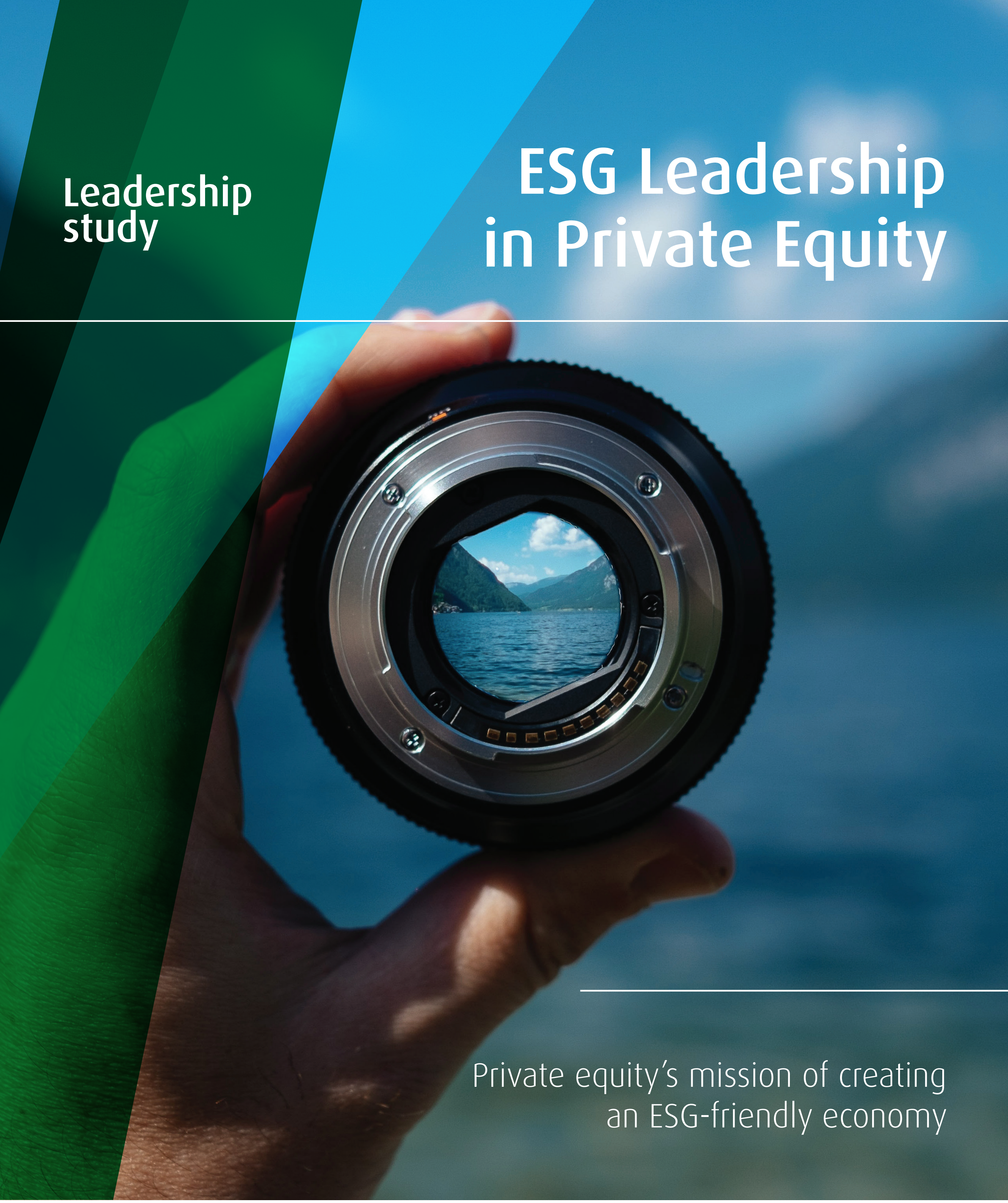
Leadership study

ESG Leadership in Private Equity



Private equity's mission of creating an ESG-friendly economy

Amrop

Executive Summary

As the drive for Environmental, Social and Governance (ESG) in private equity accelerates, its senior decision makers have a rocky mountain to climb.

Moving away from exclusively financially driven investment and management patterns is a complex endeavour.

For true transformation, private equity leaders must integrate ESG into all levels and dimensions of their portfolios. They must communicate clearly with critical stakeholders. Install monitoring and reporting systems that deliver consistent quality of information. And translate ambition into action by changing core business habits.

Unsurprisingly, progress is uneven.

How can the private equity sector use its pivotal economic position to shape the sustainable businesses of tomorrow and fulfil its social responsibilities?

This report delivers observations and guidance to help private equity firms develop three pillars for ESG transformation. These support the evolution of private equity firms into ESG change-drivers.

1 – Motivation
2 - Knowledge & Control
3 - Action & Leadership

Scope

The assessment of a successful ESG contribution is structured around three pillars: Motivation, Knowledge & Control, Action & Leadership.

Methodology

This report is based on a quantitative survey of thirty-eight growth capital firms, five interviews with private equity investment professionals, and a comprehensive literature review.

Key words

ESG (Environmental, Social, Governance), Change Management, Wise Leadership, Corporate Social Responsibility (CSR), SDGs (Sustainable Development Goals).

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Preface

Amrop Amsterdam

The responsibility for our world of today and of the future is a task for every human being, for every leader, for every company and every company owner. Accordingly, the responsibility for all elements of ESG is in full development at all levels of business.

We at Amrop took the opportunity to meet and talk with senior leaders within international private equity firms who are active in a wide spectrum of diverse industries on the Dutch markets. Both quantitative and qualitative input and feedback are captured in this report. Our aim is to clarify the current level of activities and ESG focus by the portfolio companies of the private equity firms. We also explore the roles of private equity towards the executive teams of their different portfolio companies.

Eelco van Eijck
Partner

Roland Theuws
Partner

Nederlandse Vereniging van Participatiemaatschappijen (NVP)

Sustainability aspects are playing an increasingly important role in the selection and management of companies. In the investment world, the abbreviation often used for sustainability is 'ESG' (Environmental, Social and Governance). It means considering factors such as energy consumption, climate, health, diversity, safety and good corporate governance.

ESG is about finding a balance between financial/economic results, transparency, social interests and the environment. There is increasing evidence that a good balance leads to better results for a company, its investors and society.

This study takes the form of an extensive survey (38 participants) and 5 interviews. It provides a unique insight into the current state of ESG affairs at private equity firms and their portfolio companies in the Netherlands. It contributes to the knowledge of the way in which the ESG domain is rapidly evolving in the sector.

