

RI *Spotlight*
DECEMBER 2022

Diversity, equity and inclusion in private equity



Triton at a glance

Founded in
1997

Professionals across
12 offices

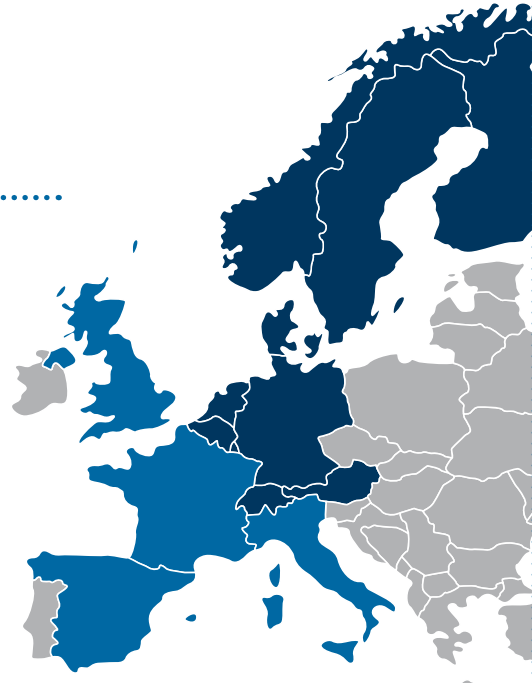
Integrated operating & specialist teams

€16 billion
raised since inception

190+
institutional investors

130+
Investment and operating professionals across four sector teams

30+
Specialists supporting value creation throughout the investment life cycle



Portfolio companies
90+
Investments since inception

450+
Add-on acquisitions completed

€18 billion+
Combined portfolio revenues

100,000+
Full-time employees at portfolio companies

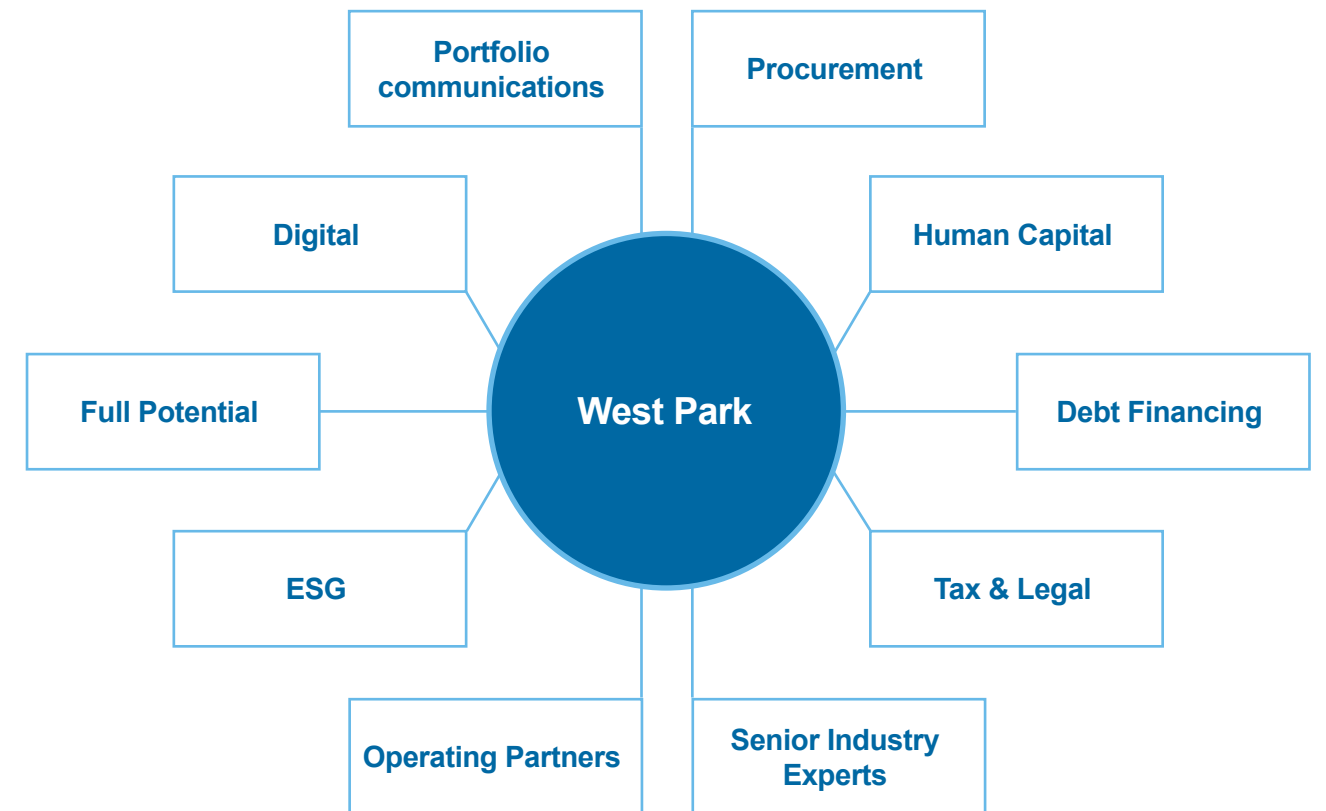
- Core Triton sectors**
-  **Business Services**
 -  **Industrial Tech**
 -  **Consumer**
 -  **Healthcare**

