vp capital
Driven by impact

# Progress Report 2023

Certified B Corporation

*Driven by impact*

In this report, we look back over the past five years, during which we developed an investment strategy based on our progress in terms of ESG (Environmental, Social and Governance) and impact. Overall, we can conclude that we've achieved most of our KPIs (see page 21). For example, we surpassed our target of investing 45% of our capital in impact. However, our portfolio score of 7.9/10 fell short of our target of 8.0/10. That is because we set the bar high from the start. And the analysis shows that we have accomplished our mission to help drive change. For instance, the Progress Scores of our direct investments have improved significantly (see page 71). Furthermore, our family office is seen as a pioneer and inspiration by our peers and our investments alike (see page 77).

We have decided to continue on this path in our new strategy, in spite of having made some significant changes. While before we viewed financial opportunities through an impact lens, we now put impact first, looking at it through a financial lens (see page 83). For us, to make an impact is to contribute to solutions to three major challenges: biodiversity, climate, and social equality, for which we are in a position to make a considerable contribution, relying on our specific expertise and extensive network.

Another significant step that we've taken this year has been to prepare ourselves for the Corporate Sustainability Reporting Directive (CSRD). We carried out a double materiality assessment in which we took into account impact materiality (the impact our activities have on people and/or the environment) and financial materiality (the financial risks and opportunities related to external developments, like climate change). For this exercise, we surveyed our stakeholders, asking them about Impacts, Risks and Opportunities (IROs) related to the activities of our family office and our financially consolidated companies (see page 39). Most of the topics that were ultimately considered to be material were already on our radar; for instance, we already had in place validated science-based targets to reduce our carbon footprint. Moreover, our family office is B Corp-certified. There are, however, still a few challenges ahead, for instance the EU Taxonomy.

But as we have done for the past few years, we continue to keep an open mind and fully embrace sustainability. In the future, we might even go beyond impact investing and look toward systemic impact investing (see page 96), which takes into account the root causes of planetary and societal challenges, while at the same time always keeping our motto in mind: Driven by impact.

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# *Preface*

# Preface

*In 2018, we embarked upon our sustainability journey. Over the past years, we have made substantial progress, learning a lot in the process. Most importantly, we continue to commit to this, and even want to accelerate putting impact first, as reflected in our new 2024–2028 strategy, with 'Driven by Impact' as the guiding motto.*

*"Even if we manage to effectively halt climate change, social inequality will likely continue to increase. Just like climate change, it is an urgent existential crisis"*

— *Guus van Puijenbroek*
**Director of Strategic & Family Matters**

Guus van Puijenbroek, Director of Strategic & Family Matters, and Marije Rhebergen, our newly appointed Director of Impact & Communications, look back over 2023, and discuss our priorities for the next five years.

### What were your main challenges and achievements in 2023?

**Guus van Puijenbroek**: "Our main focus was on developing our new strategy. Simultaneously, we strove to achieve our 2023 objectives and end our previous strategy cycle on a high note. Balancing these two goals was extremely challenging, but we still managed to meet the majority of targets that we set ourselves six years ago. We achieved a commendable Progress Score of 7.9/10, just shy of our goal of 8/10."

### How do you envision the next five years?

**Marije Rhebergen:** "Our new investment strategy revolves around three major challenges: biodiversity, climate and social equality. The inspiration behind this approach was Kate Raworth's 'Doughnut of social and planetary boundaries.' More concretely, if a company or fund contributes to one or more of the six solutions related to three challenges, we see it as an impact investment. The six solutions are: bio-based, regenerative, toxicity-free, circular, net zero, and inclusive. Of course, impact is a much broader concept, but to keep it manageable we narrowed it down to these critical challenges."

"And while climate and biodiversity are undoubtedly crucial in terms of impact, I appreciate the inclusion of social equality. After all: the three are interconnected. As an example, if you invest in measures to make a building more sustainable, you also have to make sure the apartments are still affordable. VP Capital's vision immediately resonated with me because it aligns closely with my own drive and convictions."

**Guus van Puijenbroek:** "Even if we manage to effectively halt climate change, social inequality will likely continue to increase. Just like climate change, it is an urgent existential crisis."

### Your new impact-first strategy prioritises impact over financial returns. Is that the way forward?

**Guus van Puijenbroek:** "Absolutely. Since 2021, we have barely invested in non-impact businesses. And now, we have officially anchored that approach. Until recently, we looked at financial opportunities through an impact lens. Now, we firmly embrace the 'impact-first' approach."

