



## **PUBLIC TRANSPARENCY REPORT**

**2024**

**HgCapital LLP**

Generated 25-11-2024

# About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2024 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2024 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented. The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

While a slower year for PE generally, 2023 remained a strong year for Hg as the performance of our resilient family of software and services companies reflected strong foundations. Our long-term approach to business growth has made a significant contribution to this; creating responsible businesses for the future, sustaining investment in products that delight customers and creating quality employment opportunities. We are encouraged by the resilience across our firm and investments in these crucial periods. And it's not just in the financial performance, it's in growing employment, in customer service and in sustained levels of investment. Our long-term record is for a 20% annual increase in employment in knowledge jobs across the Hg portfolio, now valued at over \$150 billion, and we're proud that this continued over the past 12 months.

It is important to us that our purpose has an equally long-term horizon – “To improve the future of millions of investors by building sustainable businesses for tomorrow”. We work for the millions of individual investors whose pension, savings, or endowment capital we invest. Our purpose is shared with every person that joins our firm and across thousands of the employees that work within Hg portfolio companies, who hear directly from the pension programs and endowments that support our business. We will continue to deliver on this purpose if we are investing responsibly. Hg takes a proactive approach in increasing the sustainability of the companies which we own; from tackling climate change by advocating for our portfolio companies to set science-based targets, to supporting over 50,000 people from disadvantaged and underrepresented backgrounds in accessing careers within the technology industry through The Hg Foundation, we take our responsibility as investors in this sector seriously. We continue to learn and improve each year though, to evolve how and where we impact. And ensuring that responsibility to our investors, to portfolio employees, and my own colleagues, is embedded into the ethos of everything we do.

The long-term view we encompass requires us to look beyond our own portfolio, across areas where we think we can have most meaningful effect. Whether it is environmental issues such as targeting emissions through science-based targets, or diversity and inclusion programmes across our firm and portfolio or addressing social opportunity and skills shortages through The Hg Foundation – these are wider issues beyond managing pension fund money well, but where we hope that we can genuinely have some impact to ensure a sustainable future for the firm's ecosystem and society. Our most recently raised funds are all classified under Article 8 of the SFDR, which bolsters our commitment to sustainability even further.

I take pride in our purpose and our sustained commitment to it. Honouring pensioners' money and building sustainable businesses, whilst also looking to the wider issues around us. We are not perfect, yet we are dedicated to learn and improve each year. The responsibility to our investors, to employees in the businesses that we back and to my colleagues is ingrained into everything we do.

## Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

To maintain our focus on the most crucial aspects for Hg, our portfolio, and our primary stakeholders, we have identified our top priorities through our materiality matrix. As anticipated for an investor in software and service industries, cybersecurity, anti-trust, climate change, and diversity & inclusion remain our top priorities. Below is a brief overview of our 2023 stance on each:

**Climate Change** -In 2023/24 we supported our portfolio companies to conduct company carbon footprints for the fourth year in a row and continued to engage with our portfolio companies to advance on climate action. Portfolio companies report on their scope 1 and 2 carbon emissions as a minimum and we also encourage them to report on scope 3 emissions. Almost 90% of our businesses are now able to report on scope 3 emissions. We shared the results of the portfolio companies' carbon footprints, highlighting emissions hotspots and opportunities for reduction, as well as benchmarking across the portfolio to help put the numbers into context. We also advocate for portfolio companies to set science-based targets (SBTs) and we are pleased to report that as of March 2024 we had eight companies that have formally committed to set SBTs, requiring them to have validated targets by the SBTi, 24 months after the commitment was made. We have also measured Hg's own carbon footprint for the sixth year, and we are currently in the process of publishing our 2023/24 annual carbon footprint report.

**DEI**-We continue to focus on making Hg a truly inclusive workplace where everyone feels welcome and valued. Diversity and inclusion are the essential drivers of success, creating opportunity for ingenuity, collaboration, and fresh perspectives. As of March 2024, we are happy to share that our gender balance is now 50% across the entire firm, but we also appreciate diversity and inclusion is more than just about genders. We strive to build teams that reflect the rich diversity of the world around us. In 2023/24, our Culture Committee, which is reporting directly to Hg's Board, has been focusing on diversity through a cognitive lens, recognising and embracing different backgrounds, skill sets and ways of thinking when building teams. This has already influenced a number of areas across the firm, such as how we form deal teams, our talent assessment, recruitment and internal development approaches.

**Anti-trust**-As Hg's businesses are active globally our activities can be subject to anti-trust legislation at a national and regional level. We take a proactive and stringent approach to managing anti-trust compliance, starting during the due diligence process and continuing through investment periods. Today, we have a dedicated in-house anti-trust lawyer to support Hg and its portfolio companies with M&A, compliance programmes, ethical awareness initiatives as well as advice on a day-to-day basis.

We actively work on ESG matters with our portfolio companies and in 2023/24 we conducted our sixth annual ESG Diagnostic of our portfolio. We have now delivered over 250 of these assessments, which means we have built a solid set of ESG benchmarks and are able to compare and score our portfolio businesses, not just on an overall ESG performance, but also on more specific KPIs such as employee engagement scores and carbon footprints. In addition to the ESG Diagnostic, Hg's ESG team has delivered over 8 bespoke projects to portfolio companies, supporting them in defining their ESG strategies and reporting. The 210-question annual Diagnostic which is derived from our Sustainable Business Framework, allows us to acknowledge areas where each portfolio company is performing, whilst identifying areas for improvement on ESG matters. In early 2024, we reported to the ESG Data Convergence Initiative (EDCI) for the third time, following our second submission in 2023. We have used these metrics to provide more clarity to our investors, but also leveraged the EDCI platform to benchmark performance, which have also been included in our fund-level reporting, for our LPs, which are due to publish for the second year in Q2. We believe collaboration leverages our ability to have an impact. Thus, we are proud to have ten key ESG partnerships in addition to the EDCI, which include: Invest Europe, OUT Investors, BCVA, SEO London, Level 20, Bloss.m iCI, SBT, UNPRI and ILPA. We were happy to be recognised for some of our ESG related efforts by receiving external awards. In 2024 Hg was once again awarded 'Diversity and Inclusion Leader of the year' in the Reals Deals Private Equity Awards, for the fourth year in a row. Hg was considered a leader in DEI by Honordex, ranking 2nd place in 2023 inclusive PE index. Hg also won Private equity international's 'firm of the year' for the fourth year running, as well as Value Creation Team of the year at the Value Creation Forum and Awards.

### Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

Moving forward in 2024/25, our key ESG focus area's will be:

#### CSRD

In 2024, we initiated a process to align our materiality assessment to the requirements under the Corporate Sustainability Reporting Directive (CSRD, 2022/2464/EU). Our focus moving forward will be on firm-level CSRD implementation as well as supporting our portfolio companies with their own CSRD compliance.

#### ESG Diagnostic

We are in the process of refreshing our annual ESG Diagnostic for 2024/25, to streamline and increase the accuracy of our assessment for the seventh consecutive year against our Sustainable Business Framework. Our dedicated ESG Team will continue to focus on ESG opportunities across our portfolio as a result of this.

#### ESG Board Sponsorship

Increasing board-level ESG sponsorship across our portfolio companies remains a focus. At the end of March 2023, 95% of our businesses, where we are a majority owner, had ESG Board Sponsors and we are working towards increasing that number, as well as engaging with the ESG Board Sponsors to support them in actively pursuing the tasks that come with being an ESG sponsor.

#### Science Based Targets

We will continue to support our firm and portfolio companies in the transition to a low carbon future. As we approach Hg's FY27 science-based target for 26% of our invested capital to be covered by SBTs, we will continue to work with our portfolio companies to set targets and support them in understanding and reducing their carbon emissions. Nine of our portfolio companies have committed to SBTi, of which 3 have approved targets. We will continue to work towards with our portfolio companies, and support them with their SBT commitments, aligned with our own FY27 target.

#### Artificial Intelligence

AI remains a material topic for Hg, and we continue to support our portfolio companies are compliant with the technical, ethical and legal risks of this fast-progressing area. During 2023/24, the team continued to develop Hg's Board Compliance Toolkit and focused on helping Hg and portfolio companies to keep pace with, and benefit from, the fast developments in Generative AI. We will continue to support our portfolio companies as they explore this exciting new development, whilst encouraging best practice and monitoring regulation of its use.