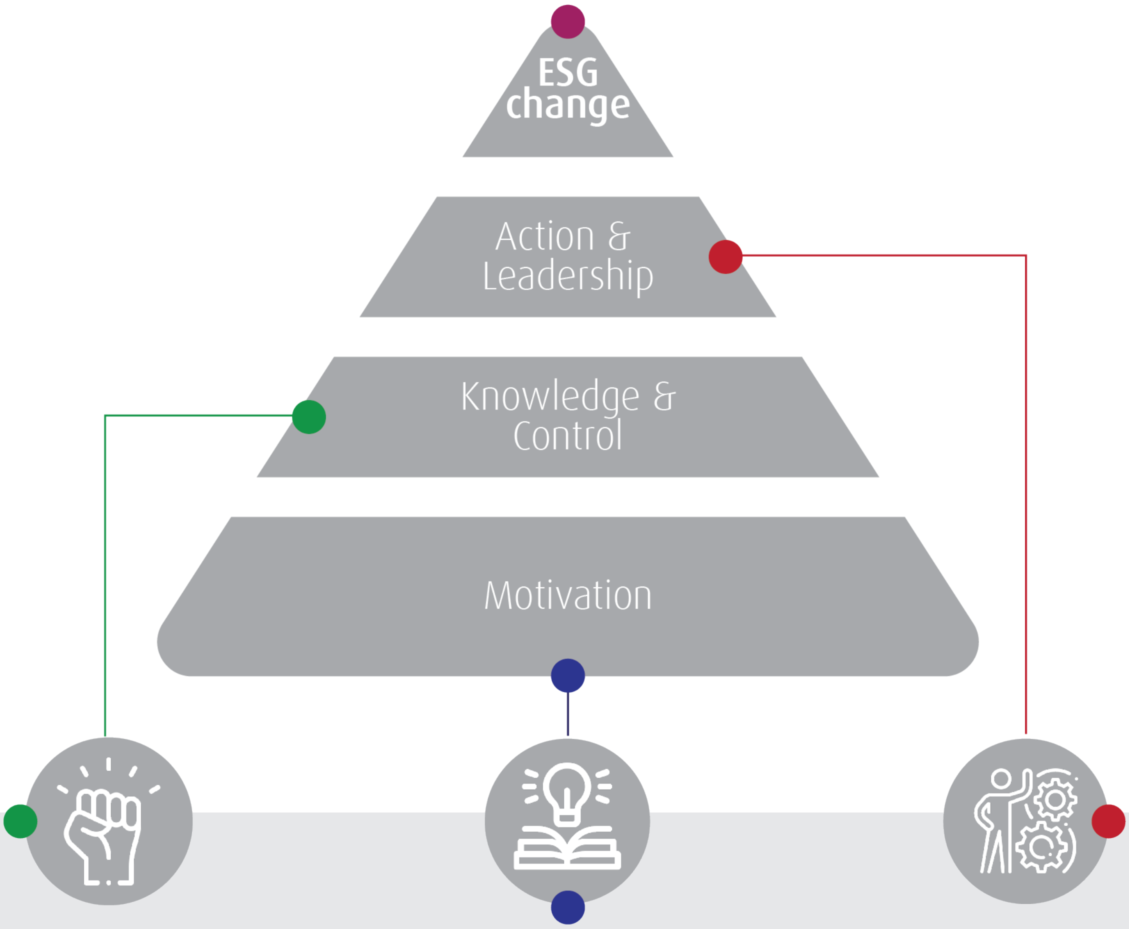
One conclusion is that leadership plays an important role in pushing the ESG topic forward. Senior decision makers within the private equity sector in the Netherlands have a high intrinsic motivation to take responsibility. We hope that this enthusiasm spreads rapidly and that the findings of this study contribute to the ESG dialogue. We wish you an interesting read.

Tjarda Molenaar
Managing Director

Marc van Voorst tot Voorst
Deputy Managing Director

Executive Summary

ESG Foundation-Building Model



Knowledge & Control

The majority of private equity firms are operating in the dark when it comes to the performance of their investments and the value creation chains of their portfolio companies. It is crucial to implement data driven, corporate ESG controlling systems. Getting access to ESG data processing knowledge will be a difficult but necessary first step.

Motivation

We can distinguish between intrinsic motivational drivers (such as personal beliefs, investor demands and current market assessments) and extrinsic motivational drivers (such as compliance, political and public pressure). Intrinsic motivation tends to be more strongly developed than extrinsic motivation. Intrinsic motivation can be cultivated by better communication among stakeholders. Extrinsic drivers will naturally and autonomously become stronger over time, but their evolution could be accelerated by stakeholder requirements.

Action & Leadership

Training, mentoring and connecting the leaders of portfolio companies are all key to implementing an effective ESG strategy. Moreover, companies that are both financially and sustainably driven need a different leadership style, one that is not just commercially smart, but wise (ethical, sustainable and responsible). This is fully explored in the Amrop study: 'Wise Decision-Making: Stepping Up to Sustainable Business Performance'.

> "Focusing on ESG is not idealistic, it makes a lot of business sense. It reduces risk and supports the continuity of your business."

Edwin de Graaf
Managing Director at Gilde Healthcare Partners

Overview

7 Topline Findings

01

The private equity sector has a high intrinsic motivation to commit to ESG change.

The partners of private equity firms perceive their sector to be an integral part of society. This status brings with it the responsibility to serve that society. Many senior decision makers in private equity are further motivated by the powerful position of influence that they are considered to have. They want to embrace the environmental, social and governance responsibility that comes with the territory.

02

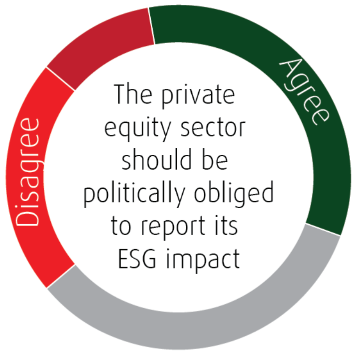
There are strong environmental incentives and growing political pressure to take a front-runner role in ESG-focussed investing.

Private equity investors are witnessing a shift of capital towards the younger generation — a cohort that stresses the ESG-compatibility of every investment. Equally, they are observing that ESG-driven funds are outperforming traditional ones (in terms of revenue, risk and continuity). Private equity investors therefore have the incentive to adopt an ESG-friendly investment strategy in order to adapt to the changing business environment. In addition, there is a need for more robust political signposts such as the Sustainable Finance Disclosure Regulation. This has considerable value in pivoting the private equity sector towards ESG-committed investing. However, the industry should be given time to adapt.

03

The fragmented structure of Dutch private equity continues to create challenges for the development of gold-standard ESG-KPIs

Most private equity firms are small by design. This makes it a challenge for them to invest in tailored ESG monitoring and reporting tools, or to build up business intelligence in the ESG development arena. Associations such as the NVP have a role to play when it comes to facilitating knowledge-sharing on ESG monitoring, controlling and reporting standards.



04 Monitoring and reporting are the Achilles' heel of effective ESG change.

Most private equity firms have a clear general overview of the performance of their portfolio companies with regard to their ESG goals. Yet there is room for improvement in the structural reporting of portfolio companies' ESG performance and the analytical systems in place to monitor it.