Strategies
Capital raised
€13.2bn
Mid-Market PE

€1.3bn
Smaller Mid-Market PE

€1.5bn
Credit

Triton and its portfolio companies (PCs) benefit from West Park and the services provided by it. Since its formation in 2007, West Park has become a core part of Triton’s “Building Better Businesses” strategy and approach. West Park is able to provide a range of value-adding services to support the investment process and Portfolio Companies that would otherwise be provided by third parties.



RI Spotlight

DECEMBER 2022

Diversity, equity and inclusion in private equity

Welcome from our Managing Partners

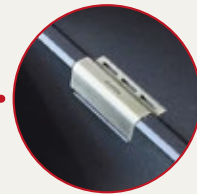


... DEI at Triton

Page 6

Initiatives across the Triton portfolio

Page 12



... Reflections on our DEI programme implementation

Page 14



Cecile Dutheil
Triton Head of
Human Capital

“Triton’s DEI strategy begins with its own operations, where we celebrate and encourage diversity. An emerging body of research demonstrates that fostering a culture of diversity, aside from being morally defensible, also delivers increased profitability, stronger governance, higher employee engagement and innovation.”

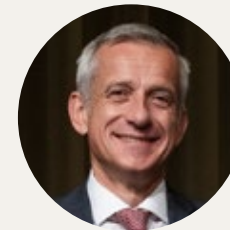
Welcome from our Managing Partners



Peder Prahl
CEO & Firm Managing
Partner

We are in the business of making returns for our investors. Naturally, there are pressures from a variety of stakeholders on how and where we invest. We welcome these as we strive to be agile around exogenous catalysts and play a role in building better and more sustainable businesses in a changing world.

Our approach to Diversity, Equity and Inclusion (DEI) faces no such pressures or constraints. Embracing DEI is completely accretive to our abilities to drive higher top and bottom lines; to tap existing and new end-markets; and to achieve higher multiples when we seek to realise on invested capital.



Martin Huth
Firm Managing Partner

The evidence increasingly backs this up. One study, from a US business school, found that the success rate of acquisitions and IPOs was 11.5% lower, on average, for investments by partners with shared school backgrounds than for those by partners from different schools.¹

There is also evidence for better performance linked to gender and racial diversity. A US Bank research team found “S&P 500 companies with above-median gender diversity on their boards see, 15% higher ROE, and for companies with ethnic and racially diversified workforce this is 8% higher.”²

Additionally, of course, driving greater diversity is the ethical pathway forward. At Triton, we have driven the proportion of female investment and other professionals from under 10% in 2016 to over 25% today. We also strive to ensure all employees are treated fairly, given equal opportunity and participate in decision-making. We recognise we have more to do yet. That is why our Human Capital, ESG and Talent teams are striving to drive forward our DEI initiative, year-on-year.