#### External reporting

External reporting is a key development area for the ESG team as we are committed to greater transparency to the public, as well as our clients in whom we know this grows increasingly important to. We aim to consistently evolve our reporting methods, and seek areas in which we can improve. This year, we will share ESG client reports with our investors for the second consecutive year. Each report offers fund-level data on key ESG metrics, including GHG emissions, alongside EDCI, PAI indicators and European Convergence Initiative data. Furthermore, for our 2024 reports, we have decided to include our fund level PMDR (Private Markets Decarbonisation Roadmap), developed by Bain on behalf of the Initiative Climat International (ICI), which enables managers to map the decarbonisation journey of our portfolio companies, from collecting emissions data to setting emissions targets, and finally, aligning to a net-zero pathway.

Hg's purpose is 'to improve the future of millions of investors by building sustainable businesses for tomorrow'. ESG sits at the core of this which is why we continue to evolve our ESG ambitions, and believe the actions we take as a firm are just as important as those taken across our portfolio in order to maximise our impact. We are dedicated to creating more sustainable businesses and sustainability is essence of what we do.



#### Section 4. Endorsement

**'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.**

Name

Matthew Brockman

Position

Managing Partner and CEO

Organisation's Name

HgCapital LLP

☒ A

**'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.**

☐ B

# ORGANISATIONAL OVERVIEW (OO)

## ORGANISATIONAL INFORMATION

### REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	03	2024

## SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- ☒ (A) Yes  
☐ (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2.1	CORE	OO 2	OO 2.2	PUBLIC	Subsidiary information	GENERAL

Are any of your organisation's subsidiaries PRI signatories in their own right?

- ☐ (A) Yes  
☒ (B) No



## ASSETS UNDER MANAGEMENT

### ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 73,000,000,000.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

## ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	0%	0%
(B) Fixed income	0%	0%
(C) Private equity	>75%	0%
(D) Real estate	0%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	0%	0%
(J) Off-balance sheet	0%	0%

## ASSET BREAKDOWN: INTERNALLY MANAGED PRIVATE EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 PE	CORE	OO 5	N/A	PUBLIC	Asset breakdown: Internally managed private equity	GENERAL

**Provide a further breakdown of your internally managed private equity AUM.**

(A) Venture capital 0%

(B) Growth capital 0%

(C) (Leveraged) buy-out >75%

(D) Distressed, turnaround or  
special situations 0%

(E) Secondaries 0%

(F) Other 0%

## GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

**How much of your AUM in each asset class is invested in emerging markets and developing economies?**

### AUM in Emerging Markets and Developing Economies

(F) Private equity (1) 0%

## STEWARDSHIP

### STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

#### (5) Private equity

(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>

## ESG INCORPORATION

### INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors, to some extent, into your investment decisions?

(1) Yes, we incorporate ESG factors into our investment decisions

(2) No, we do not incorporate ESG factors into our investment decisions

(I) Private equity	<input checked="" type="radio"/>	<input type="radio"/>
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# ESG/SUSTAINABILITY FUNDS AND PRODUCTS

## LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

**Do you explicitly market any of your products and/or funds as ESG and/or sustainable?**

☒ **(A) Yes, we market products and/or funds as ESG and/or sustainable**

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

>10-50%

- ☐ (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- ☐ (C) Not applicable; we do not offer products or funds

**Additional information: (Voluntary)**

New funds from 2020 onwards are marketed as Article 8 under SFDR (rounded to nearest 5%)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

**Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?**

- ☐ (A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications
- ☒ **(B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications**

## SUMMARY OF REPORTING REQUIREMENTS

### SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(I) Private equity	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

## OTHER ASSET BREAKDOWNS

### PRIVATE EQUITY: SECTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 22	CORE	OO 21	N/A	PUBLIC	Private equity: Sectors	GENERAL

In which sector(s) are your internally managed private equity assets invested?

- ☐ (A) Energy
- ☐ (B) Materials
- ☐ (C) Industrials
- ☐ (D) Consumer discretionary
- ☐ (E) Consumer staples
- ☐ (F) Healthcare
- ☐ (G) Financials
- ☒ (H) Information technology
- ☐ (I) Communication services
- ☐ (J) Utilities
- ☐ (K) Real estate

## PRIVATE EQUITY: OWNERSHIP LEVEL

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 23	CORE	OO 21	N/A	PUBLIC	Private equity: Ownership level	GENERAL

What is the percentage breakdown of your internally managed private equity investments by the level of ownership?

☒ (A) A majority stake (more than 50%)

Select from the list:

- ☐ (1) >0 to 10%
- ☐ (2) >10 to 50%
- ☒ (3) >50 to 75%
- ☐ (4) >75%

☒ (B) A significant minority stake (between 10–50%)

Select from the list:

- ☐ (1) >0 to 10%
- ☒ (2) >10 to 50%

☒ (C) A limited minority stake (less than 10%)

Select from the list:

- ☒ (1) >0 to 10%
- ☐ (2) >10 to 50%

## SUBMISSION INFORMATION

### REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- ☐ (A) Publish as absolute numbers
- ☒ (B) Publish as ranges



# POLICY, GOVERNANCE AND STRATEGY (PGS)

## POLICY

### RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- ☒ (A) Overall approach to responsible investment
- ☒ (B) Guidelines on environmental factors
- ☒ (C) Guidelines on social factors
- ☒ (D) Guidelines on governance factors
- ☒ (E) Guidelines on sustainability outcomes
- ☒ (F) Guidelines tailored to the specific asset class(es) we hold
- ☒ (G) Guidelines on exclusions
- ☒ (H) Guidelines on managing conflicts of interest related to responsible investment
- ☒ (I) Stewardship: Guidelines on engagement with investees
- ☒ (J) Stewardship: Guidelines on overall political engagement
- ☒ (K) Stewardship: Guidelines on engagement with other key stakeholders
- ☐ (M) Other responsible investment elements not listed here
  - ☐ (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- ☒ (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- ☒ (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- ☒ (C) Specific guidelines on other systematic sustainability issues

Specify:

Key material issues for software and service companies, such as data privacy and cyber security.

- ☐ (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

**Which elements of your formal responsible investment policy(ies) are publicly available?**

☒ **(A) Overall approach to responsible investment**

Add link:

[https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg\\_Responsible\\_Investment\\_Policy\\_2024.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg_Responsible_Investment_Policy_2024.pdf)

☒ **(B) Guidelines on environmental factors**

Add link:

[https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg\\_Responsible\\_Investment\\_Policy\\_2024.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg_Responsible_Investment_Policy_2024.pdf)

☒ **(C) Guidelines on social factors**

Add link:

[https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg\\_Responsible\\_Investment\\_Policy\\_2024.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg_Responsible_Investment_Policy_2024.pdf)

☒ **(D) Guidelines on governance factors**

Add link:

[https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg\\_Responsible\\_Investment\\_Policy\\_2024.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg_Responsible_Investment_Policy_2024.pdf)

☒ **(E) Guidelines on sustainability outcomes**

Add link:

[https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg\\_Responsible\\_Investment\\_Policy\\_2024.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg_Responsible_Investment_Policy_2024.pdf)

☒ **(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)**

Add link:

[https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg\\_Responsible\\_Investment\\_Policy\\_2024.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg_Responsible_Investment_Policy_2024.pdf)

☒ **(G) Specific guidelines on human rights (may be part of guidelines on social factors)**

Add link:

[https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg\\_Responsible\\_Investment\\_Policy\\_2024.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg_Responsible_Investment_Policy_2024.pdf)

☒ **(H) Specific guidelines on other systematic sustainability issues**

Add link:

[https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg\\_Responsible\\_Investment\\_Policy\\_2024.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg_Responsible_Investment_Policy_2024.pdf)

☒ **(I) Guidelines tailored to the specific asset class(es) we hold**

Add link:

[https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg\\_Responsible\\_Investment\\_Policy\\_2024.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg_Responsible_Investment_Policy_2024.pdf)

