Carbon Footprint Report 2025

7,119	17	64
Total tCO_2e emissions in CY2025[1]	tCO_2e per employee	tCO_2e per £bn FUM

Key highlights

CY2025[1] (calendar year 2025) marks Hg's first carbon footprint report on a calendar year basis (January–December), with CY2024 included for comparison. Our total footprint of 7,119 tCO_2e (tonnes of CO_2 equivalent) represents a 1.2% reduction from the previous year, a modest decrease we largely attribute to improved data availability in Scope 3, particularly around courier usage. This year, we also improved our activity-based data coverage to 72.7% activity data using Normative carbon accounting, up from 67.6% in the previous year.

Scope 1 emissions remain zero since Hg does not own or control onsite boilers or own any vehicles.

Scope 2 emissions have decreased by 25% since our baseline year, largely as a result of our four largest offices (London, Munich, New York and San Francisco), continuing to operate on 100% renewable energy tariffs. Noting the fact Scope 1 emissions are now zero due to a methodology change in FY2024, our Scope 1 and 2 combined emissions show a 43% reduction against our FY2020 baseline.

Business travel continues to dominate our scope 3 emissions, making up the majority of our footprint. This is consistent with prior years and reflects the value Hg places on face-to-face relationships with founders, potential and existing portfolio companies and our clients. Our travel policy encourages the use of virtual meetings where appropriate, and we continue to monitor travel emissions closely.

Looking at the figures by intensity level, the picture is encouraging: tCO_2e per employee has fallen from 18 in CY2024 to 17 in CY2025, and tCO_2e per $bn FUM has decreased significantly from 96 to 64 representing a 33% reduction year-on-year, driven by strong growth in Hg's funds under management. Against our FY2020 baseline, emissions per £bn FUM are down 47%, demonstrating that Hg's carbon intensity is falling considerably faster than our absolute footprint as the firm scales.

For the first time in 2025, we have been able to disclose emissions from the usage of AI and data centre on a firm-level. Further detail can be found on page 3 of this report. As Hg began rolling out AI tools more broadly part-way through 2025, these figures represent a partial-year view, and we expect both usage and measurement methodology to mature as adoption grows.

Emissions by scope CY2025[1]

- **0% – Scope 1** Direct emissions
- **1% – Scope 2** Indirect electricity emissions
- **99% – Scope 3** Other indirect emissions

[1] CY2025 covers 1 January 2025 to 31 December 2025. Prior year comparisons reference FY25 (1 April 2024 – 31 March 2025). Due to the change in reporting period, year-on-year comparisons should be treated with caution.

Hg's SBTi Targets[1]

26%
of invested capital covered by SBTs by FY27

100%
of invested capital covered by SBTs by FY41

50%
reduction in Scope 1 & 2 emissions by FY31

Emissions by Scope (tCO_2e)

	FY20 Baseline	FY21	FY22	FY23	FY24	CY2024	CY2025	% vs baseline
Scope 1	38	19	5	20	0	0	0	-100%
Scope 2	119	94	27	40	46	58	89	-25%
Scope 3	2,093	178	1,487	3,009	7,560	7,150	7,029	+236%
TOTAL	**2,249**	**291**	**1,519**	**3,069**	**7,606**	**7,208**	**7,119**	**+217%**

Intensity Metrics

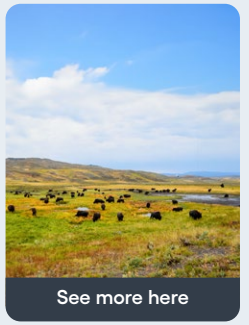
	FY20 Baseline	FY21	FY22	FY23	FY24	CY2024	CY2025	% vs baseline
No. of employees	201	218	299	315	394	391	410	+104%
tCO_2e / employee	11	1	5	10	19	18	17	+55%
FUM ($bn)	19	31	41	63	73	75	111	+500%
tCO_2e / FUM	122	9	37	49	104	96	64	-47%

Hg's carbon footprint for CY2025 is prepared using the GHG Protocol by a third-party carbon accounting platform and includes Scope 1, 2 and 3 emissions. Excludes Scope 3 category 15 (financed emissions/investments). CY2025 = 1 Jan 2025 – 31 Dec 2025. FY24 = 1 Apr 2023 – 31 Mar 2024; CY2024 = 1 Jan 2024 – 31 Dec 2024; these are different reporting periods and are not directly comparable.