You can email us at:
esg@triton-partners.com

¹ Harvard Business Review: The Other Diversity Dividend, 2018.

² Bank of America: The High Cost of Slow Progress, 2022.

DEI at Triton

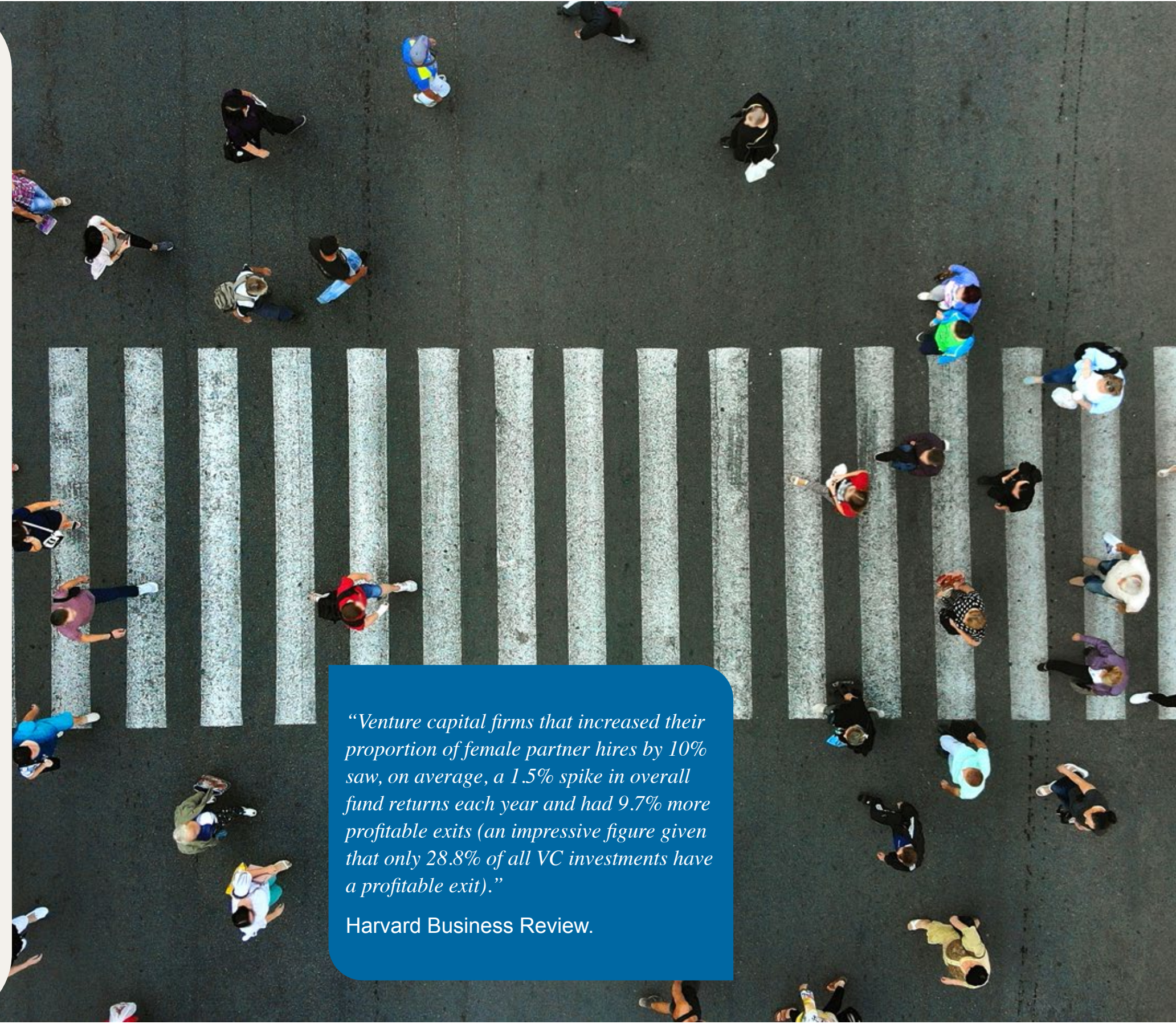
Triton’s DEI strategy begins with its own operations, as it is essential for our vision for the company’s evolution and growth over time.

