EQT launches impact-driven longer-hold fund

- EQT strengthens commitment to drive positive impact by launching the EQT Future fund, targeting longer-hold investments in mature companies with market-shaping impact potential

- Paul Polman, former CEO of Unilever, and Jacob Wallenberg, Chairperson of Investor AB, to co-chair the EQT Future Mission Board which will provide strategic direction and impact-focused advice

- The EQT Future fund will have a target size of EUR 4 billion and a portion of its carried interest will be linked to achieving portfolio-level impact KPIs, including reduction of GHG emissions using the Science Based Targets

Building on three decades of future-proofing companies, EQT now strengthens its platform-wide commitment to make a positive impact by launching the EQT Future fund. EQT Future is an impact-driven longer-hold fund which will apply EQT’s active ownership model to accelerate sustainable transformation of companies alongside creating attractive risk adjusted returns.

The launch of EQT Future comes just days after the announcement of EQT as the first private markets firm globally to formalize science based targets through the Science Based Targets initiative (SBTi). EQT will address climate change by defining ambitious greenhouse gas emission (“GHG”) reduction targets, for both its own and the portfolio companies’ operations.

The EQT Future fund will invest in mature, high-quality companies with market-shaping impact potential and where transformation requires a longer ownership horizon. Investments will be made in line with three key objectives i) Planet (safeguard resources and protect our climate), ii) People (improve mental and physical health), and iii) Prosperity (create equality of opportunity).

Every investment that EQT Future makes needs a clear impact thesis and the fund will deploy an Impact Acceleration Plan for all its portfolio companies to achieve the ambitious asset-specific and portfolio-level KPIs. These are, namely, i) reduction of GHG emissions using the Science Based Targets, ii) improved employee wellbeing through industry top-quartile eNPS (Net Promoter Score), iii) and increased gender diversity where progress will be tracked towards a 50 percent split within the top 20 percent of earners in each company. Up to 20 percent of EQT Future’s total carried interest will be linked to achieving the portfolio-level KPIs.

EQT Future will be supported by a Mission Board that will provide strategic direction and impact-focused advice. The Mission Board will be co-chaired by Paul Polman, former CEO of Unilever, UN Sustainability Ambassador, and co-founder of IMAGINE, a social enterprise focused on sustainable transformation, and Jacob Wallenberg, Chairperson of Investor AB and vice Chairperson of ABB and Ericsson. Additional members of the Mission Board are expected to be announced in Q4 2021.

Paul Polman, Co-chair of EQT Future’s Mission Board, said, “There is an enormous opportunity to invest in businesses that give back more than they take and I am a firm believer that success will come to those who focus on solving the world’s problems. I share this mindset with EQT and I am therefore excited to join the EQT Future Mission Board to support a strategy clearly geared towards investing in companies that are, or have the potential to, change industries for the better. As Co-chair,
I will focus on the purpose and impact thesis of EQT Future's investments and leverage my network to connect the team with the right skills and people.

Christian Sinding, CEO and Managing Partner of EQT, said, “EQT Future is an important strategic move for EQT as a firm. Together with our Science Based Targets and EQT Future’s impact-driven investment thesis, we are raising the bar for EQT and all our investment strategies. By combining EQT Future with our firm-wide approach to embed positive impact into every investment, we have the best possible foundation to grasp the most exciting opportunity, and responsibility, of our time - to support businesses that can accelerate transformational change for the benefit of the environment and society at large.”

The EQT Future team will be empowered and work fully integrated with the firm’s entire platform. This includes 140 Private Equity Investment Advisory Professionals, and access to EQT’s in-house sustainability and digitalization capabilities, the global sector teams, and EQT’s extensive advisory network. EQT Future’s Advisory Team will initially consist of ten dedicated Investment Professionals, including four Partners, led by Anders Misund, and Andreas Aschenbrenner, Deputy Head.

Anders Misund, Partner and Head of EQT Future’s Advisory Team, said, “With EQT Future, we will leverage EQT’s proven responsible ownership philosophy and challenge ourselves and portfolio companies to further elevate our ambitions for driving tangible and measurable impact. The fund’s longer-term ownership horizon will unlock new opportunities that historically have fallen outside the investment mandate of EQT’s Private Equity funds.”

The EQT Future fund will have a target fund size of EUR 4 billion. No hard cap has been set to date and the actual fund size is dependent on the outcome of the fundraising process and may ultimately be higher or lower than the target fund size. Management fees for the EQT Future fund will be charged on invested capital during its full term. This means that management fees will be charged only as and when investments are made by the fund.

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About EQT
EQT is a purpose-driven global investment organization focused on active ownership strategies. With a Nordic heritage and a global mindset, EQT has a track record of almost three decades of delivering consistent and attractive returns across multiple geographies, sectors and strategies. Uniquely, EQT is the only large private markets firm in the world with investment strategies covering all phases of a business’ development, from start-up to maturity. EQT today has approximately EUR 71 billion in assets under management across 27 active funds within two business segments – Private Capital and Real Assets.

With its roots in the Wallenberg family’s entrepreneurial mindset and philosophy of long-term ownership, EQT is guided by a set of strong values and a distinct corporate culture. EQT manages and advises funds and vehicles that invest across the world with the mission to future-proof companies, generate attractive returns and make a positive impact with everything EQT does.

The EQT AB Group comprises EQT AB (publ) and its direct and indirect subsidiaries, which include general partners and fund managers of EQT funds as well as entities advising EQT funds. EQT has offices in 24 countries across Europe, Asia-Pacific and the Americas and has more than 1,000 employees.

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