05 Be concrete in ESG governance.

Our survey found that many portfolio company leaders are unable to pinpoint the specific ESG targets assigned by their private equity or venture capital firm, or are even unaware of the firm's ESG agenda. Private equity and venture capital firms must actively address ESG targets in boardrooms. Furthermore, targets need to be specific and easily auditable if portfolio company leaders are to address them as simply and effectively as possible. ESG should be a recurring topic in meetings between the board, the supervisory board and shareholders. A single board member should be made responsible for ESG and asked to frequently report back on the topic.

06 Signalling is a powerful tool to shape an ESG-driven portfolio acquisition process.

Declaring a strong ESG investment focus will attract suitable portfolio candidates and foster the willingness of a firm's portfolio companies to adapt to its ESG policy. The importance of the topic must be propagated throughout the whole company.

07 Developing and connecting wise leaders are key to aligning financial and ESG targets.

Today the demands made on leaders are higher than ever. Supporting a wise leadership style will help the heads of portfolio companies to manage the evolving demands of a growing business. A best-practice exchange can be fostered by offering platforms to leaders that enable them to connect with each other.

"If you are only focusing on the bonuses of your leaders, you can lose sight of their long-term motivation."

Laurens Asselbergs
Senior Investment Manager at Pride Capital Partners

Setting the Scene

Private Equity as Part of a Shifting Business Environment

69%	7.2/17	9.2/17
of private equity firms have committed to at least one UN Sustainable Development Goal.	UN Sustainability Goals are addressed on average by a single private equity firm.	UN Sustainability Goals are addressed on average by a single small private equity firm (<10 employees).

Creating a sustainable economy (and managing consumption) are the central challenge of our generation. Taking on the challenge of committing to Environmental, Social and Governance (ESG) targets has to happen in the context of today's economic system and the goal of growing wealth. In particular, efforts must be aligned with social targets.

As such, the ambitions of ESG commitment reach beyond ecological goals. The UN Sustainable Development Goals (SDGs) are the most prominent example of what ESG means in practical terms. However, SDGs are far from the only approach. ESG commitment also transcends a company's pure focus on its own (business) activities. It means taking responsibility for the social, environmental and economic outcomes for all parties influenced by the company's (economic) participation. In the case of a private equity firm, this includes the business activities of its portfolio companies and their partners.

Percentage of private equity firms that have committed to a specific UN SDG

%	UN SDG
46%	Climate Action Decent work and Economic Growth
38%	Good Health and Well-being Industry, Innovation and Infrastructure Responsible Consumption and Production
31%	Clean Water and Sanitation Affordable and Clean Energy Reducing Inequality Sustainable Cities and Communities Life on Land Partnerships for the Goals
23%	Quality Education Gender Equality
15%	No Poverty Zero Hunger Life Below Water
8%	Peace, Justice and Strong Institutions

Setting the Scene

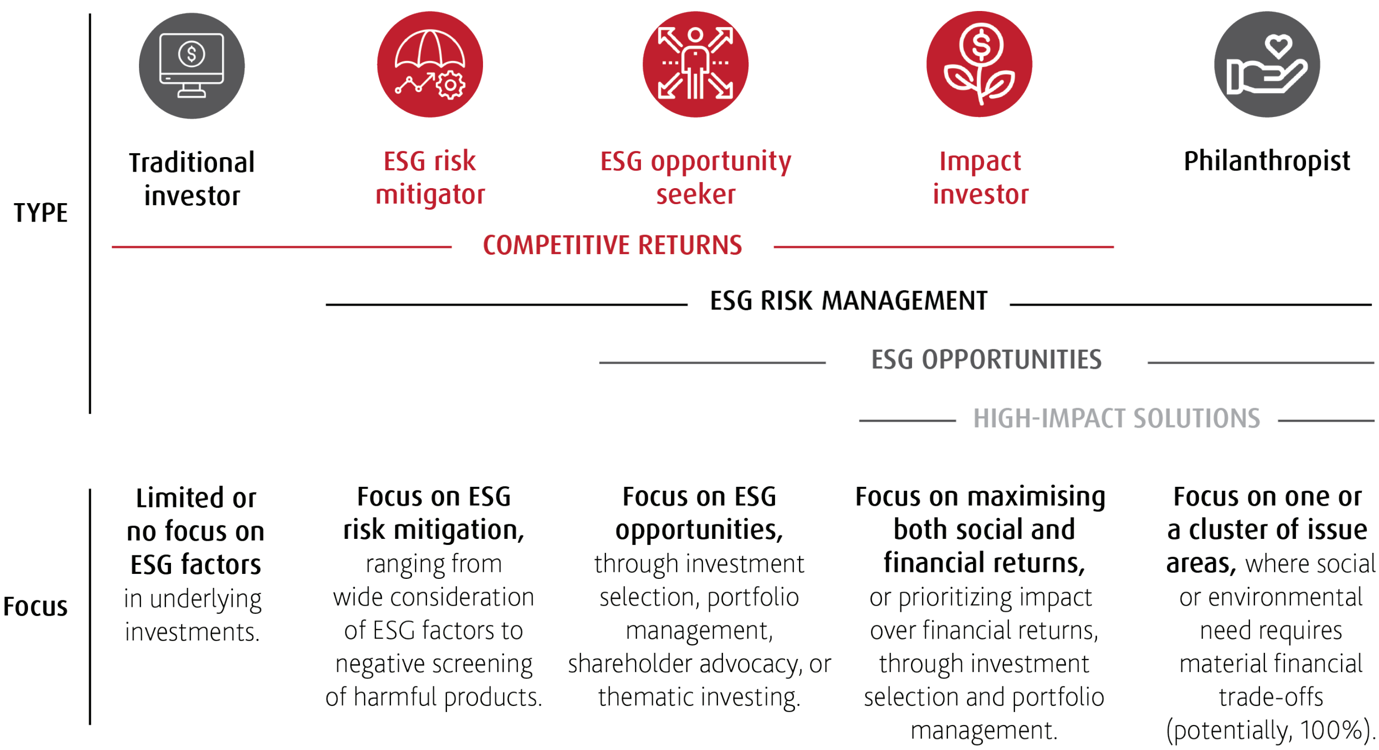
Private Equity as Part of a Shifting Business Environment

Wind in the sails

Drivers of ESG development and the private equity industry

New investment approaches have gained in popularity over recent years. As private equity is far from being a niche sector, it is facing raised expectations. Many senior decision makers of private equity firms relate that whilst a pure financial target was a matter of course ten years ago, it is an alarm bell signalling a lack of business sense today.

Amongst other factors, this is a direct result of the industry's growing size and the evolving demands of today's investors and employees. Together with growth in size comes a heightened awareness of being one of the players that has a direct responsibility to make the Paris climate agreement happen. Confronted by an ever-growing shortage of skilled workers, no private equity firm with the ambition to exist in a couple of decades can ignore rising employee demands for ESG commitments.