In-house, our “Return on Inclusion” programme has driven the proportion of female investment and other professionals from under 10% in 2016 to over 25% today, and 28 volunteer DEI advocates sit in working groups focussed on recruitment, equality initiatives, diversity targets and other areas.

Key Performance Indicators (KPIs)	2019	2020	2021
Percentage of women: Manager Boards and General Partners	27%	28%	39%
Investment Advisory Committee	0%	0%	20%
Investment Advisory Professionals	18%	25%	26%
All employees	48%	49%	48%

Triton tracks its DEI initiatives and reports progress on an annual basis – the table above shows our progress to date. We are pleased with the increasing percentages of women at Manager Board and General Partner level, and on the Investment Advisory Committee in 2021. The percentage of women at Investment Advisory Professional level is a Key Performance Indicator (KPI) we are continuing to focus on.

Our Inclusive Culture Survey, carried out in Summer 2021, provided an opportunity for Triton employees to share perspectives and experience of Triton’s culture relating to inclusion, diversity and belonging. We take the findings of these seriously in designing our strategies for corporate change.



“Venture capital firms that increased their proportion of female partner hires by 10% saw, on average, a 1.5% spike in overall fund returns each year and had 9.7% more profitable exits (an impressive figure given that only 28.8% of all VC investments have a profitable exit).”

Harvard Business Review.

Triton DEI Campaign for PCs

Our Portfolio Company DEI campaign kicked off in early 2022. Led by our Human Capital and ESG teams, the campaign aims to drive DEI improvements at PCs. The purpose is to engage with and support PCs as they review or establish programmes that are aligned with their policies, values, and strategy. More specifically, the DEI campaign supports all PCs on how to set objectives, develop and integrate a DEI programme in the day-to-day work-life at each PC and to report on DEI performance.

Triton offers support for PCs, including via:

- a DEI Toolbox with resources which include policy templates, trainings, strategies for implementation, and guidance on best practices
- resources provided by a third-party DEI advisor, Catalyst, which include webinar sessions such as “Becoming a successful leader”, “Facing racism and emotional tax in the workplace”, and “Communication skills for dialoguing across difference”
- monthly roundtable meetings to share updates and experiences

The work continues and the outcomes will be measured using both KPIs and employee satisfaction surveys. Triton monitors how our PC workforce feels about being part of an organisation that embraces a more diverse and inclusive workplace and culture. Our DEI Campaign for PCs and measured outcomes help us to drive forward our continued high ambition in this area.

How we define DEI



Diversity

The representation of different racial groups, LGBTQ+ community, people with disabilities and women across your workplace



Equity

Ensuring all employees receive fair treatment and equal opportunity



Inclusion

Making certain that diverse individuals are included and participate in the decision making processes at all levels within your organisation

Key Performance Indicators (KPIs)	2019	2020	2021
Percentage of PCs with at least one woman on the board and/or one woman in top management	45%	74%	89%
Percentage of PCs with a diversity programme	38%	37%	67%
Percentage of women:			
Board	16%	12%	17%
Management	13%	14%	22%
All employees	24%	31%	29%

In 2021, there were six new PCs which began reporting in our TMM and TSM funds. Integrating new PCs into Triton’s ESG programme generates crucial work streams within early onboarding. We are pleased to see the increase in the number of PCs with a diversity programme, and the increase in women on boards and in management, as evidenced in the table above, but recognise there is still substantial work to be done.

