



D&I Annual Report

31 March 2023





D&I at Hg

“As Managing Partner, I am committed to a culture of diversity and inclusion. Not only because it is right, but because it is fundamental to our success as a firm. We take complex investment decisions, committing the capital of pensioners and endowments over many years and to do that well requires a breadth of skills, experience and capabilities. This breadth also means that we are better attuned to the needs of our stakeholders, including the tens of thousands of employees working in our portfolio, those invested with our clients, and the communities in which we operate. We seek to foster our firm culture to be a place where every employee feels valued, respected, and empowered to be themselves – if we get that right, we can all thrive.

This means an environment where everyone has equal access to opportunities for progression, feels supported in their development, and feels like they belong. Hg works at the intersection of finance and technology, sectors that have needed to invest in D&I and while it is nice to be recognised externally and to have metrics that show progress, we are constantly striving to improve. The acid test for us is feedback from our employees, our clients and our portfolio leaders on what is working, what can improve and then acting on it.”



This is Hg's third report on D&I, covering the financial year ending March 2023. We report our progress annually.

Notable achievements in our journey over the last 5 years



2019

Our D&I strategy and efforts are formalised, strategy included specific ambitions set by the Hg Board to better drive and measure progress.



2020

We launched our D&I Steering Group which reports directly to the Board and aims to lay the foundations for a fully inclusive culture and environment at Hg, where all diversity is welcomed, encouraged and celebrated. They have been working hard alongside the wider business since inception to ensure that progress is made each day.



2021

Our initial ambition was to reach more than 30% female executives by March 2021, and more than 35% by March 2022. We achieved both ambitions.

This year we also proudly onboarded one of Europe’s largest Analyst & Associate cohorts in Private Equity, which is the most diverse we have had at Hg; consisting of 54% women and 54% ethnic minorities.



2022

At the start of 2022, we challenged ourselves further and set ambitions to improve ethnic diversity within Hg, which is also being tracked at Board level. We have achieved 23% ethnic diversity across our UK and US offices. We have also focused on increasing and measuring socioeconomic diversity within our organisation and are actively looking to increase representation.



2023

Alongside our efforts to increase awareness and education on key D&I topics, we have introduced an employee engagement tool, Peakon, that measures employee perceptions of our efforts to maintain a diverse workforce and create an environment where every individual feels included. We are pleased to report strong eNPS scores across inclusiveness and non-discrimination within our firm.



D&I at Hg

Attracting diverse talent and creating an inclusive process

Recruitment Summary

At Hg, we are dedicated to attracting the best and diverse talent, and our inclusive hiring practices are integral to our success. We actively promote diversity and inclusion through targeted outreach, diversity recruitment events, encouraging referrals, and partnerships with organisations such as 10,000 Black Interns, SEO, LGBT Great and others that advocate for underrepresented groups. Our goal is to ensure that our candidate pool is diverse and representative of the societies in which we operate.

Note that the above figures are % of total hires. Given the provision of diversity data is voluntarily (current response rate of c. 84%; we expect the reality to be higher than shared).

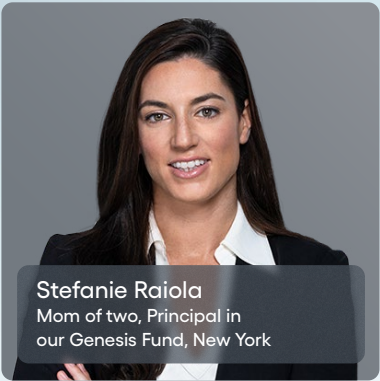
We have a rigorous assessment process that identifies top talent. Our multi-faceted approach includes comprehensive interviews, skills assessments, and situational exercises to thoroughly evaluate candidates’ skills, experience, values and potential. This process allows us to select the best fit for Hg and ensure that our hires are set up for success.

In line with our commitment to diversity, our assessment process is designed to be free from bias and discrimination. We use structured interview techniques, diverse selection panels where possible, and provide unconscious bias training to our hiring managers to ensure that our hiring decisions are as fair and inclusive, embracing different perspectives, as they can be.

Our commitment to recruiting the best and diverse talent has resulted in a highly skilled and diverse workforce that contributes to our organisational success, innovation, and growth.

Our diverse talent pool brings different perspectives, experiences, and ideas, which enhances our ability to achieve our business goals. The results speak for themselves, as our recruitment efforts have led to increased organisational success and a workforce that is reflective of our commitment to diversity and inclusion – however the work doesn’t stop here; we want and need to continue to make strides in this space, particularly in senior level representation.

Attracting diverse talent and creating an inclusive process



Stefanie Raiola
Mom of two, Principal in
our Genesis Fund, New York

“Hg is not only a sensitive and equitable place for women to work, but it is also an amazing place for moms. Hg recognizes that being a mother is also an important job and that working mothers face unique challenges, especially within demanding industries. The firm has implemented policies and practices that support and accommodate working mothers, such as flexible work arrangements and generous maternity leave benefits. Most importantly, Hg has fostered a culture where working mothers feel valued, heard, and respected, creating an environment where I can thrive as both a professional and a mother.”