01 | Motivation

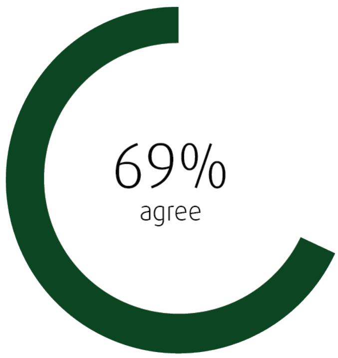
"In two or three years this (an ESG agenda) will be a hygiene factor. If you don't have it, you will be behind."

Edwin de Graaf
Managing Director at Gilde Healthcare Partners

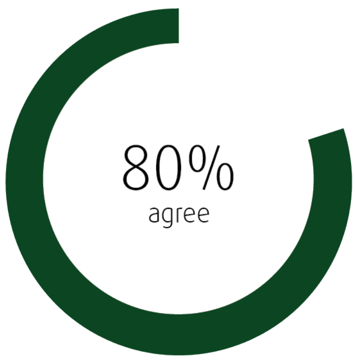
The first pillar of any change process is the sustainable and substantial motivation to change. A truly promising motivational change driver has to chime with its environment and the players who will sustain it. During recent years, private equity investors have displayed a growing intrinsic motivation to take up the reins of environmental, social and governance responsibility. In fact, we are facing a paradigm shift: from a commercially driven logic à la Adam Smith to a value-driven investment approach. This is a result of the internal and external pressures that have shaped the private equity investment habits we see today.

In this chapter, we discuss the status quo and motivational drivers surrounding ESG change in the private equity industry. Motivational drivers are intrinsic (e.g. personal drive, employee satisfaction) and extrinsic (e.g. financial necessities, regulatory requirements, public pressure).

The private equity sector should make more effort to measure and report its ESG impact.



The ESG ambitions of our portfolio companies have substantially increased during the past years.



We expect our portfolio companies to adapt ESG standards that are at least as ambitious as ours.

"The role of private equity in building a better world is to first and foremost build sustainable and successful businesses."

Graeme Ardus
Head of ESG at Triton Partners

01 | Creating the Will to Change

Motivation

The private equity sector's motivation to commit to ESG is multi-causal. Some motivational drivers (intrinsic motivation, investment logic incentives, public pressure) are further developed than others (political pressure, compliance, competitive pressure).

01 The majority of private equity firms have committed to at least one UN Sustainable Development Goal (SDG).

The UN SDGs are the gold standard of concrete and internationally monitored ESG targets. 69 per cent of the Dutch private equity firms surveyed have committed to at least one SDG. On average, a private equity firm had committed to more than seven of these goals, whereas small firms showed higher commitment than large firms.

02 Private equity firms perceive ESG excellence as a route to competitive advantage

Anticipating growing pressure to demonstrate their ESG performance, private equity firms are hoping to achieve a competitive advantage by implementing ESG strategies as early as possible. Further, they see little contradiction between financial and ESG targets. Nevertheless, most senior decision makers of private equity firms are not satisfied with the sector's overall ESG performance so far.

03 Private equity firms are motivated to implement better ESG reporting systems to reduce investment ambivalence

The ability to convincingly report ESG performance is a basis for action, considering the intrinsic and extrinsic motivational drivers at play. For smaller firms, however, it is challenging to develop the systems that are needed. Industry associations can contribute by sharing knowledge and widely applicable platforms (toolboxes and reporting standards). The responsible investment committee of the NVP is dedicated to this.

04 An ESG agenda will soon be a survival factor

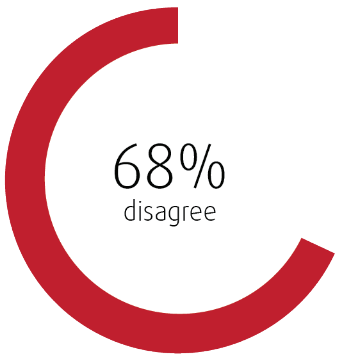
Committing to an ESG strategy is moving from a 'nice-to-have' to a 'must-have'. This is due to the increasing urgency of a bundle of motivational drivers. Considering the many pressures they are under (political, financial performance, public, compliance, competitive), private equity firms can no longer risk falling behind by failing to adapt to an ESG strategy in the years ahead.

> **"Management must provide employees with tools that will enable them to do their jobs better and encourage them to use these tools. In particular, they must collect data.**
>
> **George E. P. Box**

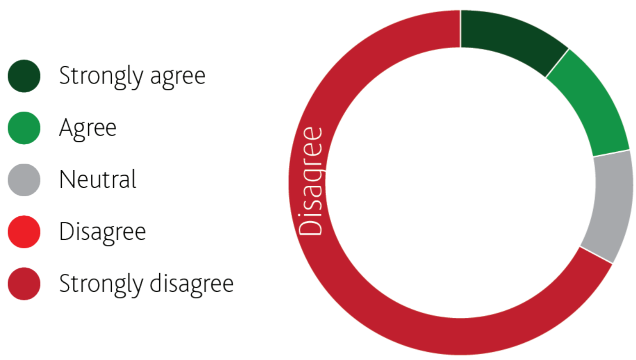
Data is key to control, and control is key to effective action. Yet a picture is emerging that systems for ESG data collection, monitoring and reporting are vastly under-developed. This is signalled by senior decision makers in private equity firms who have become aware of the importance of the issue. Private equity associations such as the NVP can speed up the process by sharing knowledge, best practices and toolboxes.

Furthermore, a growing number of service providers are supporting investors in designing and implementing responsible investment strategies, including their alignment with international standards and the provision of data processing software and tools. A gold standard for systems and centrally governed reporting structures has yet to be found. Despite this, real progress is being made.

The private equity sector should make more effort to measure and report its ESG impact.



Our portfolio companies sufficiently report their ESG performance to us.



I am satisfied with the way in which my firm is reporting the ESG impact of its investments..

"You must observe the whole value chain and not only the portfolio firm's business emissions alone."

Jurgen Van Olphen
Managing Partner at TransEquity Network

Knowledge & Control

Develcping the tools and techniques to efficiently implement ESG strategies is a challenge for the private equity industry. Creative ways to design instruments that will fit the needs of individual private equity firms will have to be explored.

05 ESG data flows are increasingly on tap

If financial performance numbers are broadly available, ESG data is less so. This is especially true for third level data that reflects emissions along the whole value chain of portfolio firms. Since most emissions happen on this level this presents a challenge. Most private equity firms will have to take the step from having 'a nice page about the firm's waste separation' to presenting ongoing ESG data from all levels of their investment activity.

06 Expert knowledge about ESG data processing is rare, but growing

Data scientists such as financial mathematicians are thin on the ground. Rarer still are the people who know how to process ESG data streams, making it difficult for private equity firms to build up ESG monitoring and reporting systems. This means that private equity firms must either train their own people to develop this valuable know-how, or buy it in. The number of in-house ESG officers is growing. Meanwhile the number of consulting firms that offer these services has ticked up steadily over the past few years.