“Our findings suggest strong evidence that the presence of women directors on the board is positively associated with bank value. Women as independent board members are also positively associated with market value...”

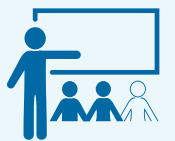
Journal of International Financial Markets, Institution and Money.

A DEI programme consists of



Policy

Standalone DEI Policy in place



Training

Groupwide DEI Training around “Unconscious Bias” DEI policy training



Targets

Appropriate DEI Targets are set by the Board



Initiatives

DEI Programme to be part of the overall business strategy with leadership support.

Implementation of DEI initiatives should be connected to and aligned with your business’ policy, values, and strategy.

Materiality of DEI topics within Triton's four investment sectors

To drive and embed ESG risk identification and monitoring across Triton and our PCs, we identify and prioritise material issues through a systematic mapping-exercise. A third-party provider, Datamaran, utilises its software tools to enable this data-driven and dynamic process.

We looked at the materiality of three DEI topics, in a European context:

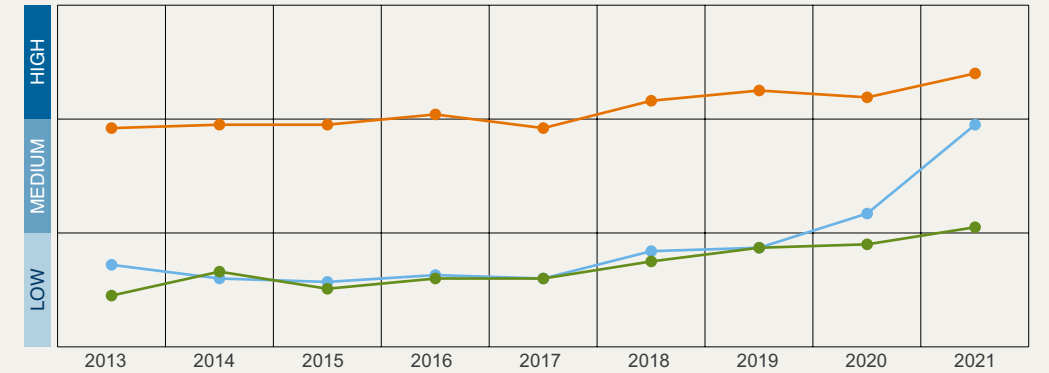
1. fair & inclusive workplace
2. the future of work
3. fair & equitable compensation

The charts show how companies in Triton's four principal investment sectors - Business Services, Consumer, Healthcare, and Industrial Tech - view these DEI topics. Each is differentiated as low, medium, and high priority by how often the topics are mentioned, and where the topics are placed in publicly-available materials; annual, quarterly and sustainability reports.

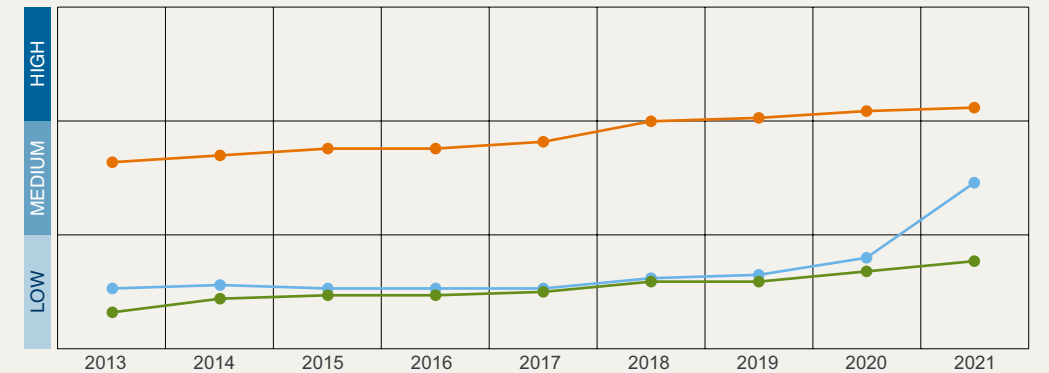
Across all four sectors, we note an increased focus on these three topics since 2013. For several years, *fair & inclusive workplace* has been a priority topic for companies in all four sectors, whereas *the future of work* has become a more important topic since 2019-2020.