"We are very pleased that the family is willing to accept slightly lower returns and higher risks in the short term to make it possible to invest more in impact ventures. For example, a start-up may not fulfil its ambitions in the next five years. Some might need ten or fifteen years to succeed. The family's support in this regard is very important."

### What trends do you see in impact investing?

**Guus van Puijenbroek:** "At the moment, the emphasis is largely being placed on climate investments, and, to a lesser extent, biodiversity, while social equality is mostly still seen as a philanthropic project. There are fewer propositions

*"VP Capital's impact-first vision immediately resonated with me, because it aligns closely with my own drive and convictions"*

*— Marije Rhebergen*

**Director of Impact & Communications**

for social funds with a larger investment ticket. But it is increasingly gaining prominence."

**Marije Rhebergen:** "Under the influence of new regulations such as the Corporate Sustainability Reporting Directive (CSRD) as well as the upcoming Corporate Sustainability Due Diligence Directive (CSDDD), topics like well-being at work and human rights are receiving greater attention. To this day, however, it often remains limited to 'doing no harm.' Proactive steps to genuinely create a positive impact in terms of social equality are rare, except for those in the philanthropy arena. We aim to change that."

**Marije, you were recently appointed as the Director of Impact & Communications. What are your short-term goals?**

**Marije Rhebergen:** "Our top priority is to make the new strategy a success. In five years, we want to demonstrate clear progress across all our investments. A significant challenge will be measuring our impact, in order to gain insights and proactively steer our investments in the most impactful directions. For this, we must gather the necessary information from our investments. The CSRD will allow us to 'speak the same language,' so that data becomes more comparable, thus providing valuable insights and guidance. We want to avoid administrative burdens, and really take a strategic approach. But it is a delicate balance."

**Guus van Puijenbroek:** "This information is crucial to us. It is much more than a checkbox exercise: we want to identify the levers we can pull to create real impact. Ultimately, it's about all of us driving change together."

**Marije Rhebergen:** "The long-term impact-first strategy is particularly unique among family offices. We have a real, intrinsic focus on sustainability: it's not about compliance, but a genuine desire to improve the world. That sets us apart from others. Moreover, VP Capital not only works on its own ventures and investments, but also takes a leadership role: it aims to encourage other family offices to join in."

