



# *ESG and Sustainability in Private Equity*

Mikael Aro YTP Seminaari 2.9.2020

Triton

- Triton is a private equity investment firm investing in German-speaking countries, the Nordic countries, the Benelux region, France, Italy, Spain and the United Kingdom
- Professionals are based in Amsterdam, Copenhagen, Frankfurt, Helsinki, St Helier, London, Luxembourg, Milan, New York, Oslo, Shanghai and Stockholm with complementary skills, experience and relevant nationalities
- Triton generally invests in €50m – €1bn+ businesses
- Triton has €14bn of committed capital
- Triton investors include, among others, Nordea and WSIB
- Triton is wholly independent and owned by its partners



1. Triton Advisers (Sweden) and its subsidiaries in Norway, Finland and Denmark are independent and separate from the Triton group of companies

# Triton: Building Better Businesses

## About us

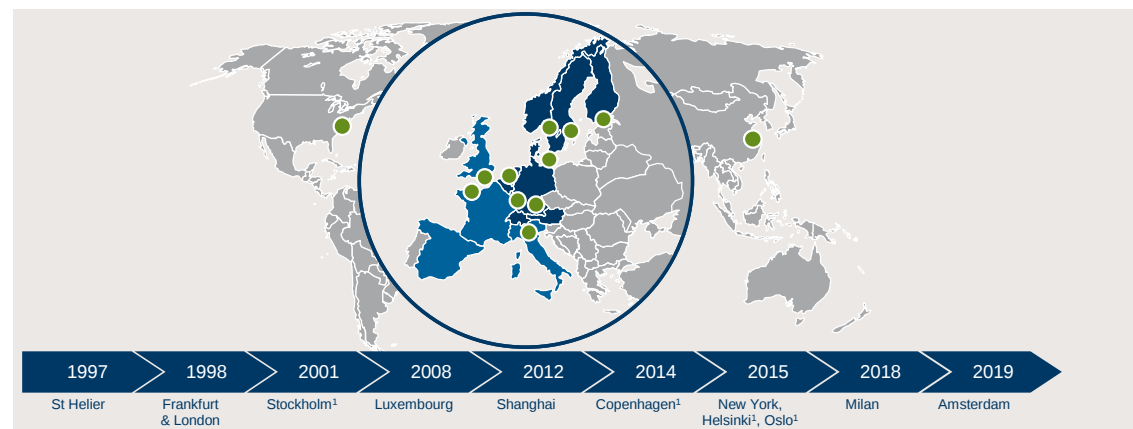
- Founded in **1997**
- **Privately owned** and **controlled by the senior executives**
- Well-established, integrated operational platform
- **“All weather” investor** – consistent returns across cycles
- Roots in private equity with complementary capabilities in credit
- Team of **140+ investment advisory professionals, operating partners, senior industry experts and other specialist resources**

## Strategies

€14 billion capital raised<sup>2</sup> since inception



1. Triton Advisers (Sweden) and its subsidiaries in Norway, Finland and Denmark are independent and separate from the Triton group of companies
2. Total capital commitment of 8 sponsored closed funds as of February 2019