[1] Ahead of the mandatory SBTi re-baselining in 2027, Hg is reviewing the options available to us and our portfolio companies to ensure we maintain an ambitious climate agenda while accommodating different maturity levels and budgets.

Compensating for Our Emissions

For six consecutive years, Hg has compensated for its Scope 1, 2 and 3 emissions by purchasing carbon credits. For CY2025, we have purchased 100% removal credits. Our offsetting strategy and project partners are detailed below.

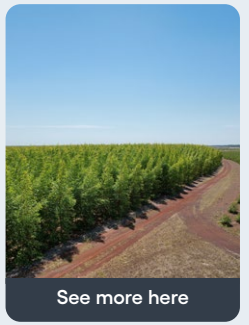


BeZero
Project rating: **A**

3,515t – 49.37%

Northern Great Plains Regenerative Grazing

The Northern Great Plains Regenerative Grazing project aims to remove greenhouse gases from the atmosphere by implementing sustainable grazing management on multiple ranches in Montana. This project helps ranchers across Montana's Northern Great Plains adopt regenerative grazing practices that restore grassland health. It generates voluntary emissions reductions (VERs), carbon credits created outside compliance markets, typically used by organisations to offset emissions voluntarily, with an estimated 27,435 VERs delivered annually once fully implemented.

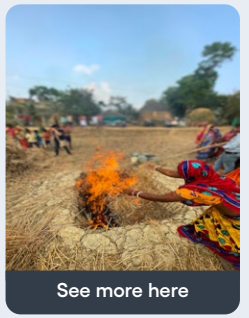


BeZero Project rating: **BB**
Sylvera Project rating: **BBB**
Calyx Global Project rating: **BB**

3,515t – 49.37%

Vichada Climate Reforestation Project

The Vichada Climate Reforestation Project restores tree cover on marginal savannahs in Colombia's Vichada Department, including areas around La Primavera, Puerto Carreño, and Cumaribo. It establishes forests on previously non-forest land to increase biomass and capture carbon. The area is managed as a mosaic that pairs commercial reforestation with protected conservation zones and riparian buffers, helping safeguard habitat and water quality while maintaining connectivity for wildlife.



Calyx Global
Project rating: **BB**

89t – 1.25%

Carboneers SRC India Biochar

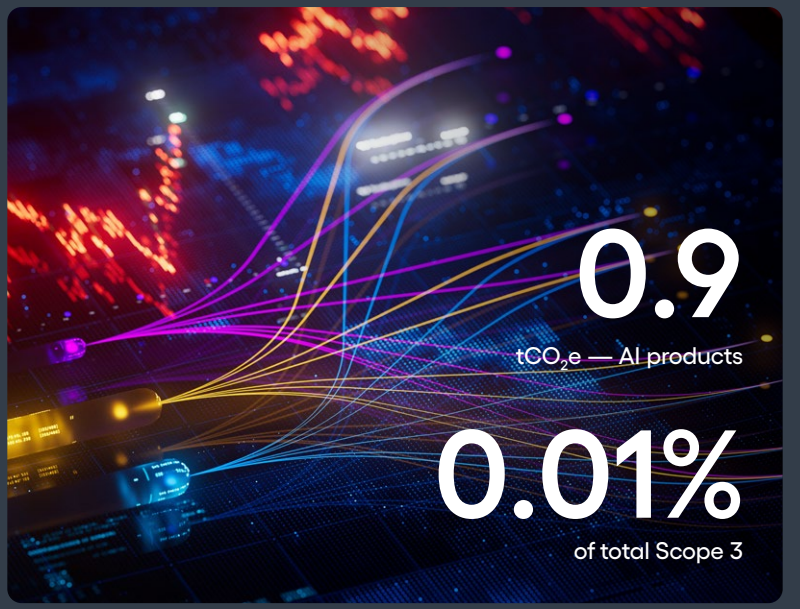
The Carboneers SRC India project produces biochar from agricultural waste in Odisha and Assam, India. Working with approximately 2,000 smallholder farmers, the initiative converts rice straw, cotton stalks, mustard stalks, and corn stover into biochar. Previously, farmers burned these crop residues in open fields or left them to decay, releasing greenhouse gas emissions. Now farmers produce biochar on-site and mix it with compost or manure before applying it to their fields.