Learn more about our previous strategy

# Driving change *together*

# *About us*

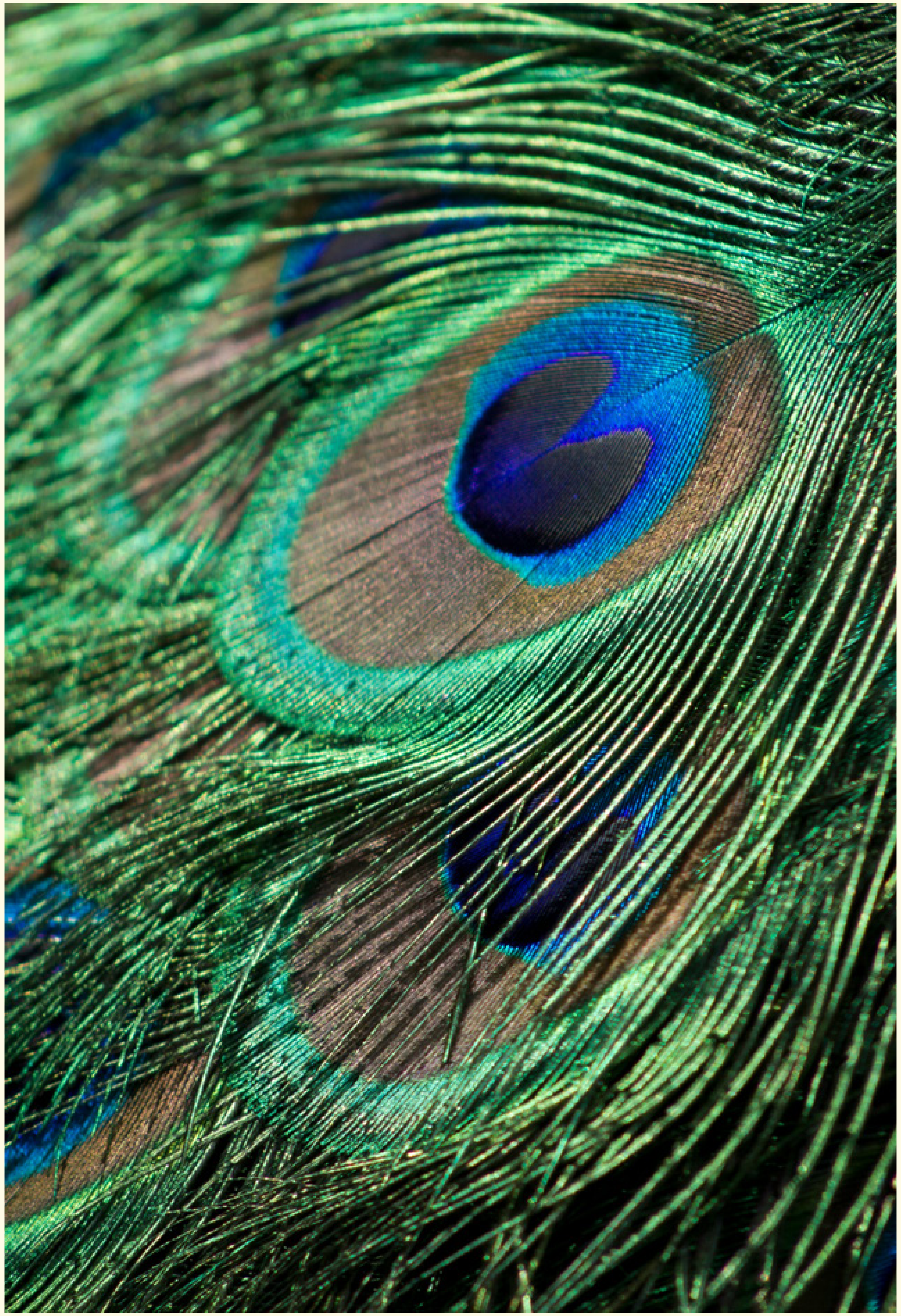
# *1.1 Our family office*

Our roots date back to 1865, when Hendrik van Puijenbroek established Van Puijenbroek Textile, a pioneering textile company known for its socially responsible approach. Over the years, we have transformed into a family office with a mission for positive change, for both the planet and society. We leverage our capital and network to invest in transformative solutions that will drive positive impact. For generations to come.

We invest in companies and real estate, either directly or through funds. In addition, we have our own financially consolidated companies: VP Textile, VP Landbouw, VP Energie and our real estate holding VP Vastgoed. We also donate to charities: For us, charity is more than just giving, it's an important capital instrument (alongside impact investment and transformation of our heritage companies) to drive systemic change. In recent years, we have honed a more strategic philanthropic vision.

Change starts from within. And with this in mind, we:

- are a certified B Corp
- have validated science-based targets
- have signed the Finance for Biodiversity Pledge
- are Gold-label $CO_2$-neutral certified



# 1.2 Our strategy for 2019–2023 in a nutshell

Back in 2019, we embarked on a journey fuelled by a commitment to making a meaningful impact. Our strategy was aimed at reducing negative impacts while championing positive change across our different investment domains: agrifood, real estate, textile, smart industry, media, health, water and energy.

Putting our mission and vision into action, we built our approach on five robust pillars:

1. **Commit our capital**: We wanted to invest in solutions that tackled planetary and societal challenges within our investment domains. To help us determine our success in this regard, we developed our Progress Score five years ago, which helps us better monitor our results. The Progress Score tracks every investment and donation in terms of ESG and impact, allowing us to calculate a total score that reflects our overall progress across all investments.
2. **Engage our network**: We actively engaged with the companies, funds and charities that we have supported. By sharing our knowledge and insights on legal, financial, communication and sustainability issues, we wanted to accelerate their sustainable progress. We also actively engage in dialogue with other families and family offices, always maintaining discretion and mutual openness. We share our current positions, lessons learned, mistakes made, and the challenges and successes that we encounter.
3. **Manage on sustainable progress**: In parallel to our screening of investments, we also held our family office to the highest standards. Through initiatives like our B Corp certification process, we ensured our operations aligned with the interests of all stakeholders. Additionally, we made it our mission to be actively involved in our investments, in order to further drive and monitor sustainable progress.
4. **Contribute to solutions for planetary challenges**: Our planet faces numerous challenges, and we're determined to contribute to the solution. In our previous strategy, we tracked how many of our assets contributed to solutions to key challenges. Within our 'energy' investment domain, for example, we analysed whether our investments contributed to providing renewable energy for all. For 'smart industry', we checked whether our investments provided a solution to the growing demand for equipment and raw materials.
5. **Contribute to solutions for societal challenges**: We recognise the pressing societal issues of our time, and, to this end, have kept track of how many of our assets contributed to solutions for societal challenges.

For our 2023 results, please refer to chapters 2 and 3.

For more information on our new investment strategy, please refer to chapter 5.