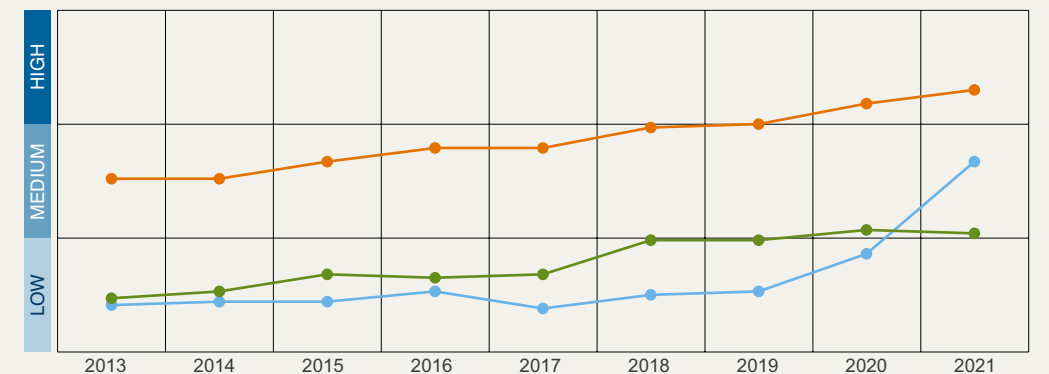
Business Services



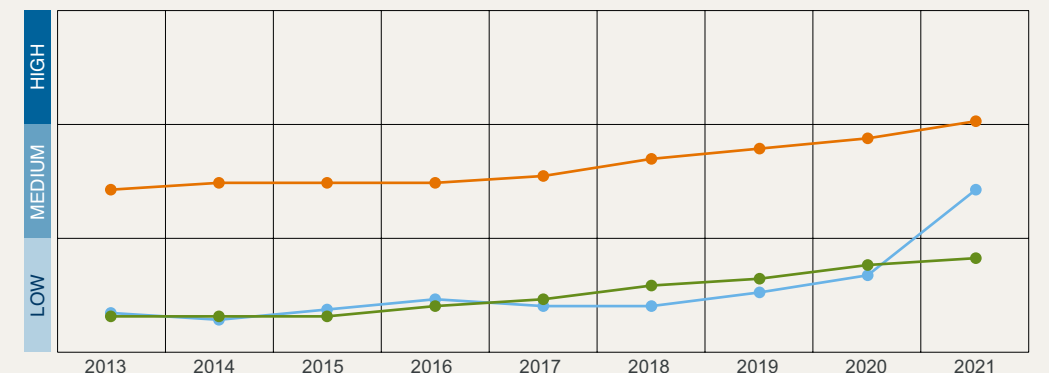
Industrial Tech



Consumer



Healthcare



- Fair & inclusive workplace
- Future of work
- Fair & equitable compensation

DEI initiatives across the Triton portfolio

Triton portfolio companies are already actively working on their DEI agendas - some have achieved greater maturity in their approach to date.

Triton PCs operate in diverse sectors with different employee challenges. We believe that by providing the right practical tools, we can support all PCs in achieving a workplace culture where DEI is fully integrated and realised irrespective of the markets they operate in.



SCHOCK

Triton invested in the German portfolio company SCHOCK in 2021. The company is a leading provider of quartz composite kitchen sinks, since inventing the technology more than 40 years ago. The company has built a reputation as a technology, innovation and quality leader based on continued product development combined with traditional craftsmanship.

SCHOCK joined the UN Global Compact (UNGC) in 2020 and accelerated its DEI agenda in 2021 by participating in the Target Gender Equality (TGE) Initiative of the German UNGC.

