

REFLECTING ON WORLD EARTH DAY: EMBARKING ON THE B CORP JOURNEY

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This month marked World Earth Day with the theme of 'Invest In Our Planet', a timely and important reminder that businesses must play their part in protecting the planet. One way for companies to demonstrate a lasting commitment to sustainability is through achieving 'B Corporation' status. The 'B Corp' certification is recognition of a company's high environmental, social and governance ("ESG") standards, placing equal levels of importance on profit as people and the planet. To demonstrate this, companies must create non-financial value for all stakeholders – this includes employees, the local community, as well as the environment.

When thinking of the term B Corp, however, private equity is not the first sector that springs to mind. Although many private equity managers employ ESG practices, the vast majority have not pursued B Corp status. To date, only 67 private equity firms are certified globally – a group often recognised as leaders in the sustainable finance movement. Building on our ethos that sustainability is a moral and economic imperative, THCP, through its holding company Atypical Partner, is proud to now be on a journey towards B Corp status. Through joining this small collective of B Corp certified private equity firms, THCP can continue to be ahead of the curve by leading on best practice and shaping discourse related to sustainability.

The B Corp certification process is comprehensive and rigorous, with the average application taking over one year to complete. Businesses are assessed on ESG standards, as well as the impact of their core business model. To achieve certification, companies must achieve a score of at least 80 out of 200, with re-certification every three years. Without adequate resources or prior experience, this process can often be daunting. THCP's Head of ESG & Sustainability, Stefanie Kneer, is a dedicated in-house resource supporting our portfolio companies in improving ESG practices as well as driving the firm's sustainability initiatives, including navigating the B Corp

process. Having now led on THCP's own application, as well as in prior firms, Stefanie is well equipped to guide our portfolio companies on similar journeys.

Thanks to this additional resource, THCP can actively encourage our portfolio to become B Corps, and further support those that have already made the decision to embark on this journey. This includes both intrinsically sustainable companies such as Recycling Lives, a UK recycling business that combines business and social charity, as well as those that are a less obvious match, such as SEC Newgate, a global leader in PR and communications. This demonstrates that THCP is not just a funding provider, but a hands-on partner and active driver of sustainable value creation.

At a time when there is growing alarm at the existential threat to our planet, often muffled by a prevalence of 'greenwashing', it is critical to have an independent verification in place to validate the efforts of the private sector. Through THCP's own corporate actions in pursuing B Corp status, and by supporting our portfolio to also become B Corps, we are actively 'investing in our planet' by demonstrating a genuine commitment to a sustainable future.

Three Hills Capital Partners ("THCP") is a pioneer in European structured capital, partnering with many of Europe's highest quality entrepreneur-led businesses. By offering a flexible financing solution and value-add expertise, THCP supports business owners looking for capital whilst retaining control of their companies. With c.€2.0bn in assets under management, THCP is backed by a unique network of Europe's leading industrial holdings, family offices and entrepreneurs, as well as global institutional investors. Alongside holding company Atypical Partner, THCP operates with a team of over 50 professionals across offices in London, Milan and Luxembourg.