☒ **(J) Guidelines on exclusions**

Add link:

[https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg\\_Responsible\\_Investment\\_Policy\\_2024.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg_Responsible_Investment_Policy_2024.pdf)

☒ **(K) Guidelines on managing conflicts of interest related to responsible investment**

Add link:

[https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg\\_Responsible\\_Investment\\_Policy\\_2024.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg_Responsible_Investment_Policy_2024.pdf)

☒ **(L) Stewardship: Guidelines on engagement with investees**

Add link:

[https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg\\_Responsible\\_Investment\\_Policy\\_2024.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg_Responsible_Investment_Policy_2024.pdf)

☒ **(M) Stewardship: Guidelines on overall political engagement**

Add link:

[https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg\\_Responsible\\_Investment\\_Policy\\_2024.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg_Responsible_Investment_Policy_2024.pdf)

☒ **(N) Stewardship: Guidelines on engagement with other key stakeholders**

Add link:

[https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg\\_Responsible\\_Investment\\_Policy\\_2024.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg_Responsible_Investment_Policy_2024.pdf)

- ☐ (Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?**

- ☒ **(A) Overall stewardship objectives**
- ☒ **(B) Prioritisation of specific ESG factors to be advanced via stewardship activities**
- ☒ **(C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts**
- ☒ **(D) How different stewardship tools and activities are used across the organisation**
- ☐ (E) Approach to escalation in stewardship
- ☒ **(F) Approach to collaboration in stewardship**
- ☒ **(G) Conflicts of interest related to stewardship**
- ☒ **(H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa**
- ☐ (I) Other
- ☐ (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

## RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

**What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?**

### Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment  
 (B) Guidelines on environmental factors  
 (C) Guidelines on social factors  
 (D) Guidelines on governance factors

(7) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

**What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?**

### AUM coverage

(A) Specific guidelines on climate change  
 (1) for all of our AUM

(B) Specific guidelines on human rights  
 (1) for all of our AUM

(C) Specific guidelines on other systematic sustainability issues  
 (1) for all of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

☒ **(C) Private equity**

(1) Percentage of AUM covered

- ☐ (1) >0% to 10%
- ☐ (2) >10% to 20%
- ☐ (3) >20% to 30%
- ☐ (4) >30% to 40%
- ☐ (5) >40% to 50%
- ☐ (6) >50% to 60%
- ☐ (7) >60% to 70%
- ☐ (8) >70% to 80%
- ☐ (9) >80% to 90%
- ☐ (10) >90% to <100%
- ☒ **(11) 100%**

## GOVERNANCE

### ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

☒ **(A) Board members, trustees, or equivalent**

☒ **(B) Senior executive-level staff, or equivalent**

Specify:

Head of Portfolio team, Hg Board member and Partner

☒ **(C) Investment committee, or equivalent**

Specify:

IC in line with our Responsible Investment policy

☒ **(D) Head of department, or equivalent**

Specify department:

Head of Portfolio team, Head of Client Services, Head of ESG

☐ (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

**Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?**

	(1) Board members, trustees, or equivalent	(2) Senior executive-level staff, investment committee, head of department, or equivalent
(A) Overall approach to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Guidelines on environmental, social and/or governance factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Guidelines on sustainability outcomes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(K) Stewardship: Guidelines on overall political engagement	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(L) Stewardship: Guidelines on engagement with other key stakeholders



(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

☒ (A) Yes

Describe how you do this:

- We occasionally engage in political policy influence or consultations through our participation in collaborative groups and affiliate networks with the aim to support the advancement of sustainable finance across the regions where we operate. Our Chief Sustainability Officer and Risk & Audit Committee oversee these activities to make sure they are aligned with our position on sustainable finance and our commitment to the 6 Principles of the UNPRI.
- In addition to adhering to its obligations as an FCA authorised entity and as an "Alternative Investment Fund Manager", Hg places the highest value on professional integrity and fair dealing and is committed to managing conflicts of interest between its investors / the investment funds and other investment vehicles it manages, and between these investors / investment funds and vehicles and itself, fairly, openly and transparently. Appropriate governance processes have been set up to reflect this commitment.

- ☐ (B) No
- ☐ (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

**In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?**

☒ (A) Internal role(s)

Specify:

ESG team (3 team members), led by Caroline Lofgren (Chief Sustainability Officer). The ESG team is part of our broader portfolio value creation team. In addition, investment professionals as they screen and invest in new companies, as well as in their roles on port co boards and engagements. Hg's Senior leadership team for signing off on our RI policy and approach. All staff by living our values.

- ☐ (B) External investment managers, service providers, or other external partners or suppliers
- ☐ (C) We do not have any internal or external roles with responsibility for implementing responsible investment



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?**

● **(A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent**

Describe: (Voluntary)

Examples of KPI's include obtaining an ESG Board Sponsor and diversity at board level. ESG scores are shared and benchmarked across the portfolio. Hg has set an overall target for the average ESG score across the portfolio. In addition, our Science Based Targets commitment applies across the entire portfolio. KPIs have been set on an AUM basis.

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?**

● **(A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)**

Indicate whether these responsible investment KPIs are linked to compensation

● **(1) KPIs are linked to compensation**

- (2) KPIs are not linked to compensation as these roles do not have variable compensation
- (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

For example, all employees have an annual objective called 'Development' which include diversity KPI's :

Develop Others:

Coach/mentor at least 2 identified juniors, consistent with our targets for diversity.

Develop the firm:

Nurture relationships with 2 external potential candidate for Hg and introduce at least 1 diverse candidate to Hg per year (at any level)

Another KPI is to take an active role/contribute to a firm-wide initiative, eg: Hg foundation, ESG, D&I, Charity committees. The performance of all employees is measured against Hg's Values as part of the annual review process and compensation and performance ratings are in part influenced by this. One of Hg's Values is 'Win right' and within this all employees are asked to consider our long-term impact. ESG is included in the 'development' objective for all employees and is linked to performance ratings, promotions, and bonus/pay.

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

## EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- ☒ (A) Any changes in policies related to responsible investment
- ☒ (B) Any changes in governance or oversight related to responsible investment
- ☒ (C) Stewardship-related commitments
- ☒ (D) Progress towards stewardship-related commitments
- ☒ (E) Climate-related commitments
- ☒ (F) Progress towards climate-related commitments
- ☒ (G) Human rights-related commitments
- ☒ (H) Progress towards human rights-related commitments
- ☒ (I) Commitments to other systematic sustainability issues
- ☐ (J) Progress towards commitments on other systematic sustainability issues
- ☐ (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- ☒ (A) Yes, including all governance-related recommended disclosures
- ☒ (B) Yes, including all strategy-related recommended disclosures
- ☒ (C) Yes, including all risk management-related recommended disclosures
- ☒ (D) Yes, including all applicable metrics and targets-related recommended disclosures

- ☐ (E) None of the above

Add link(s):

[https://assets.ctfassets.net/vjxh3n2vfv4b/4ysK0vf1BXHu2a3l444hc2/b33dfe2c270f69605a8e63a51b1a1338/Hg\\_2023\\_TCFD.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/4ysK0vf1BXHu2a3l444hc2/b33dfe2c270f69605a8e63a51b1a1338/Hg_2023_TCFD.pdf)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?**

- (A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) **Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year**

## STRATEGY

### CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

**Which elements do your organisation-level exclusions cover?**

- ☒ (A) **Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services**
- ☐ (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- ☒ (C) **Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact**
- ☐ (D) Exclusions based on our organisation's climate change commitments
- ☒ (E) **Other elements**

Specify:

Hg's investment strategy is to focus on software and services investments, and to follow our RI approach - as such Hg Funds do not invest in certain companies.

Please see our Responsible Investment policy or below list for details:

[https://assets.ctfassets.net/vjxh3n2vf4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg\\_Responsible\\_Investment\\_Policy\\_2024.pdf](https://assets.ctfassets.net/vjxh3n2vf4b/1FVG5SBs9wU5nvykEvrN9g/ecc3f85e7ea52bb4d7c009ed0bc3d790/Hg_Responsible_Investment_Policy_2024.pdf)

Hg's investment strategy is to focus on software and services investments, and to follow our RI

approach - as such Hg Funds do not invest in companies that:

1. Have production or other activities that involve harmful or exploitative forms of forced labour or

child labour.

