

Verdane Advisors AB  
Stockholm, Sweden  
Oslo, Norway

verdane



# Transforming portfolio companies



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**SME SIZE:** Medium, about 85 employees

**SECTOR:** Finance / Investments

**INDUSTRY:** Private equity

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## Background

Verdane is a private-equity firm that specialises in the investment in digital tech-driven companies and long-term growth. With headquarters in Sweden and Norway, the company has offices in 6 countries, including Germany, Denmark, Finland, Sweden, Norway, and the UK. The firm pursues ‘purpose-driven investing’ which guides their investment choices, value creation approach and institutional investor partnerships. In practice, this means that investments in companies are placed according to three core themes consisting of ‘the Digital Consumer’, ‘Software Everywhere’, and ‘Sustainable Society’. Verdane’s investors comprise pension funds, university endowments and private foundations. Apart from their investment strategy, Verdane is also promoting change within their acquired companies through their positions on the board of directors, thus promoting sustainability solutions within other companies as well.

# Lessons

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**An investment company that has incorporated sustainability in all operations and supports the acquired companies in becoming more sustainable. Transparency in decision-making and good internal communication creates trust among employees and is a prerequisite for sustainability being a central notion of the business.**

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Technology is our domain



We are growth experts



Purpose-driven investing

# Sustainability Origin Story

Verdane's commitment to sustainability stems from recognising sustainability as one of the big historical transitions like the digitalisation transition and that contributing to the transition to a sustainable society will generate value in the long-term future. Verdane creates sustainable impact through financing and developing impactful companies. It is crucial to 'future-proof' long-term investments by recognising which companies have a (sustainable) future market and are therefore worth investing in.

At Verdane sustainability is an integrated part of the company culture that rests on four key values, being "dare to be different", "respect people and planet", "we love what we do", and "we get things done". The company leadership actively fosters the culture and communicates the company values internally (e.g. in recruitment processes, weekly messages to all employees etc) and externally in the communication with investors and portfolio companies. Staff well-being is considered important. The company makes sure to monitor staff wellbeing and offers tailored support where and if needed. There is also a high degree of transparency in the company's decision-making, which fosters trust and contributes to the company's cohesiveness. Verdane works on office sustainability to reduce its internal carbon footprint (e.g., energy efficiency, sustainable lunches, recycling).

From an organizational point of view, sustainability is intertwined in all operations through the position of the sustainability lead who works in close collaboration with the company leadership, the investment teams and operational experts. A team of operational experts, called the Elevate team, support Verdane's and their portfolio company's operations with expertise in different topics, e.g. sustainability being one of it.

Through Verdane's experience in working with a wide range of companies, the Elevate team has a lot of knowledge to share. This expertise is employed to help their portfolio companies not only growing, but also making the transition to a more sustainable business model. This might entail putting in place mechanisms such as reporting and tracking various indexes relating to sustainability, but also about introducing a more holistic way to think about sustainability issue along with ways to identify where and how companies can make the most impact within their given market and field. Such a service is unique for a European growth equity investor company.

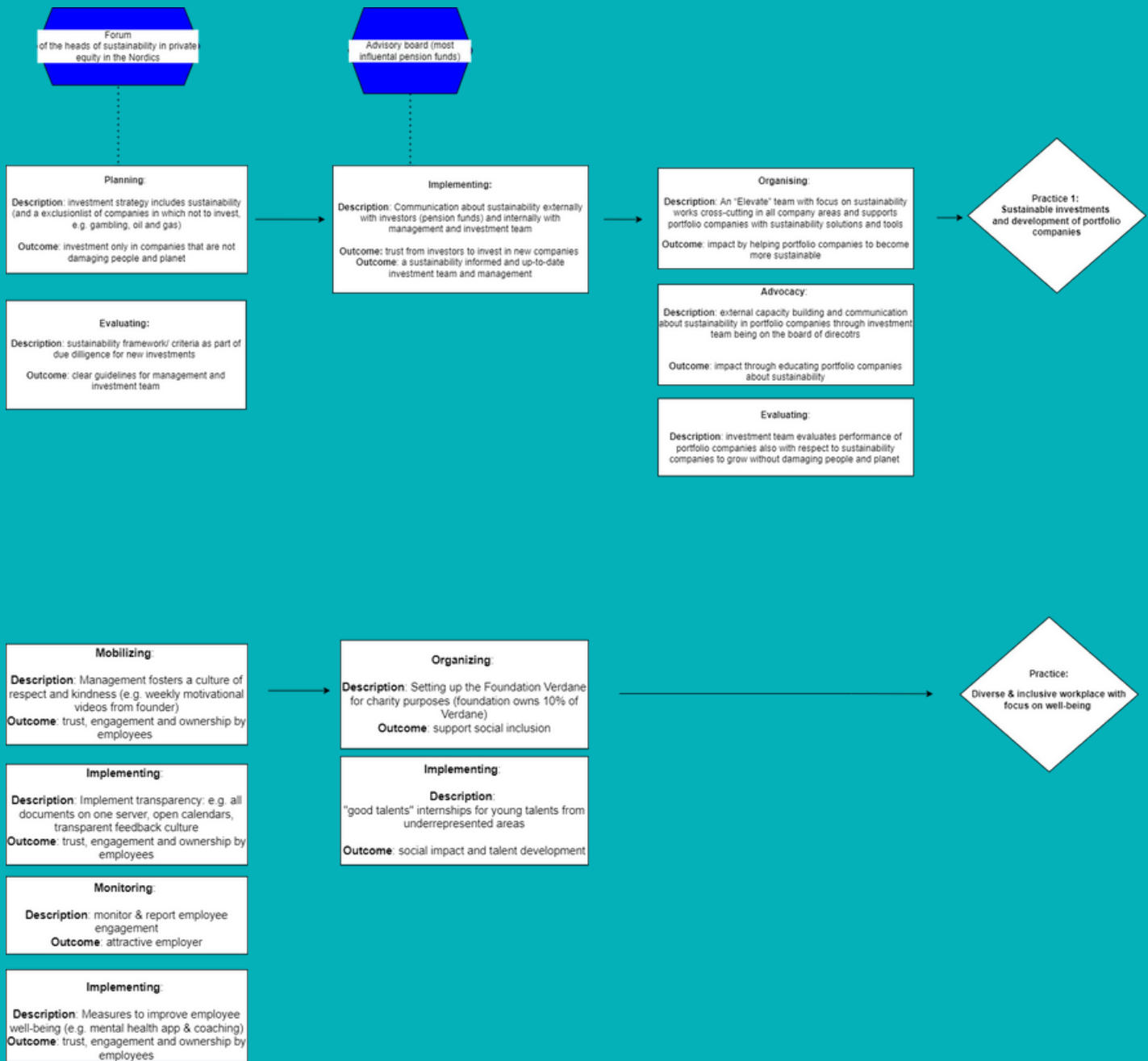
Verdane engages in social sustainability through its own foundation that owns 10% of Verdane and engages in charity and projects that support local inclusion, e.g. Good Talent, an NGO that helps to promote young talents from typically more underrepresented neighbourhoods. Verdane's creates ecological, social and economic value through the positive impacts on portfolio companies, working internally towards an increased diversity of talents, through contributing to the sustainable growth of pension funds and charitable activities of the Verdane Foundation.