07 Make the data talk — ESG data visualization is the key to a competitive advantage

For a private equity firm to gain a competitive edge in attracting high-potential portfolio companies, leaders and capital, these stakeholders have to understand its leading position on ESG. This makes it crucial to make ESG successes comprehensible and digestible: communicating the firm's emissions reductions not in terms of tons, but in terms of hectares of rainforest saved.

08 (Inter-)national private equity associations such as NVP and Invest Europe are creating a public ESG knowledge base. They should continue to expand it.

Some private equity firms have only limited resources to execute many of the changes set out in this report. This is particularly the case when it comes to building up the knowledge to develop effective ESG monitoring, reporting and communication systems. The efforts of NVP and Invest Europe to create a public knowledge base (by sharing knowledge, best practice and tools) are therefore encouraging. They should continue to invest in research about the topic to expand the resources they offer and share their findings with all members.

> "The reason many portfolio firms don't take ESG action is because they don't know where to start."

Mark Wetzels
Partner at Egeria

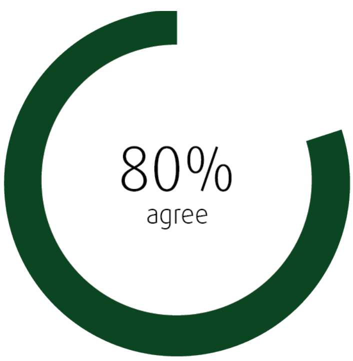
03 | Action, Communication & Leadership

> "Monitoring is all very nice; but if you create tangible, achievable projects, which are not pushed only by the CEO but are built bottom-up, then you can really have an impact."

Mark Wetzels
Partner at Egeria

Translating motivation into action can be hard to do. In this chapter we take a look at how to transform ESG-related data into change. The key is to align financial and ESG goals and overcoming contradictions in order to re-think ESG in terms of a business success factor.

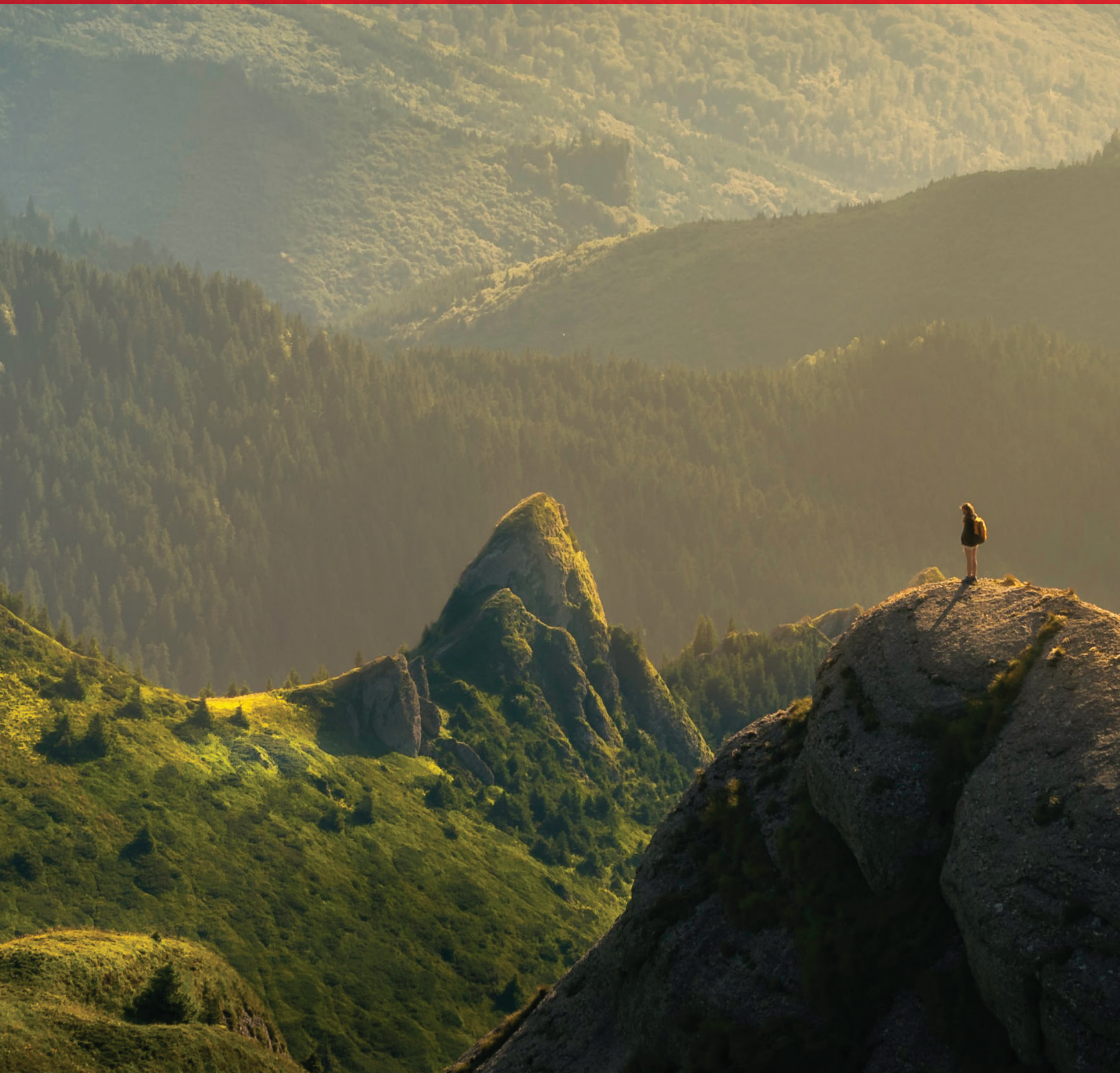
The leaders of our portfolio companies are familiar with our specific ESG goals.



We expect our portfolio companies to adapt the ESG standards that are at least as ambitious as ours.

"In practice there is a large gap between ESG-related project ideas and their execution."

Jurgen van Olphen
Managing Partner at TransEquity Network



Action, Communication & Leadership

ESG is high on the agenda. And yet, the implementation of systems and behavioural patterns to strengthen a firm's ESG performance is hindered by the classic problems of shifting any business into a new mode. It means translating into the ESG context the change management techniques that typically help companies to overcome old habits and address the challenges that arise from limited resources and knowledge pools.

09 ESG change demands different leaders

A leader with a propensity to push financial performance will likely be fit to execute an ESG strategy — in most cases. There are some small but significant differences in the character traits needed from leaders implementing an ESG agenda and the demands placed on them. These differences apply to the leaders of portfolio firms and private equity leaders alike. For a leader who is not purely focussed on financial targets, empathy and openness to learning are more important, whilst assertiveness is less important (amongst other traits).