2. Produce any illegal products or engage in any illegal activities as per applicable local laws.

3. Manufacture, distribute or sell arms or ammunitions.

4. Manufacture or sell pornography.

5. Are involved with products and activities that are banned as per global conventions and agreements, such as certain pesticides, chemicals, wastes, ozone depleting substances or wildlife products, or otherwise compromise endangered or protected wildlife.

6. Are principally engaged in the manufacture of tobacco and alcohol.

7. Are principally engaged in the manufacture of coal or are principally engaged in extraction of geological materials (mining).

8. Are principally engaged in cryptocurrency.

9. Are involved in technologies which have a negative impact on human rights, such as those that restrict digital freedom, or inappropriately use artificial intelligence, automation and robotics, including dual use software applications or technology.

10. Face sanctions restrictions themselves, or are involved in the supply or purpose of controlled dual-use goods, technology or software which may have military uses.

11. Are, in the opinion of Hg's Investment Committee, exploitative of vulnerable groups in society or has a material negative impact on the environment.

- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

#### How does your responsible investment approach influence your strategic asset allocation process?

- ☐ (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- ☐ (B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns
- ☐ (C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns
- ☐ (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

## STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

### (3) Private equity

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- ☐ (A) Yes, we engaged with policy makers directly
- ☒ (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- ☐ (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- ☐ (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- ☐ (A) We participated in 'sign-on' letters
- ☒ (B) We responded to policy consultations
- ☒ (C) We provided technical input via government- or regulator-backed working groups

Describe:

Through BVCA and Invest Europe ESG working groups, as well as through iCI engagements.

- ☐ (D) We engaged policy makers on our own initiative
- ☐ (E) Other methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

- ☐ (A) We publicly disclosed all our policy positions
- ☐ (B) We publicly disclosed details of our engagements with policy makers
- ☒ (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

Explain why:

We engaged through affiliate networks such as BVCA and Invest Europe. We trust them to disclose the parties engaged in the consultations they are leading.

## CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

Has your organisation identified climate-related risks and opportunities affecting your investments?

- ☒ (A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

Naturally, businesses are exposed to different types and levels of risks depending on the sector they operate in. Hg's portfolio consists of companies in the 'IT and Services' sector, who are providing cloud-based software solutions. Climate change risk levels across this sector are generally lower than for sectors which rely heavily on natural resources and oil & gas such as agriculture, heavy industry & manufacturing, transport and construction. Additionally, according to the MSCI, the software and services sector is well aligned to a 1.5°C temperature-rise compared to most other sectors, as they are actively reducing its carbon footprint, outpacing many other industries in decarbonization efforts.

We still recognise that as a custodian of our investors' money and a responsible investor, we need to understand and report on potential climate change risks that occur across our portfolio. This will enable our clients, and the businesses we invest in, to better understand these risks too. We therefore conduct a climate change risk assessment as part of our onboarding process via a climate change risk tool developed by the climate change experts at PwC. The tool is tailored specifically to the software and services sector, taking into account factors such as geographical location, exposure to risks, and preparedness to address climate change impacts. It provides a very low to very high-risk rating for physical and transition risks under a "well below" 2°C scenario and for physical risks under a 4°C climate scenario in 2030. A resilience rating ranging from very low to very high is also assigned to each company depending on their internal procedures.

Our analysis shows relatively low climate change risks across our portfolio. Companies operating in regions with ambitious climate change policies face higher transition risks, while those in geographies more affected by climate change experience higher physical risks. Hg has reported on TCFD for the second year in a row. See here : [https://assets.ctfassets.net/vjxh3n2vfv4b/4ysK0vf1BXHu2a3l444hc2/b33dfe2c270f69605a8e63a51b1a1338/Hg\\_2023\\_TCFD.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/4ysK0vf1BXHu2a3l444hc2/b33dfe2c270f69605a8e63a51b1a1338/Hg_2023_TCFD.pdf)

☒ **(B) Yes, beyond our standard planning horizon**

Specify the risks and opportunities identified and your relevant standard planning horizon:

Naturally, businesses are exposed to different types and levels of risks depending on the sector they operate in. Hg's portfolio consists of companies in the 'IT and Services' sector, who are providing cloud-based software solutions. Climate change risk levels across this sector are generally lower than for sectors which rely heavily on natural resources and oil & gas such as agriculture, heavy industry & manufacturing, transport and construction. Additionally, according to the MSCI, the software and services sector is well aligned to a 1.5°C temperature-rise compared to most other sectors, as they are actively reducing its carbon footprint, outpacing many other industries in decarbonization efforts.

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- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

**Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?**

● (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

Hg is committed to the Science Based Targets initiative and is preparing its portfolio for the transition to a low carbon economy by engaging with portfolio companies to set Science Based carbon reduction targets.

Hg's portfolio consists of companies in the 'IT and Services' sector, who are providing cloud-based software solutions. Climate change risk levels and direct carbon emissions (scope 1 and 2) across this sector are generally lower than for sectors which rely heavily on natural resources and oil & gas such as agriculture, heavy industry & manufacturing, transport and construction. According to the MSCI, the software and services sector is well aligned to a 1.5°C temperature-rise compared to most other sectors, as they are actively reducing its carbon footprint, outpacing many other industries in decarbonization efforts.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

☐ (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)

☐ (B) Yes, using the One Earth Climate Model scenario

☒ (C) Yes, using the International Energy Agency (IEA) Net Zero scenario

☒ (D) Yes, using other scenarios

Specify:

The Hg climate change risk tool which has been developed by PwC, is used to conduct climate change risk and resilience screening of our portfolio. The tool is tailored to capture climate change risks in the software and services sector, accounting for the geographical location of each company, as well as its exposure to, and preparedness to address, climate change risk. It is based on recognised climate change scenarios including IEA - Sustainable Development Scenario<sup>1</sup> and IPCC RCP 8.5.

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

**Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?**

☒ **(A) Yes, we have a process to identify and assess climate-related risks**

**(1) Describe your process**

The Hg climate change risk tool which has been developed by PwC, is used to conduct climate change risk and resilience screening of our portfolio. The tool is tailored to capture climate change risks in the software and services sector, accounting for the geographical location of each company, as well as its exposure to, and preparedness to address, climate change risk. It is based on recognised climate change scenarios including IEA - Sustainable Development Scenario<sup>1</sup> and IPCC RCP 8.5.2

Our climate change assessment covers two climate scenarios:

**1) Below 2°C temperature increase**

- Representing a scenario that aims to keep global average temperature to “well below” 2 degrees above pre-industrial levels by 2100. This assumes that policies rapidly de-carbonise in line with the 2015 Paris Agreement. In this scenario, there are high transition risks and low physical risks

**2) ~ 4°C temperature increase (BAU)**

- Representing a scenario where global average temperature rises to ~4 degrees warming above pre-industrial levels by 2100. This assumes little to no action is taken to reduce emissions. In this scenario, there are high physical risks and low transition risks

Under the above two scenarios, the tool assesses two types climate change related risks:

**1. Transition Risks – risks of transitioning to a low-carbon economy**

- Policy and legal risk: Compliance costs; stranded assets; asset impairment; restrictions & limitations on carbon intensive assets and asset depreciation.

- Market & economic risk: Company or securities valuations; asset impairment; viability of certain business models and credit rating implications.

- Technology risk: Write-offs for investments in disrupted technologies; required investment in new technologies and process change costs to accommodate new technologies.

- Reputation risk: Damage to brand value or reputation resulting in lost revenue and additional expenditures, e.g. corporate affairs, litigation.

**2. Physical Risks – increasing physical impacts of climate change**

- Risk of extreme weather events: Short lived extreme weather impacts. Disruption to operations, transportation, supply chains, etc. Damage to physical assets and impacts on insurance liabilities.

- Risk of gradual climate changes: Impacts due to slow insidious change such as increasing temperature or water stress. Degradation or limitations on resource availability, e.g. labour, natural resources etc.