## Sector focus

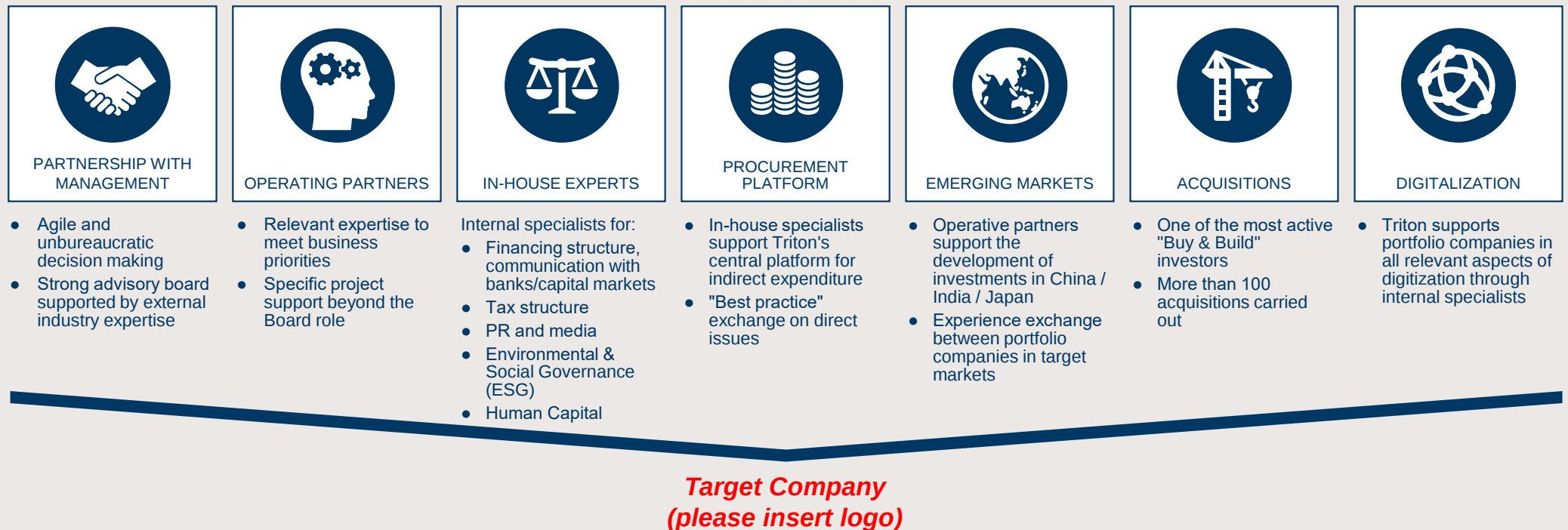
Consistent sector focus across all strategies



Triton

# *Triton offers management a suite of value-add services*

## Triton



# Triton at a glance

A responsible ownership approach of improving  
the way businesses do business

1997  
Triton established

180~  
institutional investors\*



70+  
investments made since 1999

260+  
add-on acquisitions supported

[\\*see legal notice 2](#)

## Our focus

invest primarily in German-speaking countries, the Nordic countries, the Benelux region, France, Italy, Spain and the United Kingdom



BUSINESS SERVICES



CONSUMER / HEALTH



INDUSTRIALS

## Our portfolio

43  
companies in portfolio

€17.4<sub>bn</sub>  
combined sales

96,700  
employees

€14<sub>bn</sub>  
8 sponsored funds total commitments

# Triton



# *Defining ESG – what it means to us?*

| Environment                                                                                                                                  | Social Responsibility                                                                                                                        | Governance                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             |                                                            |                                                        |
| <ul style="list-style-type: none"><li>● Climate Risk</li><li>● Sustainability</li><li>● Energy/GHG</li><li>● Water</li><li>● Waste</li></ul> | <ul style="list-style-type: none"><li>● Health &amp; Safety</li><li>● Supply Chain</li><li>● Product Safety</li><li>● HR – welfare</li></ul> | <ul style="list-style-type: none"><li>● Compliance</li><li>● Business Ethics</li><li>● Risk Management</li><li>● Cyber Security</li></ul> |
| ESG is central to Building Better Businesses                                                                                                 |                                                                                                                                              |                                                                                                                                           |