10 Sharper communication of ESG targets is needed

There is a yawning chasm of avoidable ambiguity between private equity executives and the leaders of portfolio companies. Often, portfolio company leaders do not even know that the private equity firm has an ESG agenda, or are confronted with ESG targets that are simply too vague. Portfolio companies must be given sharp ESG targets to perform against and these need to fit the profile of those companies. It has to become fun to perform.

> **"A wise leader and a leader who focusses on financial goals are not that different. I don't see a contradiction between these goals."**
>
> **Edwin de Graaf**
> Managing Director at Gilde Healthcare Partners

“We need to make it fun to perform.”

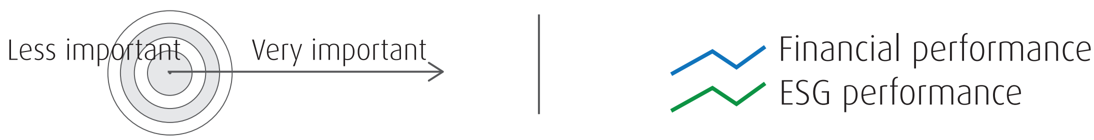
Edwin de Graaf
Managing Director at Gilde Healthcare Partners

11 The potential of active mentorship often remains unexploited

Portfolio companies do not tend to seize the potential of the help and mentorship offered by private equity firms. Either they do not know about these resources, or they are unaware of the practical implications. This situation is caused by the unfamiliarity of portfolio company leaders with ESG guidance and the unspecific nature of mentorship offerings. The design of more concrete training and feedback programs could raise significant zones of potential for efficiency gains.

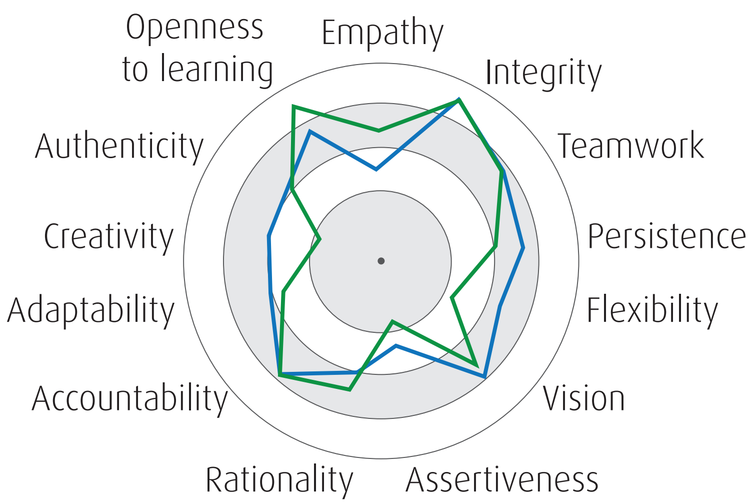
12 Forging connections between portfolio companies will push financial and ESG performance

The positive effects of connecting portfolio companies with each other are a good example of the fact that financial and ESG performance are seldom a contradiction in terms. The exchange of best practices and a growing tendency for companies to identify themselves as being part of the private equity firm’s portfolio family can be fostered by organised portfolio firm meetings, exchange programs and business partnerships.



Leadership characteristics needed for the contribution to financial and ESG goals

Source: Amrop data



"Successful growth is more than financial success and for sure more than short-term revenues."

Graeme Ardus
Head of ESG at Triton Partners

Conclusion

Until the present day, the private equity sector has been a driver of market change, an accelerator of innovation and of disruptive ideas. It is now a burning lens for the economy of tomorrow.

Change is afoot for private equity — and it is green. In just a few years, an ESG strategy is set to become a hygiene factor. Beside the external forces demanding an ESG focus that we have broadly discussed in this report, the industry will also evolve from inside. A business is the sum of the people behind it.

Tomorrow's role models — shareholders and board members — are no longer Warren Buffet and Bill Gates, but Greta Thunberg and Luisa Neubauer. Only by introducing an ESG focus today will private equity firms be able to attract the talent and capital owners of tomorrow. Only then will they survive the fundamental market shift that is now underway.

> **"ESG awareness will trickle down much faster than we think. It is not a matter of decades."**
>
> **Jurgen van Olphen**
> Managing Partner at TransEquity Network

We are entering interesting times; these call for wise leadership, flexibility and the readiness to re-focus. The coming years will reveal whether private equity firms can live up to their social and environmental responsibility in the space they occupy as active owners, and as an increasingly important part of the economic environment.

Methodology

Analytical Approach

Quantitative

The graphics and numbers in this report are based on a semi-open survey conducted from April to June 2021. Overall, 38 senior decision makers in the Dutch private equity industry participated, answering 80 closed and 20 open questions. The funds managed by the participants had an average size of 100mEur. The survey was executed using the research software Socisurvey. The data was analysed using Stata 16. The setup was curated by two psychologists. The answers were anonymised. To receive the raw data please contact your Amrop advisor or write a mail to forian.gloger@online.de.

Qualitative

Expert Interviews

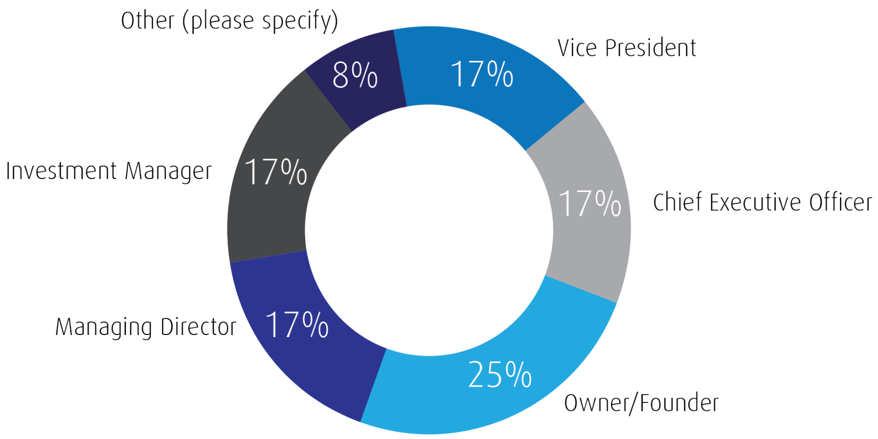
The expert interviews were based on a semi-structured interview script. This enabled us to discover possible contradictions as well as giving the interviewees the chance to add individual notes to the interview. The interviewees received the survey questions upfront and were invited to correct the interview scripts used as the basis for all quotes in this report. Nevertheless, no changes were made by the interviewees. The interviews were conducted by professional researchers from the Amsterdam office of Amrop, a global leadership advisory and executive search partnership.

Literature Review & Executive Research Background

This research joins the ranks of earlier academic and executive research on the topic of ESG change and sustainable financing. All papers used in the preparation of the report are listed in the references. The authors commit to Amrop's code of professional practice (https://www.amrop.com/amrop-code-professional-practice).

