



# Diversity and Inclusion at Hg

Report for the year ended 31 March 2022



## Why is diversity and inclusion so important?

Hg believes that having a diverse workforce deepens our talent pool and brings us a wider range of perspectives. It manifests in how we navigate the business world, including the investment decisions we make. As Hg's Senior Partner Nic Humphries said recently: "Diversity is 100% essential and possibly the top priority for our firm" (AICON 2022 Leadership Voices, Tech Investing webinar).

Not only is it fundamentally the right thing to do, we have seen first-hand how diversity and inclusion ('D&I') creates a virtuous cycle: the more diverse and inclusive we are, the more each individual is able to add value. That translates to a greater impact for all stakeholders – investors, portfolio companies, employees and the communities in which we work and live.

D&I has always been important to Hg and in 2019 we began to formalise and communicate our D&I strategy, which included targets to better drive and measure progress. We still have some way to go, but Hg have been taking significant steps since to become a much more diverse and inclusive firm and we remain fully committed to driving change.

This is Hg's second report on D&I, covering the financial year ending March 2022.

We report our progress annually.



### Diversity at Hg

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

This year we have set targets to improve ethnic diversity within Hg, which is being tracked and reviewed at Board level. In addition to this we are looking to increase our socioeconomic diversity, and hope to find a way to track and measure change here in the near term too.

In 2021 we proudly onboarded one of Europe's largest Analyst & Associate cohorts in PE, which is the most diverse we have had at Hg to date; consisting of 54% women and 54% ethnic minorities.

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

“Diversity is 100% essential and possibly the top priority for our firm”

Nic Humphries – Senior Partner & Executive Chair







# D&I at Hg:

## Three areas to drive and measure change



### Recruitment

Recruiting the next generation of exceptional Hg talent is crucial to our success and we recognise that we need to work hard to attract the best talent, and in recent years we have been ensuring we attract a broad range of truly diverse candidates.

We have done this in multiple ways: at our junior levels we have continued to form connections with groups who are traditionally underrepresented within our industry via inclusive recruitment events, industry wide mentorship schemes, providing paid internships and participating in programmes with our trusted partners such as SEO.

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

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

Hg's new Head of Talent Acquisition will be taking our efforts to the next level in 2022.



### Development & Retention

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

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

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

In early 2022 Hg invested in a Head of Talent, who will focus on deepening Hg's approach to the development of world class talent.



### Inclusive Culture

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

In the past 12 months Hg has seen its D&I Steering Group increase in size and reach, with a key focus being engaging employees in education to enhance inclusion. Each year we host multiple educational and awareness events across a range of topics such as managing unconscious bias, Black history and the challenges marginalised groups within the LGBTQ+ community face, these events are always thought provoking and include guidance for employees on how everyone must play a role in ensuring an inclusive culture.

As Hg has become more diverse, we have supported the creation of employee resource groups to foster relationships between employees based on common interests, backgrounds or demographic factors to ensure a support network for all.

Feedback is key to ensuring Hg is a Great Place to Work for everyone and so we run regular employee surveys to solicit candid feedback to discover where we can make material improvements to our culture, with action plans always taking place once feedback is analysed, and in 2021 we were proud to score exceptionally high across all diversity metrics.

Our Partnerships:

**SEO**  
/LONDON



Diversity & Inclusion **Hg**



# D&I in practice at Hg

## Three highlights from the last twelve months

#10000  
BLACK  
INTERNS

### #10,000BlackInterns: eight-week internships

#### Tackling underrepresentation in investment management

The #10,000BlackInterns initiative was created by a group of leading players in investment management to address the chronic under-representation of black talent in the sector. In Summer 2021 Hg worked with the #10,000BlackInterns programme to offer an eight-week internship programme to a group of underrepresented undergraduate students and we are pleased to be expanding the programme for 2022 by tripling the number of internships we are offering. We are 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 Hg is providing 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.

SEO  
/LONDON

### SEO: Alternative Investments Programme Sponsoring opportunity in alternative investments

Hg has partnered 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.

Hg are delighted to have committed to this partnership for the next 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

Hg has 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.