# *Assessing sustainability risks and opportunities*



# Triton



# ESG issues are material



# ESG matters at Triton





A LEADING NORDIC PRIVATE HEALTHCARE AND CARE SERVICES PROVIDER



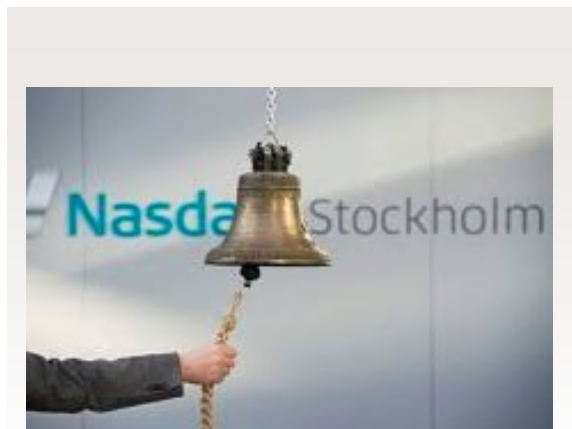
Media storm.  
45 news articles daily

2011



A completely new image appears.  
DN's reporting is the focus

2012

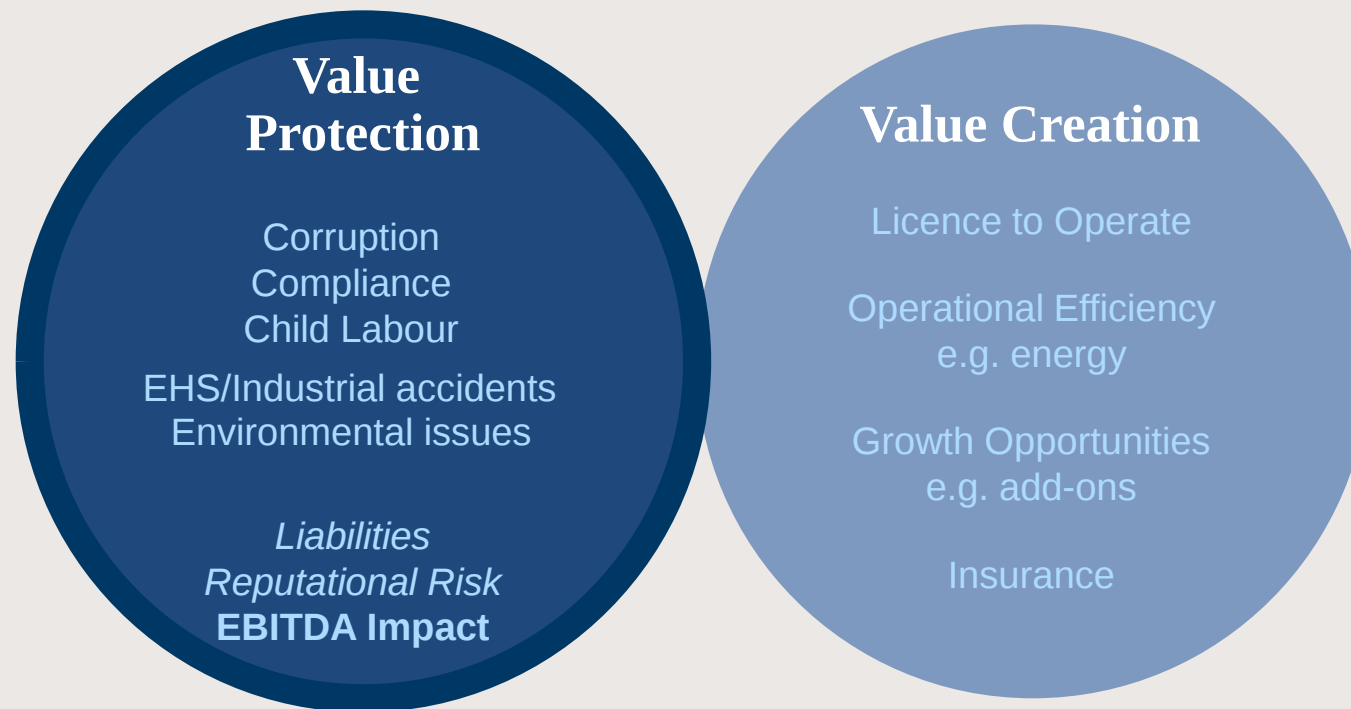


Successful IPO

2017

Triton

# *ESG Protecting and Creating Value*

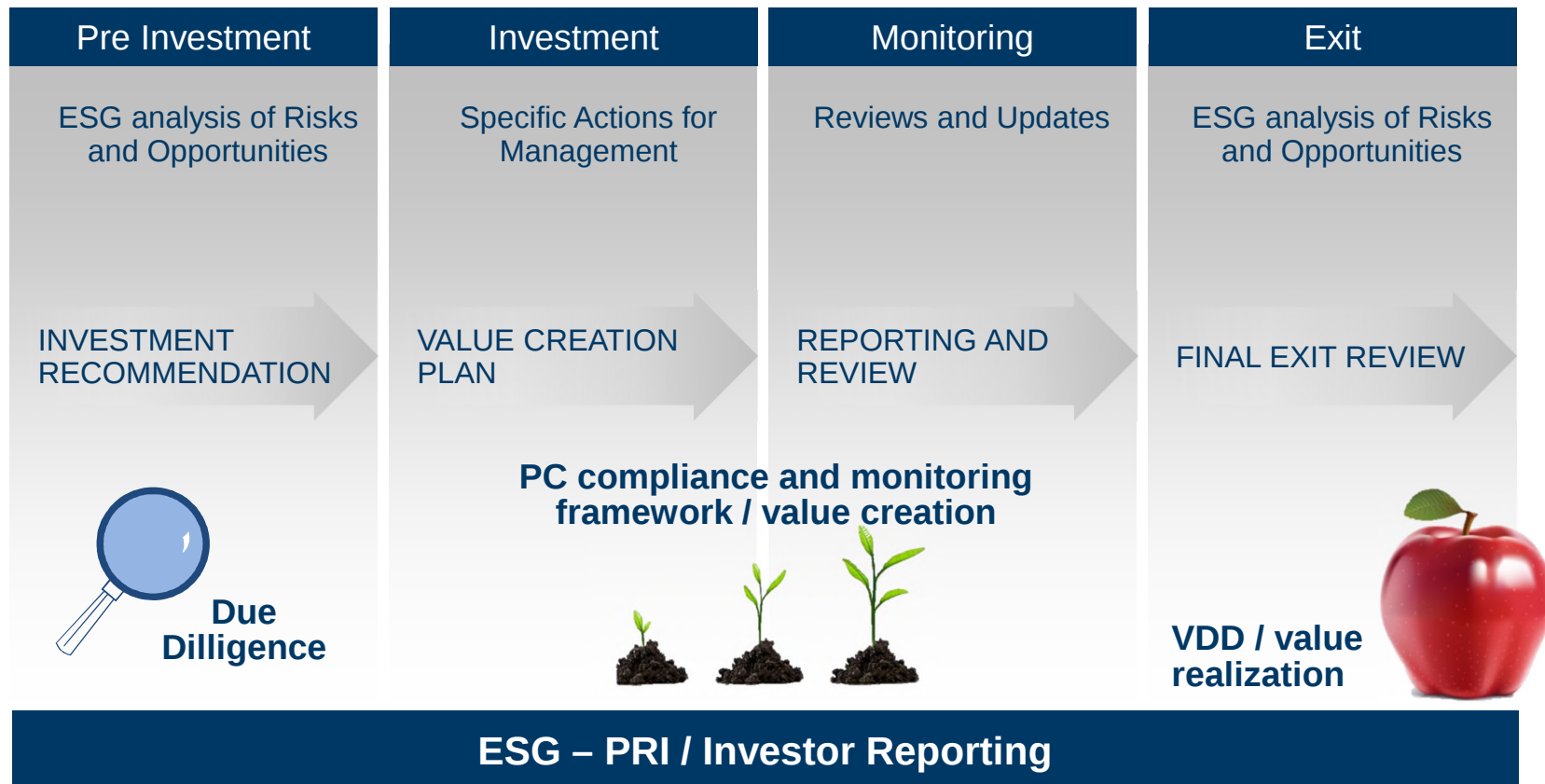


# Triton

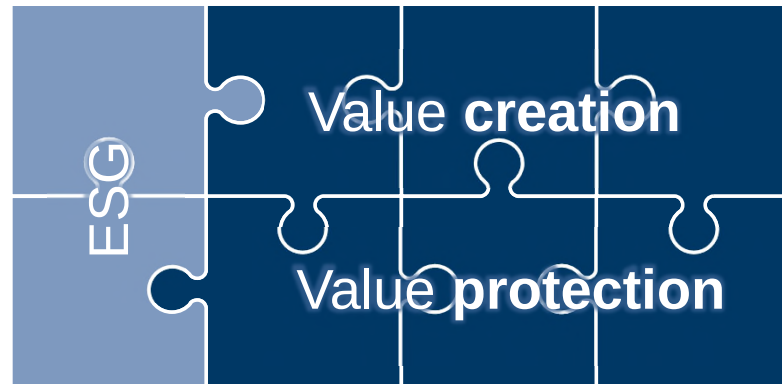


# ESG – throughout the investment cycle

## Identify, Protect, Create & Realize Value



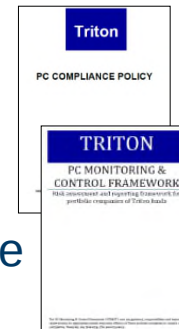
# Overview of Triton's Portfolio Company ESG Framework



Triton's PC Compliance Policy  
Triton's PC Monitoring and Compliance Framework



Develop & communicate  
**Policy**



Two documents are shown: 'ESG KPI Scorecard - Mandatory Reporting' and 'Outline Engagement Plan 1st Draft'.

Monitor **performance**

- Gap Analysis
- Action Plan
- KPI Report



Dedicate **resources**

To support and implement ESG improvements



Head of ESG



Legal Counsel  
Portfolio Governance

# Increasing investor ESG requirements



# Is it really happening?

FINANCIAL TIMES