Methodology

Background Data



38 complete data sets incorporated

48y average participant age

100mEur average participant fund size

300.25s average time spent on survey

Statement with the highest agreement rate.

The private equity industry should make more effort to measure and report its ESG impact."

89%

Statement with the highest disagreement rate.

Our portfolio companies sufficiently report their ESG performance to us."

68%

Most controversial statement.

The private equity industry makes enough effort to contribute to the global shift towards achieving the UN SDGs."

Variance 3.57

In Summary

Management Summary

6 Most Important Findings

01

The majority of private equity firms want to contribute to faster ESG development.

Visibility and reporting are tools to gain a competitive advantage via ESG ambitions. In the light of this, most private equity executives would like the industry to become more transparent.

02

Measurement and reporting of ESG impact by private equity firms are underdeveloped.

Pushing the political arena to introduce standardised reporting will not only drive ESG impact but will be welcomed by a majority of private equity firms.

03

Private equity firms are ESG accelerators

Most private equity firms are highly invested in supporting the ESG development of their portfolio companies.

04

The biggest room for improvement lies in enhancing ESG performance-controlling systems

The visibility of a portfolio's ESG performance is often obscured. The relationship between private equity firms and their portfolio companies with regard to ESG performance is all too frequently peppered with ambivalent communication regarding each other's ambitions and expectations.

05

In fostering ESG performance, the most powerful tool for private equity firms lies in signalling their ESG agenda and adjusting their selection of portfolio companies accordingly.

Private equity firms do not believe they are in a position to force their portfolio towards better ESG performance.

06

There is a structural difference between large and small private equity firms

The larger the private equity firm, the more convincing the monitoring and reporting systems in place. The smaller the private equity firm, the stronger the ESG ambition and focus on the intrinsic drive to translate them into practice.

Data At a Glance

An Industry of High Ambitions

Percentage of private equity firms that have committed to a specific UN SDG

46%	Climate Action Decent work and Economic Growth
38%	Good Health and Well-being Industry, Innovation and Infrastructure Responsible Consumption and Production
31%	Clean Water and Sanitation Affordable and Clean Energy Reducing Inequality Sustainable Cities and Communities Life on Land Partnerships for the Goals
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15%	No Poverty Zero Hunger Life Below Water
8%	Peace, Justice and Strong Institutions

ESG ambitions in place today

69%

of private equity firms have committed to at least one UN Sustainable Development Goal.

7.2/17

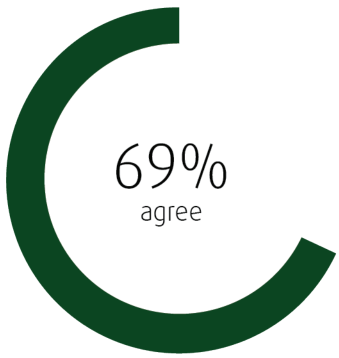
UN Sustainability Goals are addressed on average by a single private equity firm.

9.2/17

UN Sustainability Goals are addressed on average by a single small private equity firm (<10 employees).

Ambition trends towards better ESG performance

The private equity sector should make more effort to measure and report its ESG impact.



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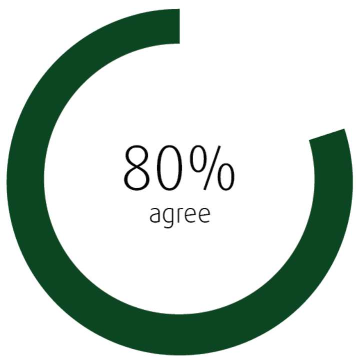

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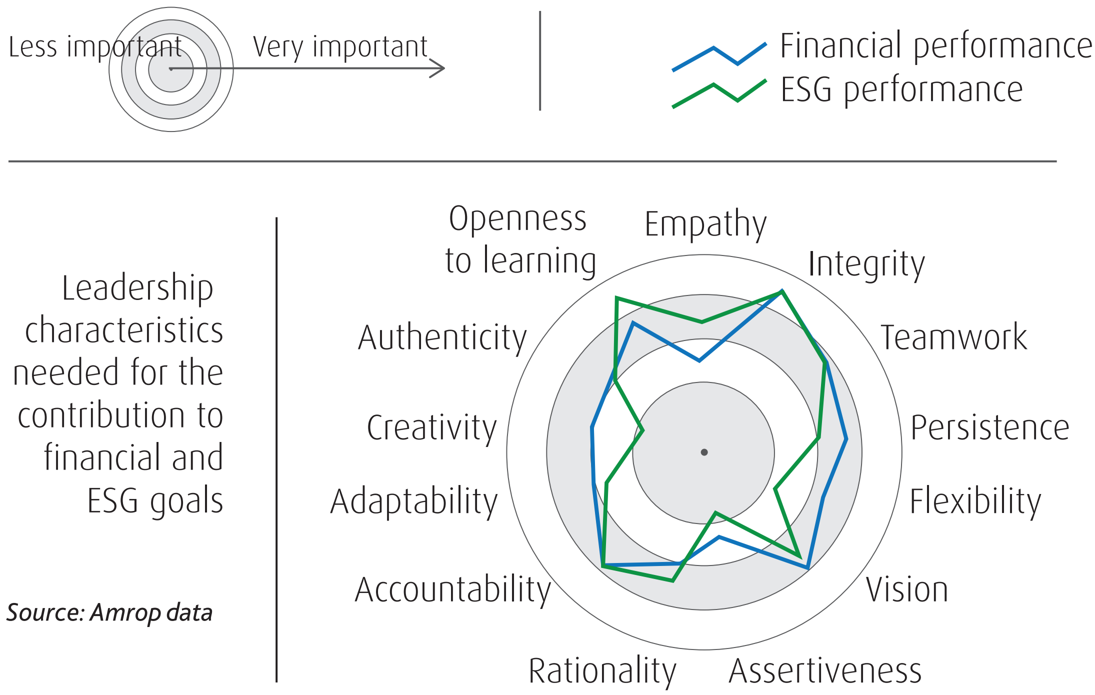


Leadership characteristics needed for the contribution to financial and ESG goals

Source: Amrop data

We asked: how do you attract leadership candidates who are driven by an ESG mindset?

"Offering a focus on sustainable growth, supported by a superior sector experience."
Vice President of a +50mEur fund.

"Providing hands-on support in setting ESG goals and ensuring their execution."
Owner of a + 20mEur fund.

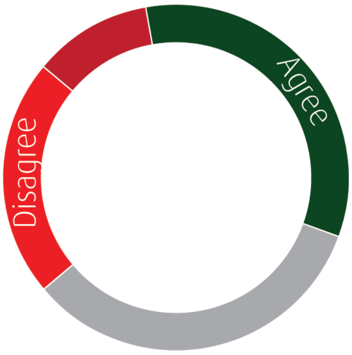
"Being front-runner and trendsetter in ESG topics."
Managing Director of a +100mEur fund.

"Do as you say and always keep your promises."
Investment Manager of a +50mEur fund.