Hg's portfolio companies complete the climate change risk assessment as part of onboarding within the first few months of joining the Hg Family. The outputs capture risks within company's core business, their data centres (if applicable) and supply chain, as well as their resilience.

In addition, Hg conducts an annual carbon footprint of our portfolio and provide benchmarking to our portfolio companies to help them understand any major hotspots and how their footprint compared to their peers. Each footprint is classified according to the PCAF methodology to indicate potential data quality improvements.

Our analysis shows relatively low climate change risks across our portfolio. Companies operating in regions with ambitious climate change policies face higher transition risks, while those in geographies more affected by climate change experience higher physical risks. Hg has reported on TCFD for the second year in a row. See here :

[https://assets.ctfassets.net/vjxh3n2vf4b/4ysK0vf1BXHu2a3l444hc2/b33dfe2c270f69605a8e63a51b1a1338/Hg\\_2023\\_TCFD.pdf](https://assets.ctfassets.net/vjxh3n2vf4b/4ysK0vf1BXHu2a3l444hc2/b33dfe2c270f69605a8e63a51b1a1338/Hg_2023_TCFD.pdf)

(2) Describe how this process is integrated into your overall risk management

Climate change risk is covered in Hg's risk register which is part of our quarterly risk review. The result of Hg's climate change risk assessment is shared with portfolio company Boards as part of their onboarding ESG report and plan.

☒ **(B) Yes, we have a process to manage climate-related risks**

(1) Describe your process

Climate change resilience is assessed against six risk attributes:

1. extreme weather events
2. policy & legal, transition to a low carbon economy
3. shifts in markets
4. shifts consumer behaviour
4. growth of 'green' technologies
5. reputational risks.

The level of resilience reflects the level of preparedness a company has against these risks. If a portfolio company has a high risk but low resilience, Hg's ESG team engages with the business to help them understand what can be done to make them more resilient.

In addition, Hg conducts an annual carbon footprint of our portfolio and provide benchmarking to our portfolio companies to help them understand any major hotspots and how their footprint compared to their peers. Each footprint is classified according to the PCAF methodology to indicate potential data quality improvements.

(2) Describe how this process is integrated into your overall risk management

Climate change risk is covered in Hg's risk register which is part of our quarterly risk review. The result of Hg's climate change risk assessment is shared with portfolio company Boards as part of their onboarding ESG report and plan.

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and publicly disclose?

☒ (A) Exposure to physical risk

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

● (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

[https://assets.ctfassets.net/vjxh3n2vfv4b/4ysK0vf1BXHu2a3l444hc2/b33dfe2c270f69605a8e63a51b1a1338/Hg\\_2023\\_TCFD.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/4ysK0vf1BXHu2a3l444hc2/b33dfe2c270f69605a8e63a51b1a1338/Hg_2023_TCFD.pdf)

☒ (B) Exposure to transition risk

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

● (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

[https://assets.ctfassets.net/vjxh3n2vfv4b/4ysK0vf1BXHu2a3l444hc2/b33dfe2c270f69605a8e63a51b1a1338/Hg\\_2023\\_TCFD.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/4ysK0vf1BXHu2a3l444hc2/b33dfe2c270f69605a8e63a51b1a1338/Hg_2023_TCFD.pdf)

☐ (C) Internal carbon price

☒ (D) Total carbon emissions

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

● (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

[https://assets.ctfassets.net/vjxh3n2vfv4b/4ysK0vf1BXHu2a3l444hc2/b33dfe2c270f69605a8e63a51b1a1338/Hg\\_2023\\_TCFD.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/4ysK0vf1BXHu2a3l444hc2/b33dfe2c270f69605a8e63a51b1a1338/Hg_2023_TCFD.pdf)

☒ (E) Weighted average carbon intensity

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

● (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

[https://assets.ctfassets.net/vjxh3n2vfv4b/4ysK0vf1BXHu2a3l444hc2/b33dfe2c270f69605a8e63a51b1a1338/Hg\\_2023\\_TCFD.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/4ysK0vf1BXHu2a3l444hc2/b33dfe2c270f69605a8e63a51b1a1338/Hg_2023_TCFD.pdf)

☐ (F) Avoided emissions

☐ (G) Implied Temperature Rise (ITR)

☐ (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals

☐ (I) Proportion of assets or other business activities aligned with climate-related opportunities

☒ (J) Other metrics or variables

Specify:

Metrics and methodology were disclosed in our client ESG reports (at fund level) available for hg clients only on our Investor Portal (Investran DX) : (<https://services-uk.sungarddx.com/LogOn/?redirectUrl=%252F>).

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

- (1) Metric or variable used
- (2) Metric or variable used and disclosed

● (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

[https://assets.ctfassets.net/vjxh3n2vfv4b/4ysK0vf1BXHu2a3l444hc2/b33dfe2c270f69605a8e63a51b1a1338/Hg\\_2023\\_TCFD.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/4ysK0vf1BXHu2a3l444hc2/b33dfe2c270f69605a8e63a51b1a1338/Hg_2023_TCFD.pdf)

- (K) Our organisation did not use or publicly disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, did your organisation publicly disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?**

☒ **(A) Scope 1 emissions**

(1) Indicate whether this metric was disclosed, including the methodology

- (1) Metric disclosed

☒ **(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

[https://assets.ctfassets.net/vjxh3n2vfv4b/iEBLh0RpXUluNxWEilxYM/1e20181af8d754340064ae6ffd812277/2023\\_Carbon\\_Footprint.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/iEBLh0RpXUluNxWEilxYM/1e20181af8d754340064ae6ffd812277/2023_Carbon_Footprint.pdf)

☒ **(B) Scope 2 emissions**

(1) Indicate whether this metric was disclosed, including the methodology

- (1) Metric disclosed

☒ **(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

[https://assets.ctfassets.net/vjxh3n2vfv4b/iEBLh0RpXUluNxWEilxYM/1e20181af8d754340064ae6ffd812277/2023\\_Carbon\\_Footprint.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/iEBLh0RpXUluNxWEilxYM/1e20181af8d754340064ae6ffd812277/2023_Carbon_Footprint.pdf)

☒ **(C) Scope 3 emissions (including financed emissions)**

(1) Indicate whether this metric was disclosed, including the methodology

- (1) Metric disclosed

☒ **(2) Metric and methodology disclosed**

(2) Provide links to the disclosed metric and methodology, as applicable

[https://assets.ctfassets.net/vjxh3n2vfv4b/iEBLh0RpXUluNxWEilxYM/1e20181af8d754340064ae6ffd812277/2023\\_Carbon\\_Footprint.pdf](https://assets.ctfassets.net/vjxh3n2vfv4b/iEBLh0RpXUluNxWEilxYM/1e20181af8d754340064ae6ffd812277/2023_Carbon_Footprint.pdf)

- (D) Our organisation did not publicly disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

## SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?**

☒ **(A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities**

- (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

**Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?**

- ☒ (A) The UN Sustainable Development Goals (SDGs) and targets
- ☒ (B) The UNFCCC Paris Agreement
- ☒ (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- ☒ (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (E) The EU Taxonomy
- ☐ (F) Other relevant taxonomies
- ☒ (G) The International Bill of Human Rights
- ☐ (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (I) The Convention on Biological Diversity
- ☒ (J) Other international framework(s)  
Specify:  
  
[https://sciencebasedtargets.org/resources/files/Hg\\_final.pdf](https://sciencebasedtargets.org/resources/files/Hg_final.pdf)  
<https://www.netzeroassetmanagers.org/signatories/hg/>
- ☐ (K) Other regional framework(s)
- ☐ (L) Other sectoral/issue-specific framework(s)
  - (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

**What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?**

- ☒ (A) Identify sustainability outcomes that are closely linked to our core investment activities
- ☒ (B) Consult with key clients and/or beneficiaries to align with their priorities
- ☐ (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- ☐ (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- ☒ (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- ☒ (F) Understand the geographical relevance of specific sustainability outcome objectives
- ☐ (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?**

- ☒ (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- ☐ (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities



# PRIVATE EQUITY (PE)

## POLICY

### INVESTMENT GUIDELINES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 1	CORE	OO 21	N/A	PUBLIC	Investment guidelines	1 to 6

What private equity-specific ESG guidelines are currently covered in your organisation's responsible investment policy(ies)?