Case Study: #10,000 Black Interns

The #10,000 Black Interns initiative was created by a group of leading players in investment management to address the chronic under-representation of black talent in the sector. Over the last 3 years we have offered 9 internships and are expecting a further 3 interns this year. We remain excited about this programme as it gives students an insight into private equity and how we work at Hg, increasing their knowledge of careers available to them in the future, whilst also giving us an opportunity to learn from them. During each placement we provide the interns with an internal mentor to help them develop their skillset and knowledge during their time with us and beyond in their future studies and career.

Developing and Engaging our Talent

People experience overview

Our talent having a positive experience at work is crucial to us. We want to retain talent from all walks of life and provide them with equitable opportunities to reach their full potential.

To ensure Hg is a place where everyone can thrive, we have a holistic benefits offering that caters to varying individual needs of our population, some highlights include 26 weeks of fully paid parental leave for all, support with fertility treatment including IVF and mental wellbeing support.

We believe clear career frameworks and transparent assessment processes are fundamental to fair career management, and we build our targeted talent development programmes around this, to support our talent as they develop personally and build their careers with Hg.

We have multiple tailored programmes in place: from supporting our Associates to become ‘expert investors’ to ‘positive power and influence’ programmes for our Principal cohort and an executive mentoring programme to support leaders on a 1-2-1 basis.

Finally, hearing directly from employees on how we are doing on a regular basis is a crucial retention tool. We have recently partnered with Peakon to solicit regular feedback on how we can make Hg an even better place to be for all, and we co-design solutions directly with our employees to drive action plans based on feedback that mean something to our people.

Development and Engagement at a Glance

47%
of our 2023 promotes are women

+40
Overall engagement eNPS

+46
Management support eNPS



Developing and Engaging our Talent



“Hg is committed to offering a competitive and diverse total reward package which is aimed at supporting all employees through different aspects of life. Our pay for performance culture ensures that everyone is rewarded for bringing and delivering their best. Hg’s benefits package is diverse and personalised so that each employee can select what’s best for them. Whether it’s taking care of family or trying to get a new bike for your commute to work, there’s something for everyone. In addition to this, our benefits package is always evolving. We conduct regular surveys to ensure we are listening to our colleagues and delivering a package that is considered valuable to them.”



Case Study

At work, relationship with management is a top factor in job satisfaction and overall wellbeing. We also know managers play a crucial role in engaging and developing their people. This is why in 2022 Hg piloted a new development programme: Leading Others.

Leading Others is a blended learning programme comprising of 360 reviews, psychometrics and live learning experiences followed by apply challenges and group coaching sessions designed to:

- Deepen self-awareness and enhance personal leadership style
- Drive inspiring, inclusive and motivating leadership behaviours
- Promote and support high performance in individuals and diverse teams.

We see this programme as a critical tool in our talent having positive experiences at work and ensuring leaders truly listen to all voices to benefit from the diversity of our teams. With 100% of the pilot cohort willing to recommend the programme to a colleague, we look forward to rolling this out across 2023 and beyond.

Fostering a sense of inclusion and belonging

Inclusive Culture

We believe deeply that our ongoing efforts to foster an inclusive culture at Hg have played a crucial role in our success as a firm. However, we acknowledge that inclusivity is a continuous journey, and we must constantly strive to improve and evolve.

At Hg, we place a strong emphasis on education and awareness. We host various events to educate our employees on topics such as unconscious bias, Black history, and the challenges faced by marginalised groups in the LGBTQ+ community. These events are thought-provoking and emphasize the collective responsibility of all employees in creating an inclusive culture.

We also support the creation of employee resource groups to provide a supportive network for employees based on common interests or backgrounds. We know that an inclusive culture is essential for creating an environment where all employees feel valued, respected, and included, regardless of their background or identity. It fosters diversity of thought, promotes collaboration, and encourages innovation. We recognize that our efforts to promote inclusivity are an ongoing journey, and we are committed to continuously learning, growing, and creating a culture where everyone can thrive.

We have seen year on year improvement in our diversity stats; and have recently launched Peakon, an employee engagement tool, that allows us to have a regular pulse check on the feeling within our firm; we can view this through multiple lenses including a specific focus on diversity.

We are proud of our commitment to inclusivity at Hg, but we also recognise that we must remain humble, open to feedback, and committed to continuous improvement in our pursuit of an inclusive culture.

Our FY23 diversity stats

38%

of Investment Exec team identify as female

48

different nationalities across the firm

23%

of Hg identify as ethnic minorities*

4%

of Hg identify as LGBTQ+*

Note that the above figures are % of total employees. Given the provision of diversity data is voluntarily (current response rate of c. 91%); we expect the reality to be higher than shared.

* Please note we cannot collect this information outside of the UK and US.





D&I at Hg

Fostering a sense of inclusion and belonging



“Prioritising people experience is driven by a desire to create the conditions where everyone – regardless of individual differences – can thrive, it ultimately leads to greater engagement, productivity, and growth. At the core of what we do, we must always think through the lens of our diverse employee population to ensure that we are creating an inclusive workplace that attracts and retains top talent and delivers exceptional results for our clients”

D&I highlights at Hg

Our Partnerships:



Bloss.m: b.Inspired Mentoring Programme

We partnered with Bloss.m in 2022 to launch a women-only mentoring programme that has paired 35 women from across Hg with mentees from underprivileged socioeconomic backgrounds.