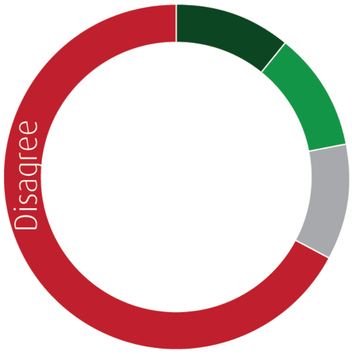
Making Change Visible

ESG monitoring and Reporting activities

Allocating ambitions, responsibilities and targets.



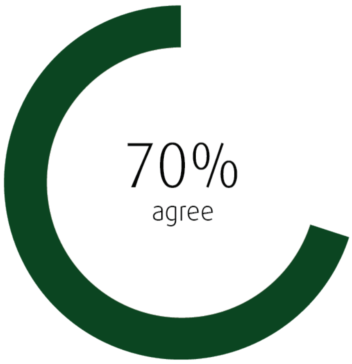
The private equity industry should be obligated to report its ESG impact.



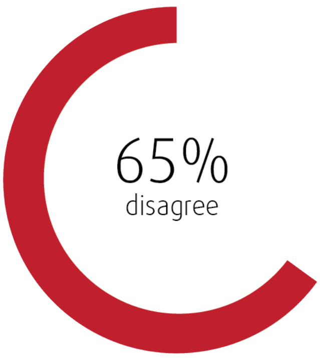
I am satisfied with the way in which my firm is reporting the ESG impact of its investments..

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

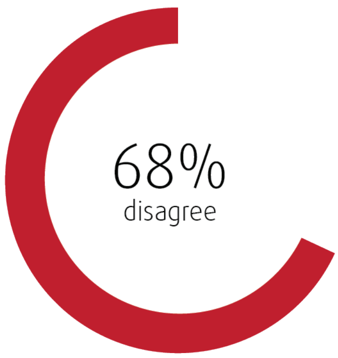
Opportunities for development through accuracy and transparency



We have a clear overview on the performance of our portfolio companies with regard to our ESG goals.



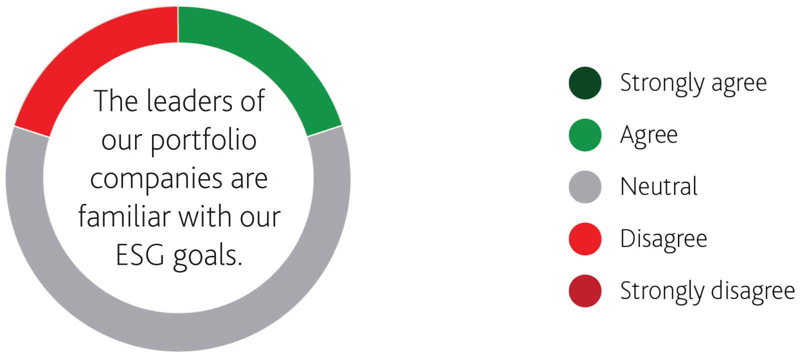
We have a robust analytical system to monitor the ESG performance of our portfolio companies.



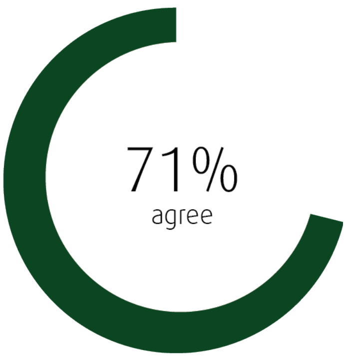
Our portfolio companies sufficiently report their ESG performance to us.

Strong Partnerships for Maximum ESG Acceleration

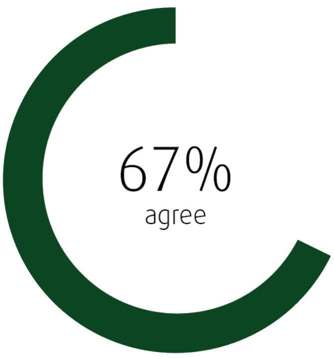
Acceleration through supervision



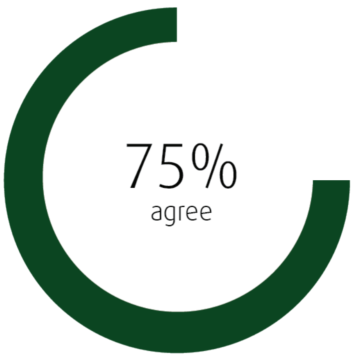
Acceleration through passion and guidance



If the leader of a portfolio company has a strong personal focus on ESG topics, the investment will be more valuable.



Leaders of our portfolio companies know that taking responsibility in favor of ESG goals is crucial to our investment process.



We offer guidance to the leaders of our portfolio companies in terms of developing ESG-focused business approaches.

Credits

This report is based on research conducted by Amrop Amsterdam, supported by the Nederlandse Vereniging van Participatiemaatschappijen (NVP).

The research was led by Amrop Partners Roland Theuws and Eelco van Eijck with the input of NVP Director Tjarda Molenaar and Deputy Managing Director Marc van Voorst tot Voorst. They were further supported by Managing Consultant Florian Gloger from the Vrije Universiteit Amsterdam.

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Jurgen van Olphen	Managing Partner at TransEquity Network
Edwin de Graaf	Managing Director at Gilde Healthcare Partners
Laurens Asselbergs	Senior Investment Manager at Pride Capital Partners
Mark Wetzels	Partner at Egeria
Graeme Ardus	Head of ESG at Triton Partners

About NVP

The Nederlandse Vereniging van Participatiemaatschappijen (NVP) is the industry body and public policy advocate for the private equity and venture capital industry in the Netherlands. The NVP is the point of contact for anyone who wants to learn more about these investors.

The NVP was founded in 1984 and represents 90% of the capital under management in the Netherlands. Members are both national and international private equity and venture capital firms. Associated members are professionally or commercially involved in the investments. This includes law firms, consultants, tax specialists, accountants and other advisers.

The NVP is member of VNO-NCW and Invest Europe, the European sister organization.

About Amrop

Amrop advises the world's most dynamic, agile organizations on identifying and positioning Leaders For What's Next - adept at working across borders, in markets around the world. Established in 1977, Amrop operates in Asia, EMEA and the Americas through 64 offices in 51 countries and is one of the largest global executive search partnerships.

Based in Amsterdam, Amrop in the Netherlands is a partnership of 6 senior executive search Partners, supported by a professional staff of in-house research consultants and personal assistants. The partnership brings nearly 40 years of experience in top executive search in the Netherlands and executes well over 100 search assignments annually. All partners have extensive (international) business management experience in specific industries and functional domains. This helps them to rapidly understand their clients' context: their sector, business, strategy, culture, market challenges, as well as their specific requirements for new candidates.

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Portraits of Tjarda Molenaar and Marc van Voorst tot Voorst, courtesy of NVP.