# Progress Score 2023

*In 2023, we reached the end of our five-year investment strategy in which we developed our Progress Score.*

## How did we measure progress?

The score consists of two parts:

- an ESG Score (up to 5 points): analyses how well ESG is embedded in a company or fund. An adequate-to-high ESG Score (more than 3 out of 5) indicates a long-term commitment. It also implies that the company has clear policies, progress is being reported, and the organisation takes accountability for ESG. The highest ESG Score means that a company is 'best in class' in terms of ESG in a given sector.
- an Impact Score (up to 5 points): examines the extent to which a company, fund or donation actually helps to solve a societal or environmental problem. We score all companies on an impact axis, from 'causes harm' to 'contributes to solutions.' We also look at how many companies provide solutions to the specific challenges of a particular investment domain. If a company, fund or donation scores at least 4 out of 5, we consider it an impact investment.

The screening is based on questionnaires, available reports (impact, financial and sustainability) and publicly available information. Additionally, we conduct interviews with the companies and funds in which we invest.

To track our progress, we've developed a KPI dashboard. All the results are detailed on the next page.

A portfolio analysis, including the progress of each of our investments, can be downloaded via the website.

# Our progress KPIs

| How we put our beliefs into practice | Sustainable progress KPIs | 2021 | 2022 | 2023 | 2023 Target |
|---|---|---|---|---|---|
| **Commit our capital** | Progress score | 7.1/10 | 7.6/10 | 7.9/10 | 8.0/10 |
| | Impact score | 3.2/5 | 3.6/5 | 3.8/5 | >3.5/5 |
| | Capital invested providing solutions to key challenges | 78% | 75% | 76% | 80% |
| | Capital invested in impact investments | 29% | 49% | 58% | 45% |
| | Total donations | €1M | €1.1M | €1.3M | €1M |
| **Engage our network** | Dialogue with family offices | >50 | >40 | >50 | >50 |
| | Engage with our portfolio on ESG and Impact | 95% | 93% | 83% | 90% [1] |
| **Manage sustainable progress** | B Corp score (max. 200 points) | - | 98.6 | 98.6 | >80 |
| | Active ownership | 83% | 84% | 83% | >75% |
| **Contribute to planetary challenges** | Invested capital providing solutions to planetary challenges | 38% | 41% | 43% | 50% |
| | Planetary metrics improved | 65% | 67% | 58% | 75% [1] |
| | Carbon-neutral certified | Yes | Yes | Yes | Yes |
| | SBTi approved | - | Yes | Yes | Yes |
| **Contribute to societal challenges** | Invested capital providing solutions to societal challenges | 58% | 51% | 50% | 50% |
| | Societal metrics improved | 57% | 58% | 58% | 75% [1] |
| | Capital allocated to underserved communities | 3.0% | 3.3% | 3.6% | Part of '24-'28 strategy |

1 For this Sustainable Progress KPI, an average of the years 2021-2023 was used to assess whether the target has been achieved

# 2.1 Five conclusions on the results of 2023


## 2.1.1 We set the bar high from the start to accelerate progress

Overall, we have met the majority of our KPIs. As Jobien Laurijssen, Sustainability Manager, explains: "For instance, we surpassed our target of investing 45% of our capital in impact by 13%. So last year we were already well on our way to putting impact first, which is the starting point of our new strategy."

Yet, the portfolio score of 7.9/10 fell short of our target of 8.0/10. "As our Director Strategic & Family Matters Guus van Puijenbroek mentions in the chapter on five years of sustainable progress, we set the bar high from the start, with the aim of accelerating progress. The same goes for the objective of having 80% of our capital invested in providing solutions to key challenges. In 2023, we reached 76%. The goals for 'planetary and societal metrics improved' were also difficult to achieve, but by setting these goals, we gained a better understanding of the various environmental and social metrics of our direct companies. In the future, the CSRD will help us to focus even more on improving these metrics."

## 2.1.2 We've made progress on engaging our network

To monitor our progress in engaging our network, we measured – for example – the percentage of investments and charities we talked with about ESG and impact. Jobien Laurijssen: "The percentage of engagement with our portfolio on ESG and Impact in 2023 was slightly lower than in the previous years; however, we are pleased to have engaged with more than 90% of our portfolio on average annually over the past 5 years. We consider engaging with our portfolio an important tool to keep pushing the sustainability agenda and drive impactful change."

Alongside this, we have achieved our KPI on active ownership. "By 2023, we had a seat at the table in 83% of our assets, spanning approximately 20 different investments, assuming diverse roles along the way."