- ☒ (A) Guidelines on our ESG approach tailored to the sector(s) and geography(ies) where we invest
- ☒ (B) Guidelines on our ESG approach tailored to the strategy(ies) and company stage(s) where we invest, e.g. venture capital, buy-out and distressed
- ☒ (C) Guidelines on pre-investment screening
- ☒ (D) Guidelines on minimum ESG due diligence requirements
- ☒ (E) Guidelines on our approach to ESG integration into short-term or 100-day plans (or equivalent)
- ☒ (F) Guidelines on our approach to ESG integration into long-term value-creation efforts
- ☒ (G) Guidelines on our approach to monitoring ESG risks, ESG opportunities and ESG incidents
- ☒ (H) Guidelines on our approach to ESG reporting
- ☐ (I) Our responsible investment policy(ies) does not cover private equity-specific ESG guidelines

## FUNDRAISING

### COMMITMENTS TO INVESTORS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 2	CORE	OO 21	N/A	PUBLIC	Commitments to investors	1, 4

For all of the funds that you closed during the reporting year, what type of formal responsible investment commitments did you make in Limited Partnership Agreements (LPAs), side letters or other constitutive fund documents?

- ☒ (A) We incorporated responsible investment commitments in LPAs (or equivalent) as a standard default procedure
- ☐ (B) We added responsible investment commitments in LPAs (or equivalent) upon clients' request
- ☐ (C) We added responsible investment commitments in side letters upon clients' request
- ☐ (D) We did not make any formal responsible investment commitments for the relevant reporting year
- ☐ (E) Not applicable; we have not raised funds in the last five years

## PRE-INVESTMENT

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 3	CORE	OO 21	PE 3.1	PUBLIC	Materiality analysis	1

During the reporting year, how did you conduct ESG materiality analysis for your potential private equity investments?

- ☐ (A) We assessed ESG materiality at the portfolio company level, as each case is unique
- ☒ (B) We performed a mix of industry-level and portfolio company-level ESG materiality analyses
  - Select from dropdown list
  - ☒ (1) for all of our potential private equity investments
    - ☐ (2) for the majority of our potential private equity investments
    - ☐ (3) for a minority of our potential private equity investments
  - ☐ (C) We assessed ESG materiality at the industry level only
  - ☐ (D) We did not conduct ESG materiality analyses for our potential private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 3.1	CORE	PE 3	N/A	PUBLIC	Materiality analysis	1

During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential private equity investments?

- ☒ (A) We used GRI standards to inform our private equity ESG materiality analysis
- ☒ (B) We used SASB standards to inform our private equity ESG materiality analysis
- ☒ (C) We used the UN Sustainable Development Goals (SDGs) to inform our private equity ESG materiality analysis
- ☐ (D) We used environmental and social factors detailed in the IFC Performance Standards (or other similar standards used by development-focused financial institutions) in our private equity ESG materiality analysis
- ☒ (E) We used climate disclosures, such as the TCFD recommendations or other climate risk and/or exposure analysis tools, to inform our private equity ESG materiality analysis
- ☒ (F) We used the UN Guiding Principles on Business and Human Rights (UNGPs) to inform our private equity ESG materiality analysis
- ☒ (G) We used geopolitical and macro-economic considerations in our private equity ESG materiality analysis
- ☒ (H) We engaged with the prospective portfolio company to inform our private equity ESG materiality analysis
- ☒ (I) Other

Specify:

We used media reviews and peer analysis.

## DUE DILIGENCE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 4	CORE	OO 21	N/A	PUBLIC	Due diligence	1

During the reporting year, how did material ESG factors influence the selection of your private equity investments?

☒ (A) Material ESG factors were used to identify risks

Select from dropdown list

- ☒ (1) for all of our potential private equity investments
- ☐ (2) for the majority of our potential private equity investments
- ☐ (3) for a minority of our potential private equity investments

☒ (B) Material ESG factors were discussed by the investment committee (or equivalent)

Select from dropdown list

- ☒ (1) for all of our potential private equity investments
- ☐ (2) for the majority of our potential private equity investments
- ☐ (3) for a minority of our potential private equity investments

☒ (C) Material ESG factors were used to identify remedial actions for our 100-day plans (or equivalent)

Select from dropdown list

- ☒ (1) for all of our potential private equity investments
- ☐ (2) for the majority of our potential private equity investments
- ☐ (3) for a minority of our potential private equity investments

☒ (D) Material ESG factors were used to identify opportunities for value creation

Select from dropdown list

- ☒ (1) for all of our potential private equity investments
- ☐ (2) for the majority of our potential private equity investments
- ☐ (3) for a minority of our potential private equity investments

☐ (E) Material ESG factors informed our decision to abandon potential investments in the due diligence phase in cases where ESG risks were considered too high to mitigate

☒ (F) Material ESG factors impacted investments in terms of the price offered and/or paid

Select from dropdown list

- ☐ (1) for all of our potential private equity investments
- ☐ (2) for the majority of our potential private equity investments
- ☒ (3) for a minority of our potential private equity investments

☐ (G) Material ESG factors did not influence the selection of our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 5	CORE	OO 21	N/A	PUBLIC	Due diligence	1

Once material ESG factors have been identified, what processes do you use to conduct due diligence on these factors for potential private equity investments?

☒ (A) We do a high-level or desktop review using an ESG checklist for initial red flags

Select from dropdown list

- ☒ (1) for all of our potential private equity investments
- ☐ (2) for a majority of our potential private equity investments
- ☐ (3) for a minority of our potential private equity investments

☒ (B) We send detailed ESG questionnaires to target companies

Select from dropdown list

- ☒ (1) for all of our potential private equity investments

- (2) for a majority of our potential private equity investments
- (3) for a minority of our potential private equity investments
- ☒ **(C) We hire third-party consultants to do technical due diligence on specific material ESG factors**  
Select from dropdown list
  - (1) for all of our potential private equity investments
  - (2) for a majority of our potential private equity investments
  - **(3) for a minority of our potential private equity investments**
- ☒ **(D) We conduct site visits**  
Select from dropdown list
  - (1) for all of our potential private equity investments
  - **(2) for a majority of our potential private equity investments**
  - (3) for a minority of our potential private equity investments
- ☒ **(E) We conduct in-depth interviews with management and/or personnel**  
Select from dropdown list
  - **(1) for all of our potential private equity investments**
  - (2) for a majority of our potential private equity investments
  - (3) for a minority of our potential private equity investments
- ☒ **(F) We conduct detailed external stakeholder analyses and/or engagement**  
Select from dropdown list
  - **(1) for all of our potential private equity investments**
  - (2) for a majority of our potential private equity investments
  - (3) for a minority of our potential private equity investments
- ☒ **(G) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as other key due diligence, e.g. commercial, accounting and legal**  
Select from dropdown list
  - **(1) for all of our potential private equity investments**
  - (2) for a majority of our potential private equity investments
  - (3) for a minority of our potential private equity investments
- ☒ **(H) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence, e.g. commercial, accounting, and legal**  
Select from dropdown list
  - **(1) for all of our potential private equity investments**
  - (2) for a majority of our potential private equity investments
  - (3) for a minority of our potential private equity investments
- ☐ (I) Other
- (J) We do not conduct due diligence on material ESG factors for potential private equity investments

## POST-INVESTMENT

### MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 6	CORE	OO 21	PE 6.1	PUBLIC	Monitoring	1

During the reporting year, did you track one or more KPIs on material ESG factors across your private equity investments?