The company also founded its own TGE team and assigned an Equal Treatment Officer. Numerous workstreams flow from this team, which are embedded in the overall vision of the company. These include implemented DEI guidelines and trainings, a diversity and equal opportunity evaluation of all employee levels in line with the Global Reporting Initiative (GRI) standards, a gender pay-gap assessment, and an unconscious bias workshop.

The company has published guidelines on its zero tolerance policy for discrimination, racism, bullying, stalking, harassment, and is actively broadening its talent pool to include people with disabilities.

SCHOCK is also participating in workshops and seminars to interact with other companies, share best practices, and to identify new benchmarks. The company has a consistent approach with a roadmap showing clearly set targets and progress being monitored.



Ruth Linz
Co-head of the
Consumer team

“SCHOCK’S approach to DEI is integrated in their overall business plan and is a part of the fabric of the company. It believes that a more diverse workplace equals better business. We completely agree.”

unica

Triton acquired Dutch technology and building installation provider Unica in 2017. As a trendsetter in sustainable innovations, Unica delivers solutions to the built environment, including services in installation engineering, energy, IT, the Internet of Things and smart buildings. Unica translates the needs of its clients into tailored functional solutions that help create a sustainable, digital, healthy and comfortable living and working environment.

Unica kicked off its diversity programme in 2020 with a main objective of attracting more female talent to the company.

Unica set ambitious objectives in the talent recruitment and promotion of women in the workforce to managerial and director positions. The company believes that this can be achieved by working proactively on the awareness and understanding of gender balance, enabling career development paths, and being a role model for female technology students and young talent.

In 2021, Unica further raised the bar and launched its diversity platform, “Unique” which features:

- a mentor programme implemented by and for women
- female leadership training
- activities such as workshops, webinars, and social events to learn and inspire
- more than 70 active diversity ambassadors on the platform

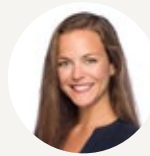
Unica’s Unique community platform was named the winner in the Social category, in Triton ESG Lighthouse Awards in 2021. These awards are held to recognise leading ESG initiatives, programmes, and projects which portfolio companies have delivered during the year.



Stephan Förtschle
Co-Head of
the Business
Services team

“We are very pleased to see that Unica has accelerated on the DEI front. It is thrilling yet unsurprising to see Unica winning a Triton ESG Lighthouse Award, recognising its great efforts in recent times.”

Reflections on our DEI programme implementation



Emma
Andersson
ESG
Professional



Ashim Paun
Head of
Sustainable
Investing



Frauke
Hofsommer
Senior Talent
Manager

AP: Why is it important that companies have a DEI programme?

FH: A DEI programme is an essential approach to align and describe the DEI journey for the company, to structure the initiatives to be taken and to underline and communicate the importance of DEI. Triton's programme complements the other roadmaps and programmes that support our PCs' ESG agendas.

EA: A DEI programme also shows current, as well as future employees, what kind of workplace the company has or is striving to have. It signals that initiatives and workstreams within these areas are taken seriously with the aim to integrate them as an essential part of the business.

AP: How has it been to work with Triton PCs on their DEI strategy, programme development, and implementation?

FH: It was, and is, both intense and a pleasure to dive into different contexts and to work with relevant PC counterparties on what the next steps could be. Through these interchanges, we can provide support and share best practices across our Portfolio Companies.

EA: It is very interesting to work on these topics with PCs who operate in diverse sectors. There are challenges but also big opportunities. Many PCs already had a culture incorporating DEI, but official documentation, such as policies and initiatives, set targets approved by the Board, and training, were not there.

AP: Ethically, DEI is easy to support. But is there a solid, strategic rationale for pursuing greater diversity – can it enhance returns?

FH: Several studies - for instance, McKinsey's "How Diversity, equity and inclusion matter" - show that DEI has a significant impact on internal engagement and the attractiveness of an employer, and has a direct link to economic growth. It's a fact: DEI has a positive impact on the bottom line.

AP: Where does the 'push' come from – regulators, investors, company employees, customers?