## 2.1.3 More than half of our portfolio received a high Progress Score

The table below indicates that 45 out of 69 investments (including donations) received a score of 8.0 or higher. Jobien Laurijssen: "Notably, VP Vastgoed, Accsys Technologies, VP Energie, BYBORRE, EQT V, EQT Dementia, Shift Invest, PYMWYMIC and World Fund garnered the highest score (10/10), indicating that these investments pursue best in class standards on ESG management while their companies bring products or services to the market that contribute to solutions to societal or environmental problems within their sectors."

For instance, since 2020, Accsys Technologies has attained the maximum rating on both scoring dimensions, indicating a strong ESG governance. "ESG principles are integrated into the company's management and related policies, and, additionally, all Principal Adverse Impacts (PAIs) are reported for a second consecutive year. The Sustainable Finance Disclosure Regulation (SFDR) requires financial market participants and financial advisers to disclose these PAIs. Accsys's proposition offers a low-carbon product that is commercially viable, resulting in a significant positive impact on planetary challenges."

Almost all of our direct impact investments were awarded the highest score. Only Trunkrs, an e-commerce platform specialising in parcel delivery in the Netherlands and Belgium, received a lower score. "This scale-up company is working towards achieving 100% electric deliveries, and still has some steps to take."

Previous subchapter

Next subchapter

# Progress Score Overview

| Investment category | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|---|
| Direct | | | | | | | MEDIAHUIS<br>vp landbouw<br>HYDROWEAR | batenburg<br>Q-LITE<br>HAVEP<br>VH | | |
| Funds | | | | Goldman Sachs PCM | | 747 Capital IV<br>747 Capital VI<br>747 Capital V | NORDIAN Capital Partners<br>747 Capital VII | Committed Advisors<br>Alp Invest<br>Convent Capital<br>Goldman Sachs CPVII | Ackermans & van Haaren<br>ICG<br>Bolster Investment Partners I II | |
| Real estate | | Frun Invest I | | | | | | | HCRE I II<br>REG Fund | vp vastgoed |
| Direct impact | | | | | | Trunkrs | | | Aquaporin | Accsys<br>vp energie<br>BYBORRE |
| Impact funds | | | | | | Goldman Sachs IT<br>NextGen Ventures | Textile Innovation Fund | The Rise Fund<br>PlanetFirst Partners<br>inventures<br>blue horizon ventures<br>goodwell IV V<br>plūrālis<br>Rockstart | AquaSpark<br>EQT HEF 2<br>SET Ventures<br>Princeville Capital<br>LeapFrog Investments<br>Green Safaris | pymwymic<br>World Fund<br>SHIFT<br>EQT V<br>EQT Dementia |
| Philanthropy | | | | | | | Annetje van Puijenbroek Stichting<br>VJO<br>Better Doing Democracy<br>Papillon project<br>pioneers of our time<br>Various | domusmundi<br>VANHULLEY<br>gfi Good Food Institute<br>HACK YOUR FUTURE<br>Women on Wings | Young Water Solutions<br>BuzzWomen<br>bellingcat<br>Healthy Entrepreneurs<br>Netwerk Jorgen Raymann | |

## 2.1.4 A high ESG Management Score thanks to real estate and direct investments

Our total ESG management score increased by 0.18 to 4.11, largely as the result of improved performance on ESG management across all categories. Mark Schravesande, Project Manager Sustainability: "Our real estate asset class made the most progress, largely thanks to our real estate funds REG and HCRE. They implemented an ESG policy, investment cycle guidelines, ESG objectives and ESG KPIs. A concrete result of these efforts has been that energy and water usage monitoring is being implemented across all REG Fund buildings."

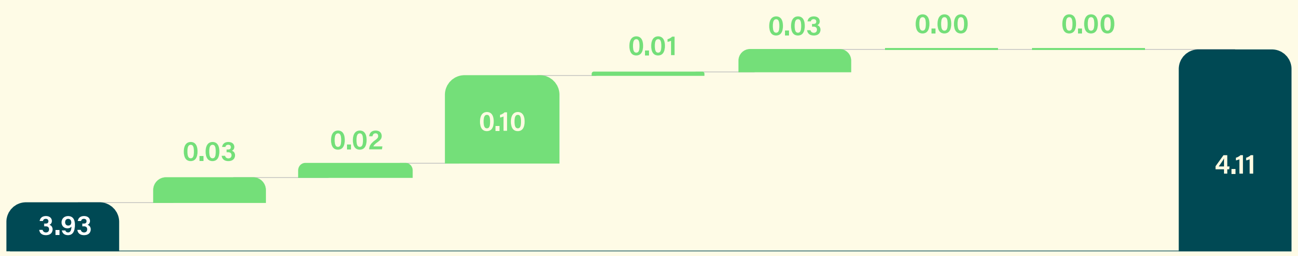
Our financially consolidated companies or direct investments have also contributed to an increase in the ESG management score (see text on page 31 for VP Landbouw and on page 32 for VP Textile).