We took time to understand each mentee's career aspirations and goals for the programme to allow us to match them with a mentor suited well to their needs, with the right experience to support them as they develop professionally and personally.

We wanted to go beyond providing mentors for these talented individuals, and so since partnering with Bloss.m we have run a series of workshops to bring the group together to build connections and learn new skills. Workshops such as 'How to Ace an Interview' with a specific focus on Investment Banking, Consulting and Private Equity, have been well received, and we hope helpful as the mentees aspire to join these industries. The partnership has been a success and we look forward to working with the next group of mentees in 2023.



SEO: Alternative Investments Programme

Sponsoring opportunity in alternative investments

We partner with SEO London on their Alternative Investment Programme that equips underrepresented groups for careers in the alternative investment space. This programme is characterised by outreach, training, mentoring, community service and ongoing career support to target groups including ethnic minorities and individuals from a lower socioeconomic background.

We are delighted to have committed to this partnership for a minimum of 5 years to address the underrepresentation of these groups within our industry and many executives across our firm from Associate to Senior Partner have worked closely with SEO to drive the programme forward.

The programme includes a range of impactful initiatives from hosting interview workshops to help SEO candidates prepare for investment case studies to running a "Demystifying the City" week where year 12 students are exposed to potential career pathways in the city, broadening their horizons.



Harnessing and realising the value of diversity of thought

Allowing innovation, creativity and productivity to thrive

We invested in a psychometric tool called Insights Discovery and rolled it out across the entire firm. It's designed to help people understand their personal style, how they like to interact with others and how they make decisions. By improving their understanding of themselves, it helps people to perform at their highest level. People can then easily adapt and connect with those who have a different personal style to their own. This helps to avoid the kind of clashes that you might find in organisations and leads to improved effectiveness, improved understanding and interpersonal relationships. Ultimately, it leads to a workplace where innovation, creativity and productivity can thrive. Insights Discovery will allow every individual within the firm to benefit from its features and make it easier to fully appreciate the many diverse personal styles of employees across our organisation.

D&I in Hg Portfolio Companies

An example of D&I in Hg's Portfolio

Visma

Visma is one of Europe's leading software companies, providing business optimization and management tools to the private and public sectors in Europe and Latin America. The Group covers a wide range of business areas, including accounting, financial management, procurement, HR and payroll, e-government, school administration, and welfare. At Visma, sustainability is all about people: how they take care of their employees, how they help their customers, and how they support the societies they operate in. The more employees complement each other, the more effective and adaptable Visma can be.

In Visma's group of 170 software companies, diversity is not only about gender, ethnicity, and sexual orientation. It is also about making the most of each other's strengths, perspectives, and opinions – regardless of age, physical and/or mental abilities, educational background, and life experiences.

Visma believes that building a software powerhouse is only possible if it:

- Actively works to close the gender gap.
- Is aware of and manages the impact of biases.
- Appreciates and utilises people's uniqueness.
- Has zero tolerance for discrimination of any kind
- Takes into account that diversity is much more than gender.

You can only manage what you measure

As part of its monthly employee engagement survey, Visma asks its employees how they perceive Diversity and Inclusion across the group. In February 2023, Visma's Diversity and Inclusion index (measured as a D&I Net Promoter Score) was 62. This is based on a scale from -100 to +100. The score puts Visma in the top 10% of tech companies, according to the benchmarks provided by the employee survey provider. The index consists of four questions related to employees' experience of diversity, inclusion, and non-discrimination, and provides leaders with real-time data and insights that they can act upon.

How Visma approaches inclusion

To support a more inclusive organization, Visma is providing training to business leaders in inclusive leadership, including exploring conscious and unconscious biases and the impact these can have on decision-making. 'Inclusion' is one of Visma's core values and an important part of the Group's DNA. The organization engages in activities to visualize and learn more about each other's differences to ensure that their teams have complementary strengths, where trust and inclusion are central. This helps to create an engaging and inspiring place to work for their people, as well as create solutions and products that their customers enjoy.



The Hg Foundation

Removing barriers to education and skills in technology

\$14m
committed to date

10,000
students directly supported

The Hg Foundation is funded by Hg through a proportion of carried interest from current and future Hg funds, a proportion of Hg's annual profits and also through charitable activities carried out across the firm.

Hg has pioneered charitable giving in the industry, donating a percentage of carry and partnership profits to charitable causes since the Genesis 6 Fund (2009 vintage) and establishing The Hg Foundation in 2020 to properly scale this activity.



Get in touch with us

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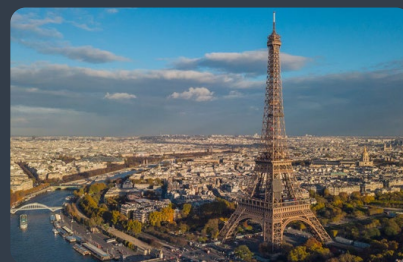
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