# Key Sustainability Practices

<b>Practice 1: Sustainable investments and development of portfolio companies</b>	<b>Practice 2: Diverse &amp; inclusive workplace with focus on well-being</b>
Sustainable due diligence for every new investment	Implement transparency: e.g. all documents on one server, open calendars, transparent feedback culture
Assert influence in portfolio companies through directors' board membership in holdings and owning shares of the holdings	Management fosters a culture of respect and kindness (e.g. weekly motivational videos from founder)
Mentorship to develop sustainability knowledge in new firms	Monitor & report employee engagement
Exclusionlist for investing options	Measures to improve employee well-being (e.g. mental health app & coaching)
An "Elevate" team with focus on sustainability develops scalable sustainability solutions and tools for portfolio companies (e.g. code of conduct) and also for Verdane	
Verdane internal capacity building and communication about sustainability aspects (e.g. news channel in Teams)	
Project: sustainability heroes to celebrate sustainability projects within the portfolio companies	

# Sustainability Pathway Map

The activities, actors and processes that produce Verdane’s sustainability outcomes represented visually in an organizational pathway map.



Verdane’s sustainability practices contribute to the UN Sustainable Development Goals:



# Enabling Factors

Verdane's sustainability practices are enabled by a number of key actors, policies, resources, and partnerships:

Organizational enabling elements	
<b>Internal elements</b>	<p>Elevate team that helps portfolio companies to improve in certain areas (a.o. sustainability), which is unique for a European company</p> <p>Verdane foundation owning 10% of Verdane, engaging in social sustainability</p> <p>Fostering staff wellbeing and an inner culture based on ethical principles</p>
<b>External elements</b>	<p>Networks for capacity building, e.g. Forum of the heads of sustainability in private equity in the Nordics</p>

# Arresting Factors

Verdane has a few barriers that hinders or stall growth or progress on their sustainability work:

Organizational arresting elements	
<b>Policies</b>	<p>Practical implications of new EU taxonomy not fully clear</p> <p>Lack of foresight into new EU regulations</p>
<b>Resources</b>	<p>Lack of standardised framework capable of quantifying the externalities businesses generate (e.g. what are the socioeconomic benefits of generating one job, what are socioeconomic costs of emitting one ton Co2)</p>



# Amplification processes

SME need:	Potential Amplification Process	Proposed Capacity Building/Experimentation to support:
<p>While Verdane has good knowledge of various frameworks for measuring sustainability impact as well as their ethical motto, a vision of what a sustainable future is for Verdane could further help guide and steer decisions towards a sustainable future.</p>	<div data-bbox="635 730 975 1120" data-label="Diagram"> <p>The diagram is titled "SCALING DEEP". It features a large, solid black circle at the top. Below the circle is a thick horizontal black line. From the center of this line, three arrows point downwards. The central arrow points directly to the word "Values" written in a bold, sans-serif font. The two side arrows point outwards and downwards, suggesting a broad or multi-faceted impact.</p> </div> <p>Changing the worldview and values underpinning the practice of the SME</p>	<p>Further deepen and develop company ethical framework by establishing a clearly and well-defined operational definition of what sustainability and a sustainable society means for Verdane, and how to work towards this vision.</p>