## 2.1.5 Impact Score target reached

We achieved our Impact Score target of surpassing a score of 3.5/5, with 3.8/5 being our score for 2023. This can largely be attributed to our direct investments Mediahuis and VP Textile (see text on page 31 for Mediahuis and on page 32 for VP Textile). We also saw an increase in the impact score of our real estate portfolio, most notably for VP Vastgoed and REG Fund.

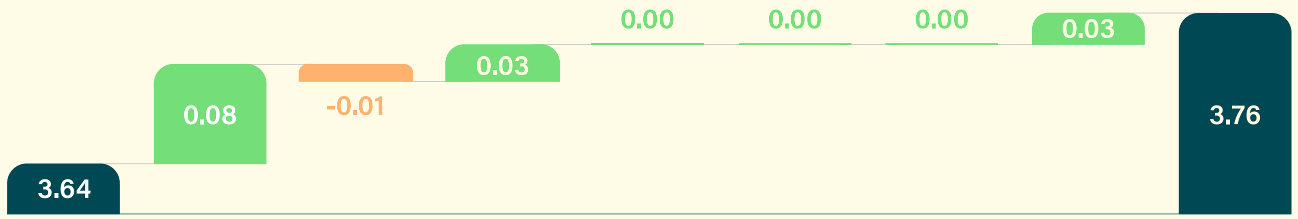
*The impact score of our real estate portfolio increased*

### Breakdown of contributions to the 2023 ESG Management Score increase




| 2022 ESG MGMT. SCORE | DIRECT | FUNDS | REAL ESTATE | DIRECT IMPACT | IMPACT FUNDS | PHILANTHROPY | CHANGE IN PORTFOLIO WEIGHT | 2023 MANAGEMENT SCORE |
|---|---|---|---|---|---|---|---|---|
| | Textile companies and VP Landbouw improved on topics such as supply chain control, employee H&S, product lifecycle, and ethics & compliance. | Bolster Investments score has increased through improved monitoring, reporting, and joining the UNPRI. | REG and HCRE improved through e.g. implementing an ESG policy, investment cycle guidelines, ESG objectives, and ESG KPIs. | BYBORRE and VP Energie have been working hard on improving their ESG management, which is reflected in their score. | Green Safaris, Princeville, and Rockstart made improvements through improved monitoring, reporting, ambitions & targets, and governance. | St. Annetje has improved impact measurement by focusing on specific impact areas and objectives, and working in a more output-oriented way. | Portfolio weight changes had an unnoticeable effect on impact score. | |

### Breakdown of contributions to the 2023 Impact Score increase




| 2022 IMPACT SCORE | DIRECT | FUNDS | REAL ESTATE | DIRECT IMPACT | IMPACT FUNDS | PHILANTHROPY | CHANGE IN PORTFOLIO WEIGHT | 2023 IMPACT SCORE |
|---|---|---|---|---|---|---|---|---|
| | Mediahuis, Hydrowear and Van Heurck have made significant improvements on impact.<br><br>Q-lite's score fell after winning a major project last year, causing a temporary increase that has ended. | The Convent fund, with a significant portfolio weight, is reaching its end-of-life stage. The score change is driven by a high-scoring divestment in the fund.<br><br>All 747 funds have improved their impact scores. | The most noteworthy increase in real estate is driven by the REG fund and VP Vastgoed. | The impact score for direct impact investments remains very high at 4.8, without any changes w.r.t. the previous year. | The impact funds have been scoring consistently high on the impact score.<br><br>Positive contributors to the change are Inventures, TPG Rise, and NextGen. | There are many new philanthropy projects. There is no score change considering the relatively small weight of the category. | Portfolio weight changes had a reinforcing effect on the impact score. | |

# *Our direct investments have contributed to an increase in the Impact Score*

# 2.2 A deep-dive into our portfolio

## VP Landbouw's gold standard

VP Landbouw received the highest rating – i.e. 'Gold' – from the Dutch government agency granting subsidies related to the European Common Agriculture Policy programme. This system rates farms on eco-friendly activities such as planting restorative crops or using pesticides sparingly and intelligently. Our farm is now also GLOBALG.A.P.-certified. As Jobien Laurijssen says: "It is a brand of smart farm assurance solutions. They recognise farms for their efforts to continuously produce enough food that is safe to consume while safeguarding our environment and the welfare of farming communities."