- ☒ **(A) Yes, we tracked KPIs on environmental factors**  
Percentage of portfolio companies this applies to:
  - (1) >0 to 10%
  - (2) >10 to 50%
  - (3) >50 to 75%
  - (4) >75 to 95%
  - **(5) >95%**
- ☒ **(B) Yes, we tracked KPIs on social factors**  
Percentage of portfolio companies this applies to:
  - (1) >0 to 10%

- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

☒ (C) Yes, we tracked KPIs on governance factors

Percentage of portfolio companies this applies to:

- (1) >0 to 10%
- (2) >10 to 50%
- (3) >50 to 75%
- (4) >75 to 95%
- (5) >95%

- (D) We did not track KPIs on material ESG factors across our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 7	CORE	OO 21	PE 7.1	PUBLIC	Monitoring	1, 2

**What processes do you have in place to support meeting your targets on material ESG factors for your private equity investments?**

☒ (A) We use operational-level benchmarks to assess and analyse the performance of portfolio companies against sector performance

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

☒ (B) We implement international best practice standards, such as the IFC Performance Standards, to guide ongoing assessments and analyses

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

☐ (C) We implement certified environmental and social management systems across our portfolio

☒ (D) We make sufficient budget available to ensure that the systems and procedures needed are established

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

☒ (E) We hire external verification services to audit performance, systems, and procedures

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

☐ (F) We conduct ongoing engagement with all key stakeholders at the portfolio company level, e.g. local communities, NGOs, governments, and end-users

☒ (G) We implement 100-day plans, ESG roadmaps and similar processes

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

☒ (H) Other

Specify:

We conduct a comprehensive ESG assessment as part of onboarding and annually. The assessment is tailored to the sectors we invest in (tech and services businesses), please see our Responsible Investment policy and annual ESG report for further details.  
<https://hgcapi.com/approach/responsible-investing>

Select from dropdown list

- (1) for all of our private equity investments
- (2) for a majority of our private equity investments

- (3) for a minority of our private equity investments
- (I) We do not have processes in place to help meet our targets on material ESG factors for our private equity investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PE 9	CORE	OO 21	N/A	PUBLIC	Monitoring	1, 2
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**Post-investment, how do you manage material ESG risks and ESG opportunities to create value during the holding period of your investments?**

☒ **(A) We develop company-specific ESG action plans based on pre-investment research, due diligence and materiality findings**

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

☒ **(B) We adjust our ESG action plans based on performance monitoring findings at least yearly**

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

☒ **(C) We, or the external advisors that we hire, support our private equity investments with specific ESG value-creation opportunities**

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

☒ **(D) We engage with the board to manage ESG risks and ESG opportunities post-investment**

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

☒ **(E) Other**

Specify:

We create dashboards and ESG Board Reports for each port co at least annually. These are available for all Hg staff to access.

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments
- (F) We do not manage material ESG risks and opportunities post-investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PE 12	CORE	OO 21	PE 12.1	PUBLIC	Monitoring	1, 2
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**How do you ensure that adequate ESG-related competence exists at the portfolio company level?**

☒ **(A) We assign the board responsibility for ESG matters**

Select from dropdown list

- ☒ **(1) for all of our private equity investments**
- (2) for a majority of our private equity investments
- (3) for a minority of our private equity investments

☒ **(B) We ensure that material ESG matters are discussed by the board at least yearly**

Select from dropdown list

- (1) for all of our private equity investments
  - (2) for a majority of our private equity investments
  - (3) for a minority of our private equity investments
- ☒ (C) We provide training on ESG aspects and management best practices relevant to the portfolio company to C-suite executives only
  - Select from dropdown list
    - (1) for all of our private equity investments
    - (2) for a majority of our private equity investments
    - (3) for a minority of our private equity investments
- ☒ (D) We provide training on ESG aspects and management best practices relevant to the portfolio company to employees (excl. C-suite executives)
  - Select from dropdown list
    - (1) for all of our private equity investments
    - (2) for a majority of our private equity investments
    - (3) for a minority of our private equity investments
- ☒ (E) We support the portfolio company in developing and implementing its ESG strategy
  - Select from dropdown list
    - (1) for all of our private equity investments
    - (2) for a majority of our private equity investments
    - (3) for a minority of our private equity investments
- ☒ (F) We support portfolio companies by finding external ESG expertise, e.g. consultants or auditors
  - Select from dropdown list
    - (1) for all of our private equity investments
    - (2) for a majority of our private equity investments
    - (3) for a minority of our private equity investments
- ☒ (G) We share best practices across portfolio companies, e.g. educational sessions or the implementation of environmental and social management systems
  - Select from dropdown list
    - (1) for all of our private equity investments
    - (2) for a majority of our private equity investments
    - (3) for a minority of our private equity investments
- ☐ (H) We include penalties or incentives to improve ESG performance in management remuneration schemes
- ☒ (I) Other
  - Specify:
 

We have an online community platform dedicated to ESG topics (as well as Legal, HR etc). Furthermore, we host online webinars ('hangouts') for our port co's to cover and give guidance on various topics e.g. Setting Science Based Targets and Carbon Footprinting. We also host an annual ESG Forum, for all port cos, where we invite various industry experts as speakers.
  - Select from dropdown list
    - (1) for all of our private equity investments
    - (2) for a majority of our private equity investments
    - (3) for a minority of our private equity investments
- (J) We do not ensure that adequate ESG-related competence exists at the portfolio company level

## EXIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 13	CORE	OO 21	N/A	PUBLIC	Exit	4, 6

During the reporting year, what responsible investment information was shared with potential buyers of private equity investments?

- ☒ (A) Our firm's high-level commitment to responsible investment, e.g. that we are a PRI signatory
  - Select from dropdown list
    - (1) for all of our private equity investments
    - (2) for a majority of our private equity investments
    - (3) for a minority of our private equity investments

- ☒ **(B) A description of what industry and asset class standards our firm aligns with, e.g. TCFD**  
 Select from dropdown list  
☒ **(1) for all of our private equity investments**  
☐ (2) for a majority of our private equity investments  
☐ (3) for a minority of our private equity investments
- ☒ **(C) Our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)**  
 Select from dropdown list  
☒ **(1) for all of our private equity investments**  
☐ (2) for a majority of our private equity investments  
☐ (3) for a minority of our private equity investments
- ☒ **(D) Our firm's ESG risk assessment methodology (topics covered in-house and/or with external support)**  
 Select from dropdown list  
☒ **(1) for all of our private equity investments**  
☐ (2) for a majority of our private equity investments  
☐ (3) for a minority of our private equity investments
- ☒ **(E) The outcome of our latest ESG risk assessment on the asset or portfolio company**  
 Select from dropdown list  
☐ (1) for all of our private equity investments  
☒ **(2) for a majority of our private equity investments**  
☐ (3) for a minority of our private equity investments
- ☒ **(F) Key ESG performance data on the asset or portfolio company being sold**  
 Select from dropdown list  
☐ (1) for all of our private equity investments  
☒ **(2) for a majority of our private equity investments**  
☐ (3) for a minority of our private equity investments
- ☐ (G) Other  
☐ (H) No responsible investment information was shared with potential buyers of private equity investments during the reporting year  
☐ (I) Not applicable; we had no sales process (or control over the sales process) during the reporting year

## DISCLOSURE OF ESG PORTFOLIO INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PE 14	CORE	OO 21	N/A	PUBLIC	Disclosure of ESG portfolio information	6

During the reporting year, how did you report your targets on material ESG factors and related data to your investors?

- ☒ **(A) We used a publicly disclosed sustainability report**  
☒ **(B) We reported in aggregate through formal reporting to investors**  
☒ **(C) We reported at the portfolio company level through formal reporting to investors**  
☒ **(D) We reported through a limited partners advisory committee (or equivalent)**  
☒ **(E) We reported back at digital or physical events or meetings with investors**  
☒ **(F) We had a process in place to ensure that reporting on serious ESG incidents occurred**  
☒ **(G) Other**  
 Specify:

Specific fund-level ESG Reports, covering every portfolio company held in by a fund.