## Progress on Gender Diversity

**35%** female executives

**48%** female employees in total

**44%** of executive hires were female in 2021/22

We're proud to have met our March 2022 target to reach 35% female representation within our executive teams, this figure is up 3% from 12 months ago. 2021 saw Hg hire 44% female executives and we continue to target a 50/50 gender balance in all future recruitment. We have not yet met our 20% senior female executives target but we are striving to get closer year on year and hope to be able to report progress soon. These targets mirror those set by Level 20 – a not-for-profit organisation dedicated to improving gender diversity in the European private equity industry.

## Diversity & Inclusion across our portfolio



This past year we launched a diversity, equity and inclusion ('DEI') Council to support our Portfolio of 43 companies as they strive to become more diverse, equitable and inclusive. This council brings together nine representatives from across our portfolio, creating space for them to discuss, exchange and advance DEI within their businesses.



We have been working closely with our portfolio and The Equality Group to create a DEI best practice toolkit which we are excited to launch in 2022. The toolkit has been built upon success stories, academic research and best-practice examples from the industry. Our vision for this guide is for it to be a practical resource, inspiring our Portfolio to drive meaningful change.

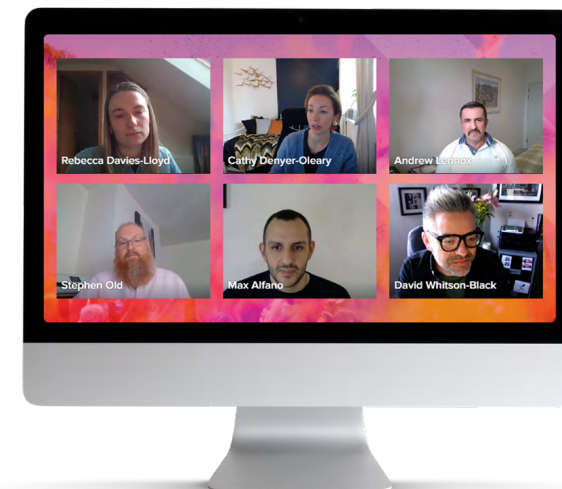


Finally, as part of our promotion of D&I across the portfolio, we hosted our [Equity, Equality and Diversity Summit](#) again in 2021, bringing together 100+ executives to talk about diversity and mental health.

There are many more events planned across 2022.



Hg hosted a Women In Leadership event for our portfolio companies.



Hg hosted its Equity, Equality and Diversity Summit to talk about diversity and mental health.





# Working to drive improvements in the communities in which we operate

## The Hg Foundation<sup>#Hg</sup>

Removing barriers to education & skills in technology

Launched by Hg in July 2020, The Hg Foundation seeks to remove barriers to education and skills in technology to encourage a greater diversity of entrants into tech careers. To achieve this, The Hg Foundation supports the teaching of maths, coding, numeracy and IT support skills to harder-to-reach students in countries where Hg invests.

We team up with experienced and proven partners across Europe and the US, providing funding and operational support where we can demonstrate measurable, long-term and scalable impact. We work with leading researchers to qualify and build the most effective themes and access the best partners.

The Foundation is funded through a proportion of carried interest from current and all future Hg funds and a proportion of Hg's annual profits. We project on average over \$5 million of annual commitments over the first 10 years. It is our ambition to build a portfolio of up to eight 'world class' scalable programmes over the next five years.



**\$8.5m**  
committed



**8**  
partnerships



**+8k**  
students will receive  
targeted support from our  
partner programmes

### Key partnerships:

*Generation*  
FRANCE

Imperial College  
London

**I** Impetus

**merit**  
AMERICA

**SEO Career**  
Tech Developer

**TUM**  
Technische Universität München

**THE  
TUTOR  
TRUST**

**upReach**  
Transforming Social Mobility





“ When starting at Hg, I was inspired by the team’s passion to begin the conversation and drive to create a truly inclusive culture. Not only was I celebrated, but I was also encouraged to share my own truth. This sense of belonging was a huge surprise in an industry not typically associated with inclusion and diversity. ”

**Wesley Dow** – Hg Portfolio Team



“ Hg are tackling D&I in ways that are very authentic to our culture. We have been honest about the challenges and open to ideas both internally and externally. Then we try, learn, improve and, with concrete progress made, hold ourselves to ever higher standards. ”

**Zoe Zhao** – Hg Investment Team



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

**Martina Sanow** – Hg Partner

THE  
PRIVATE  
EQUITY  
AWARDS  
2021

WINNER  
Diversity and Inclusion  
Leader of the Year

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The Equality Group  
Inclusive PE & VC Index:  
Top 3 for 2022



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