## The impact framework of Mediahuis

The impact score of Mediahuis increased from 3.7 in 2022 to 3.9 in 2023. Quality and independent journalism is a precondition for a free and open society, and, taking this into consideration, Mediahuis's impact has been determined in accordance with the NIR framework of the Brazilian Granito Center for the Impact Economy for the second consecutive year. The framework is based on four criteria: the content of the news medium (quality and objectivity), reach and engagement, guaranteed independence, and, finally, seniority. Mediahuis's Impact Scores have slightly increased in the content and independence categories. Furthermore, almost all newspapers have published investigative articles with a high societal impact over the past 12 months. Mediahuis received our Sustainability Award 2023 due to their improvement on Impact and ESG (mainly a reduction in carbon emissions, see page 46).


Mediahuis received our Sustainability Award 2023.

## VP Textile's synergies

HAVEP, Hydrowear, and Van Heurck have all seen improvements in their scores. Jobien Laurijssen explained: "For instance, Hydrowear put in extra efforts to monitor labour conditions in the supply chain. Currently, 100% of its suppliers are being monitored by the Fair Wear Foundation to ensure compliance with labour and ethical standards. Additionally, VP Textile designated a dedicated sustainability team at group level that is tasked with coordinating the overall sustainability agenda. The team is also responsible for overseeing the Fair Wear scores across all brands. This approach enables us to more seamlessly transfer insights gained from a project at one brand to another."

This year, both Hydrowear and Van Heurck have made significant progress toward making an impact. "All our brands now have systems in place for customers to collect and return clothing for recycling," Laurijssen noted. "Initially developed by HAVEP, this system has been successfully implemented across all the companies. Furthermore, we've leveraged the companies' expertise in sustainable materials innovation to initiate various pilot projects within the group. Our investment strategy in the textile sector focuses on fostering synergies among these three businesses to enhance their overall positive impact. In 2023, VP Textile also started to calculate the True Price of its products. True Price is an economic concept that reflects the real cost of a product or service by incorporating all hidden costs, such as environmental impact and social inequality."

# 2.3 Donations

We consider philanthropy a vital capital instrument, alongside impact investing and the transformation of heritage companies. More specifically, we allocate most of our donation budget towards key challenges linked to our investment domains. Charities undergo a screening process implemented by Telos Impact, evaluating scalability, structure, experience, and the potential value we can contribute. Furthermore, we monitor the impact of our donations through Key Performance Indicators (KPIs).

Because some of the projects we've supported over the years have ended, we welcomed several new charities into our 2023 portfolio. We capitalised on this opportunity to align some of our new donations with our new strategic impact themes: biodiversity, climate, and social equality.

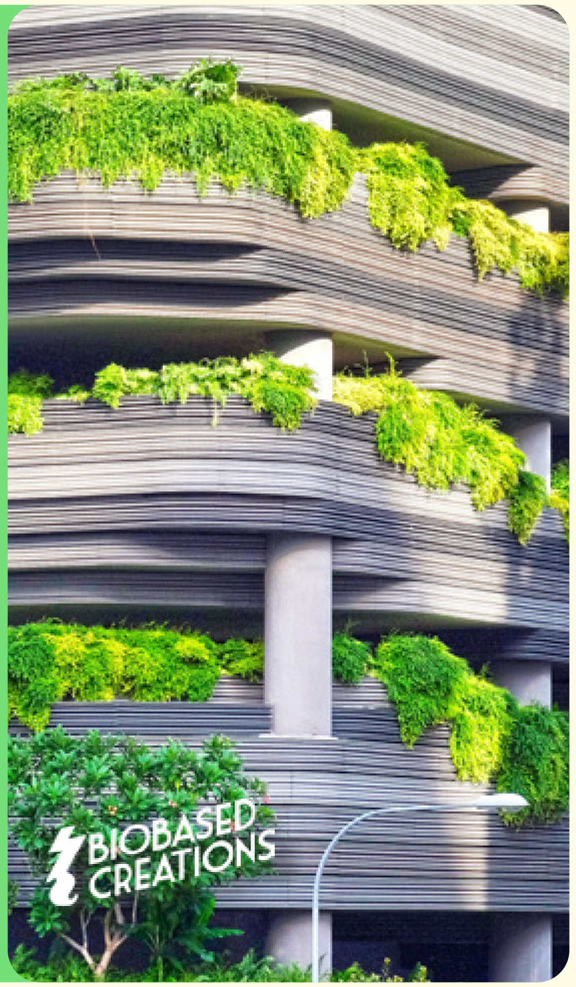
In total, our charitable contributions exceeded €1.3 million in 2023. The Annetje van Puijenbroek Foundation, established in 2015 to serve the local communities of Goirle and Hilvarenbeek where our roots lie, received increased annual support amounting to €150,000. This foundation champions initiatives fostering social cohesion, empowering individuals, and nurturing community bonds, with representation from family members and a VP Capital director on its board.