- ☐ (H) We did not report our targets on material ESG factors and related data to our investors during the reporting year



# SUSTAINABILITY OUTCOMES (SO)

## SETTING TARGETS AND TRACKING PROGRESS

### SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

☒ **(A) Sustainability outcome #1**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

☐ (1) The UN Sustainable Development Goals (SDGs) and targets

☒ **(2) The UNFCCC Paris Agreement**

☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)

☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

☐ (5) The EU Taxonomy

☐ (6) Other relevant taxonomies

☐ (7) The International Bill of Human Rights

☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

☐ (9) The Convention on Biological Diversity

☐ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

☒ **(1) Environmental**

☐ (2) Social

☐ (3) Governance-related

☐ (4) Other

(3) Sustainability outcome name

NZAM AUM Commitment

(4) Number of targets set for this outcome

☐ (1) No target

☒ **(2) One target**

☐ (3) Two or more targets

☒ **(B) Sustainability outcome #2**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

☐ (1) The UN Sustainable Development Goals (SDGs) and targets

☒ **(2) The UNFCCC Paris Agreement**

☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)

☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

☐ (5) The EU Taxonomy

☐ (6) Other relevant taxonomies

☐ (7) The International Bill of Human Rights

☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

☐ (9) The Convention on Biological Diversity

☐ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

☒ (1) Environmental

☐ (2) Social

☐ (3) Governance-related

☐ (4) Other

(3) Sustainability outcome name

NZAM portfolio emissions

(4) Number of targets set for this outcome

☐ (1) No target

☒ (2) One target

☐ (3) Two or more targets

☐ (C) Sustainability outcome #3

☐ (D) Sustainability outcome #4

☐ (E) Sustainability outcome #5

☐ (F) Sustainability outcome #6

☐ (G) Sustainability outcome #7

☐ (H) Sustainability outcome #8

☐ (I) Sustainability outcome #9

☐ (J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1:	NZAM AUM Commitment
(1) Target name	NZAM AUM Commitment
(2) Baseline year	2021
(3) Target to be met by	2050
(4) Methodology	SBTi PC
(5) Metric used (if relevant)	% of AUM managed in line with net zero
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	In 2021, Hg set an NZAMi commitment to manage its AUM in line with Net Zero ambitions. Before our commitment was made in 2021, 0% of our AUM was managed in line with Net Zero.

(8) Target level or amount (if relevant)	85%
(9) Percentage of total AUM covered in your baseline year for target setting	85%
(10) Do you also have a longer-term target for this?	(2) No
<b>(B1) Sustainability Outcome #2: Target details</b>	
(B1) Sustainability Outcome #2:	NZAM portfolio emissions
(1) Target name	NZAM portfolio emissions
(2) Baseline year	2021
(3) Target to be met by	2040
(4) Methodology	SBTi Portfolio Coverage Methodology
(5) Metric used (if relevant)	Invested capital with SBTs / Total invested capital
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	0% of investee companies with SBT
(8) Target level or amount (if relevant)	100% of portfolio companies with approved science-based targets by 2040
(9) Percentage of total AUM covered in your baseline year for target setting	85%
(10) Do you also have a longer-term target for this?	(1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2.1	PLUS	SO 1, SO 2	N/A	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your long-term targets.

	(1) Target name	(2) Long-term target to be met by	(3) Long-term target level or amount (if relevant)
(B1) Sustainability Outcome #2: NZAM portfolio emissions	NZAM portfolio emissions	2050	As per our NZAM commitment, we commit to 85% assets under management to be managed in line with Net Zero by 2050.

## FOCUS: SETTING NET-ZERO TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 1	Multiple, see guidance	PUBLIC	Focus: Setting net-zero targets	General

If relevant to your organisation, you can opt-in to provide further details on your net-zero targets.

- ☒ (A) Yes, we would like to provide further details on our organisation's asset class-specific net-zero targets
- ☐ (B) Yes, we would like to provide further details on our organisation's net-zero targets for high-emitting sectors
- ☐ (C) Yes, we would like to provide further details on our organisation's mandate or fund-specific net-zero targets
- ☐ (D) No, we would not like to provide further details on our organisation's asset class, high-emitting sectors or mandate or fund-specific net-zero targets
- ☐ (E) No, our organisation does not have any asset class, high-emitting sectors or mandate or fund-specific net-zero targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
NZAM 1	PLUS	NZAM, SO 3	SO 3.1, SO 3.2	PUBLIC	Focus: Setting net-zero targets	General

Select the relevant asset class breakdown for your organisation to report on your net-zero targets.

- ☒ (A) PRI's standard asset class breakdown
- ☐ (B) Asset class breakdown as per the NZAOA's Target Setting Protocol

## TRACKING PROGRESS AGAINST TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

**Does your organisation track progress against your nearest-term sustainability outcomes targets?**

### (A1) Sustainability outcome #1:

(A1) Sustainability outcome #1:	NZAM AUM Commitment
Target name:	NZAM AUM Commitment
Does your organisation track progress against your nearest-term sustainability outcome targets?	(1) Yes

### (B1) Sustainability outcome #2:

(B1) Sustainability outcome #2:	NZAM portfolio emissions
Target name:	NZAM portfolio emissions
Does your organisation track progress against your nearest-term sustainability outcome targets?	(1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

**During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?**

### (A1) Sustainability Outcome #1: Target details

(A1) Sustainability Outcome #1:	NZAM AUM Commitment
(1) Target name	NZAM AUM Commitment

(2) Target to be met by	2050
(3) Metric used (if relevant)	% of AUM managed in line with net zero
(4) Current level or amount (if relevant)	Through NZAMi, Hg initially committed that 85% of AUM was to be managed in line with Net Zero. Hg has set science-based targets in line with the SBTi guidance for private equity. The current level is 13% AUM managed in line with Net Zero, as 4 portfolio companies have had targets validated by the SBTi as of 31 March 2024.
(5) Other qualitative or quantitative progress	
(6) Methodology for tracking progress	SBTi's PE standard
<b>(B1) Sustainability Outcome #2: Target details</b>	
(B1) Sustainability Outcome #2:	NZAM portfolio emissions
(1) Target name	NZAM portfolio emissions
(2) Target to be met by	2040
(3) Metric used (if relevant)	Invested capital with SBTs / Total invested capital
(4) Current level or amount (if relevant)	As of end March 2024, 13% of portfolio portfolio companies have had science-based targets approved by the SBTi.
(5) Other qualitative or quantitative progress	In 2023/24, four additional portfolio companies formally committed to setting SBTs, two of which set targets in the same year. In FY24, we will focus our efforts to encourage portfolio companies who have committed to set SBTs. We expect 9 portfolio companies to set SBTs by FY27 (2026/27), which would likely enable Hg to meet its interim target of 26% invested capital with approved SBTs by FY27.
(6) Methodology for tracking progress	SBTi's PE standard (Portfolio Coverage Methodology)

# CONFIDENCE-BUILDING MEASURES (CBM)

## CONFIDENCE-BUILDING MEASURES

### APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

#### How did your organisation verify the information submitted in your PRI report this reporting year?

- ☐ (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- ☐ (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- ☒ (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- ☒ (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- ☐ (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- ☐ (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- ☒ (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- ☐ (H) We did not verify the information submitted in our PRI report this reporting year

## INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

#### What responsible investment processes and/or data were audited through your internal audit function?

- ☒ (A) Policy, governance and strategy  
Select from dropdown list:
  - ☐ (1) Data internally audited
  - ☐ (2) Processes internally audited
  - ☒ (3) Processes and data internally audited
- ☒ (E) Private equity  
Select from dropdown list:
  - ☐ (1) Data internally audited
  - ☐ (2) Processes internally audited
  - ☒ (3) Processes and data internally audited

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 5	PLUS	CBM 1	N/A	PUBLIC	Internal audit	6

**Provide details of the internal audit process regarding the information submitted in your PRI report.**

The internal audit process of the information submitted in the UNPRI report is conducted through reviews by five key functions : 1) Marketing, 2) Legal, 3) Compliance, 4) Client Services, 5) ESG (Chief Sustainability Officer). The final report is signed off by one of our Partners who also sits on HgCapital LLP's Board. Data from our internal ESG assessments and carbon footprinting of portfolio companies is reviewed by Hg's ESG team and occasionally by external providers.

## INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

**Who in your organisation reviewed the responses submitted in your PRI report this year?**

☒ **(A) Board, trustees, or equivalent**

Sections of PRI report reviewed

☒ **(1) the entire report**

☐ (2) selected sections of the report

☒ **(B) Senior executive-level staff, investment committee, head of department, or equivalent**

Sections of PRI report reviewed

☒ **(1) the entire report**

☐ (2) selected sections of the report

☐ (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year