative
2-29	Approach to stakeholder engagement	See Materiality section	
GRI 3: Material Topics 2021	3-1	Process to determine material topics	See Materiality section
	3-2	List of material topics	Business Conduct, Climate Change, Cybersecurity, Culture and Inclusion
	3-3	Management of material topics	See Material Topics section
GRI 201-207: Economic, Anti-corruption and Anti-competitive Behaviour	201-2	Financial implications and other risks and opportunities due to climate change	See Hg's annual TCFD report and Sustainability Disclosure Requirements (SDR) entity-level report on hgcapital.com.
	205-1	Operations assessed for risks related to corruption	Hg has assessed its corruption risk and put in place appropriate policies and procedures, including an anti-bribery and corruption policy, financial crime policy, code of ethics (including a gifts and entertainment policy), and whistleblowing policy. All Hg offices are within scope. Considering jurisdictions, business activities and dealings, Hg considers the overall corruption risk to be low. 47 portfolio companies have been assessed on bribery and corruption policies.
	205-2	Communication and training on anti-corruption	Hg's compliance team provides regular training to all staff, including new joiners. All Hg portfolio companies are required to have anti-bribery and corruption policies and procedures. Other business partners are subject to written contractual provisions.
	205-3	Confirmed incidents of corruption	No incidents of corruption were confirmed in the reporting period.
	206-1	Legal actions for anti-competitive behaviour	No new legal actions for anti-competitive behaviour in the reporting period.
	207-1	Approach to tax	See Governance section of hgcapital.com

GRI STANDARD	DISCLOSURE	LOCATION / RESPONSE	
GRI 302-305: Energy and emissions	302-1	Energy consumption within the organisation	See Hg's Carbon Footprint Report 2025
	302-3	Energy intensity	See Hg's Carbon Footprint Report 2025
	302-4	Reduction of energy consumption	See Hg's Carbon Footprint Report 2025
	305-1	Direct (Scope 1) GHG emissions	See Hg's Carbon Footprint Report 2025
	305-2	Energy indirect (Scope 2) GHG emissions	See Hg's Carbon Footprint Report 2025
	305-3	Other indirect (Scope 3) GHG emissions	See Hg's Carbon Footprint Report 2025
	305-4	GHG emissions intensity	See Hg's Carbon Footprint Report 2025
	305-5	Reduction of GHG emissions	See Hg's Carbon Footprint Report 2025 and TCFD report
GRI 401-406: Employment, health & safety, diversity	401-1 to 401-3	New hires, benefits, parental leave	See Hg's Diversity & Inclusion Report 2026
	403	Occupational Health and Safety	Hg has a global Health & Safety policy covering all staff and offices. Office managers are Institution of Occupational Safety and Health (IOSH) trained and certified, with outside specialist counsel on retainer. Practices include annual general office and fire risk assessments, designated first aiders and fire marshals, mandatory Display Screen Equipment (DSE) and manual handling training, global accident reporting, and Health & Safety onboarding for all new joiners.
	405-1	Diversity of governance bodies and employees	Hg monitors diversity across its Senior Leadership Team, Board, and wider workforce as part of its Diversity & Inclusion initiatives. Data is disclosed to Hg clients but not publicly disclosed at this time.
	405-2	Ratio of basic salary and remuneration of women to men	See Hg's Gender Pay Gap report on hgcapital.com
	406-1	Incidents of discrimination	No issues of discrimination involving Hg were reported in the reporting period.
GRI 408-418: Human rights, local communities, privacy	408-1 / 409-1	Child / forced labour risks	See Hg's Modern Slavery Act statement.
	413-1	Local community engagement	See section on Hg Foundation and https://www.thehgfoundation.com
	414-1	New suppliers that were screened using social criteria	See Hg's Modern Slavery Act statement.
	415-1	Political contributions	Hg does not make political contributions; this topic is not material.
	416-1	Customer health and safety	Hg is an asset manager, and its fund products are not sold to end-consumers. Most portfolio companies are Business to Business Software as a Service (SaaS) businesses.
	417-1	Marketing and labelling	Hg Pooled Management Limited is a UK-authorized AIFM and is subject to FCA Rules on Financial Promotions, FCA Sustainability Disclosure Requirements (SDR), and SFDR product-labelling requirements. All Hg funds created since 2022 are classified as Article 8 under SFDR.
	418-1	Customer privacy breaches	There were no complaints concerning breaches of customer privacy or losses of customer data involving Hg in 2025/26.

Disclaimer:

Hg is reporting 'in reference to' (rather than 'in accordance with') the Principles of the GRI Standards. Hg has prepared the reported information in accordance with the requirements specified in 'Reporting with reference to the GRI Standards' at the end of section 3 in GRI 1.



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

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