AI Products & Data Centres

For the first time, Hg is separately disclosing emissions associated with AI product usage and data centre operations, recognising the growing materiality of technology-related emissions within our Scope 3 footprint. Hg uses AI tools to support employees with work efficiency and reducing manual tasks. We are firm believers that AI can help accelerate our work and is important to remain competitive in the software industry. At the end of 2025 all Hg employees (~410) had access to Claude and ChatGPT. Data centres are used predominately for cloud hosting and data storage.

These categories are disclosed separately from Hg's broader Scope 3 emissions to enable greater transparency on the environmental impact of technology use. Together, AI products and data centre emissions are included within the Scope 3 total.

[1] **Sustainable AI Group**



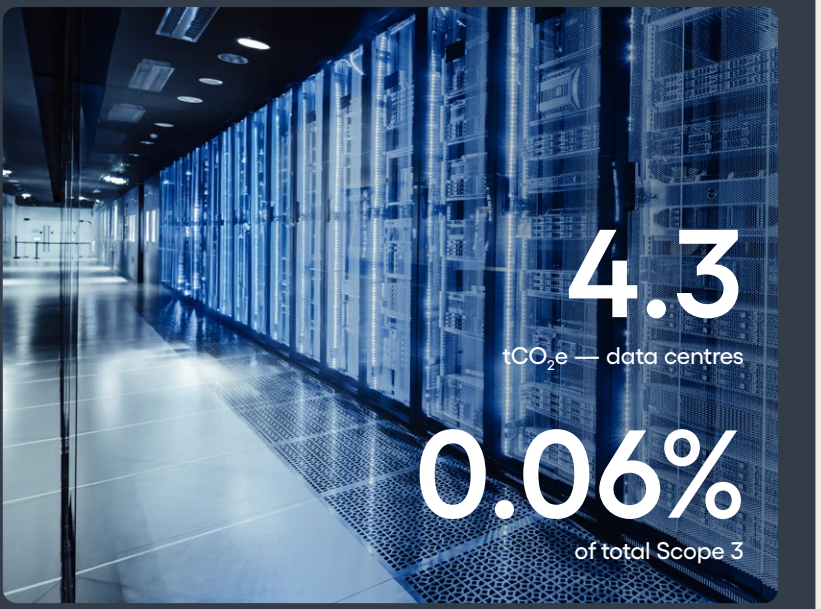
AI usage

Methodology

Hg started expanding access to various AI tools for employees in 2025. The two main tools used are Claude and ChatGPT. As a result, for the first time, emissions associated with the use of these two tools have been included in our footprint calculations.

Working with external experts at the Sustainable AI Group1, our footprint was estimated by converting Hg's usage data into query counts, applying model-specific energy intensity factors, adjusting for data centre efficiency, and converting to carbon using location-based grid intensity emission factors. Assumptions are conservative, such as treating image generations as additional activity rather than assuming they are captured within text-message counts, applying a US data centre geography proxy (Northern Virginia / PJM) rather than a UK or EU electricity mix (which is normally lower emissions), using a conservative energy-per-query factor, assuming a long prompt condition, and applying a conservative split between premium and lightweight model usage.

The AI-associated emissions are classified as Scope 3, location-based, under GHG Protocol Category 1. Training, embodied hardware, and network emissions are excluded. Hg has used other tools but have not been included in this figure.



Data Centre

Methodology

Hg has also included AWS cloud emissions, sourced directly from the new AWS Customer Carbon Footprint Tool (CCFT), using their methodology version 3.0 (October 2025).

The figures represent estimated greenhouse gas emissions associated with Hg's AWS service usage. Emissions are reported using the market-based method (MBM), which reflects AWS's renewable energy procurement through Energy Attribute Certificates (RECs and Guarantees of Origin).

The CCFT covers three scopes of emissions from AWS's operations, allocated to customers based on usage and have been included in Hg's Scope 3 total (Purchased Goods & Services).

Portfolio Carbon Footprints

Since 2021, Hg has used carbon reporting software solutions to collect and calculate Scope 1, 2 and 3 footprints across our portfolio companies.

For CY2025, we continue to use a simplified questionnaire approach, allowing portfolio companies to submit independently calculated total emission figures across all three scopes.

Upon collecting and reviewing CY2025 portfolio carbon footprints, Hg will conduct a Net Zero alignment review in line with the Private Markets Decarbonisation Roadmap (PMDR):

Please see **Hg's TCFD report** for further details on our climate change commitments and initiatives.

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

Percentage of Hg portfolio by number of companies ■ Percentage of Hg portfolio by invested capital ◆ 2024