SIGN IN

BlackRock Inc

BlackRock shakes up business to focus on sustainable investing

Chief executive Larry Fink warns of risks posed to markets by climate change

January 14, 2020 8:33 am by Richard Henderson , Billy Nauman and Andrew Edgecliffe-Johnson in New York

BlackRock has unveiled sweeping changes in an effort to position itself as a leader in sustainable investing after criticism that the company has failed to use its clout to combat climate change.

The world's largest fund manager, with \$7tn in assets, will double the number of sustainability-focused exchange traded funds it offers to 150. It will also cut

## BlackRock CEO, 14 January 2020

The world's largest fund manager, with \$7tn in assets, will double the number of sustainability-focused exchange traded funds it offers to 150. It will also cut companies that derive a quarter or more of their revenues from thermal coal from its actively managed portfolios, as it aims to increase its sustainable assets 10-fold from \$90bn today to \$1tn within a decade.

14 Nyheter

Blackrocks vd ryter till

Varnar bolag för att slarva med hållbarhetsarbetet

Investmenterna vänder sig, snart blir klimatet som inte i tillräckligt utsträckning kan visa att de är hållbara och klimatneutrala. Och styrelsen kommer att hålla ansvariga. Den sålaren Larry Fink, vd för världens största kapitalförvaltare BlackRock, i sitt årliga brev till världens förtroendeägare.

Larry Fink, vd för BlackRock, skickar meddelandet om att företaget kommer att öka sin fokus på hållbarhet och klimatneutralitet. Fink varnar bolag för att slarva med hållbarhetsarbetet. Han säger att bolaget kommer att öka sin fokus på hållbarhet och klimatneutralitet. Fink varnar bolag för att slarva med hållbarhetsarbetet. Han säger att bolaget kommer att öka sin fokus på hållbarhet och klimatneutralitet.

BlackRock har varit en av de mest framgångsrika företagen i världen. Men det är nu när bolaget står inför en stor utmaning. Bolaget måste visa att det är hållbart och klimatneutralt. Fink varnar bolag för att slarva med hållbarhetsarbetet. Han säger att bolaget kommer att öka sin fokus på hållbarhet och klimatneutralitet.



BlackRock CEO Larry Fink speaking at a podium during a press conference.

Finks brev borde blåsa bort alla tvivel

Det handlar inte bara om det finansiella systemets överlevnad.

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# Triton



# Diversity & Inclusion – where are we today at Triton?