FH: It's coming from all sides and it's a topic on all stakeholders' minds, as a push and a pull. Employees and candidates want a DEI workplace and customers want to see companies doing the right thing. We want to create company cultures that genuinely embrace a DEI mindset. And clearly regulations are increasing awareness and elevating the implementation of DEI as a business priority.

AP: What is the future of DEI?

FH: DEI will be a strategic business and people imperative. Only diverse teams and companies will grow successfully. Others will stagnate.

EA: It is important that we resist DEI becoming a buzz word, and that DEI constantly evolves, dealing with real and ongoing issues of diversity and inclusion.

References

Bank of America: The High Cost of Slow Progress, 2022.

Harvard Business Review: The Other Diversity Dividend, 2018.

Journal of International Financial Markets, Institution and Money: Women directors and market valuation: What are the "Wonder Woman" attributes in banking?, 2022.

McKinsey: How Diversity, equity and inclusion (DE&I) matter, 2020.

[Datamaran website](#)

[Triton Responsible Investment report website](#)

[SCHOCK website](#)

[Unica website](#)

[Triton ESG Social Award](#)

Disclaimer

The information contained in this Spotlight report (the 'Report') is made available by Triton Investment Management Limited (TIML) (together with its associates, 'Triton') for the sole purpose of providing certain information about Triton and funds, partnerships, other collective investment vehicles, managed account arrangement or separate accounts managed or advised by a Triton entity from time to time (together referred to as the 'Triton Funds'). In addition to the warnings, disclosures, and undertakings below, your attention is also drawn to any other rubrics or warnings provided on the face of any documents comprising the Information. This Report has not been approved by any supervisory authority and no regulatory approvals have been obtained in respect of the Report. Except as otherwise indicated herein, the information provided in the Report is based on matters as they exist as of the date of this Report and not as of any future date and may not be updated or otherwise revised to reflect information that subsequently becomes available, or circumstances existing or occurring after the date hereof. This Report is not, and under no circumstances is it to be construed as, a prospectus or an advertisement and the issuing of this Report is not, and under no circumstances is to be construed as, an offer to sell or a solicitation of an offer to purchase an interest in the Triton Funds. Recipients of this Report should not treat the contents of this Report as advice relating to legal, taxation, ERISA, financial, investment, business, or accounting matters, or as a recommendation by Triton and are strongly advised to consult their own professional advisors concerning the acquisition, holding, or disposal of interests in a Triton Fund and the suitability of the investment for such investor. Certain information (including certain forward-looking statements and economic and market information) has been obtained from published and non-published sources prepared by third parties, including Non-Triton Report Providers. In addition, certain information has been obtained from companies in which investments have been made by funds and entities affiliated with Triton. While such sources are believed to be reliable for the purposes used in the Information, none of Triton or any of the Triton Parties assumes any responsibility for the accuracy or completeness of such information, and such information has not been independently verified by Triton. All statements of opinion and/or belief contained in this Report and all views expressed and all discussion of past investment performance or decisions, projections, forecasts, or statements relating to expectations regarding future events represent Triton's own assessment and interpretation of information available to it as at the date of this Report and are subject to change without notice based on market and other developments. No representation is made, assurance given, or implication created that such statements, views, projections, track records or forecasts are correct after such date or that the objectives of Triton will be achieved. TIML is registered with the Jersey Financial Services Commission (the 'Commission') pursuant to the Financial Services (Jersey) Law 1998 (the 'FS Law') to provide fund services business as a manager. The Commission is protected by the FS Law against liability arising from the discharge of its functions under the FS Law. The approval of the Commission in respect of this Presentation is not required and has not been sought. In the United Kingdom this Report is also being distributed by Triton Investments Advisers LLP (TIA). TIA is a limited liability partnership incorporated pursuant to the Limited Liability Partnerships Act 2000 and having its registered office at 32 Duke Street, London SW1Y 6DF. TIA is authorised and regulated by the United Kingdom Financial Conduct Authority.