Our commitment to instilling philanthropic values begins early. Each family member from the age of six has the opportunity to donate a fixed annual amount of €6,000 to one or more charities of their choice or a charity pre-selected by VP Capital. In 2023, we collectively donated €150,000 to charities through this initiative.

We already directed significant donations totalling €400,000 towards projects promoting social equality, climate action and biodiversity preservation. Additionally, we allocated €100,000 towards emergency relief and poverty alleviation efforts. Furthermore, we invested €465,000 in charities aligned with our eight investment domains, alongside €86,000 supporting various other charity initiatives.

## Biobased Creations (biodiversity)

Possible Landscapes Regenerative City and Infra, a programme of Biobased Creations, is a network of creative minds, construction and infrastructure companies, start-ups and investors that have taken up the challenge to create a construction and infrastructure sector that not only limits harm, but actually adds ecological and social value. It is not just about using new sustainable materials, but about building in a fundamentally different way. The ultimate goal is to create buildings and infrastructure that are truly part of nature. VP Capital decided to support this initiative because we want to actively contribute to solutions to the major ecological and social challenges of our time. As part of our new investment strategy (starting in 2024) we will be looking for solutions in the built environment that are biobased, circular and regenerative. We also see a clear link between the programme and one of our other investment domains: the agri-sector, which we foresee playing an important future role in providing regenerative, biobased materials for the construction industry.



Here's a concise overview of some projects supported in 2023 across various domains:

- Bellingcat **(Media):** An independent investigative collective uncovering wrongdoing worldwide through groundbreaking investigations.
- Healthy Entrepreneurs **(Health):** Provides basic healthcare in remote areas of Kenya, Uganda, and Burundi by training self-employed healthcare workers to sell health products and offering training in mini-pharmacies.
- The Good Food Institute **(Agrifood):** Dedicated to advancing innovation in alternative proteins to reduce the environmental impact of the food system, advocating for their accessibility and affordability.
- Vanhulley **(Textile):** Empowers women in Groningen and Goirle through a work-learning programme where they transform old workwear and other textiles into various products, fostering their integration into society.
- Young Water Solutions **(Water):** Supports young entrepreneurs to address Water Access Sanitation and Hygiene (WASH) challenges by implementing water and sanitation projects and creating social enterprises in their communities.

*We allocate most of our donation budget towards key challenges linked to our investment domains*

Across impact themes (see page 86):

- Biodiversity:
  - Eat More Trees: An upcoming documentary exploring the potential of food forests for enhancing soil health and revolutionising food production.
  - Biobased Creations: Implemented by Company New Heroes, a creative studio that specialises in installations, projects and storytelling about the transition towards a regenerative and circular world (see text box on page 34).
- Climate:
  - Arctic Reflections: Working to restore Arctic sea ice by thickening it in winter through innovative methods.
- Social Equality:
  - Buzz Women: Empowering women to break the cycle of poverty through self-development and sustainability.
  - DUO for a JOB: A mentorship programme where older individuals support young jobseekers to enhance their employment opportunities.

These initiatives exemplify our commitment to addressing critical issues while promoting positive social and environmental impact.

## Arctic Reflections (climate)

The Arctic is warming rapidly, and the loss of its reflective ice surface is accelerating global warming. Bright ice sheets reflect sunlight, but as they melt, darker ocean water absorbs more heat, further increasing temperatures and reducing ice cover. An ice-free Arctic could equate to 25 years' worth of global $CO_2$ emissions, with potentially ice-free summers by the 2030s, which would have a severe impact on global climates. Arctic Reflections, a Dutch impact start-up, aims to combat the rapid loss of Arctic sea ice by thickening it during winter through a method involving pumping seawater onto the ice surface. VP Capital is proud to support this initiative, aligning with its mission to accelerate positive impact and drive innovative solutions to global challenges.



## Buzz Women (social equality)

Buzz Women empowers women in places such as India, the Gambia and Tanzania by offering training on confidence building, financial literacy, and (green) entrepreneurship. They work with so-called 'anchorwomen', local leaders who are trained to support and mentor other women in their communities. This peer-to-peer approach ensures that knowledge and support spread effectively, creating a ripple effect of empowerment. As a result, women can launch and grow their own businesses, becoming financially independent and lifting their entire communities. Buzz Woman is helping to create a brighter future where women can thrive, support their families, and lead the way towards positive change.

# *Sustainability report 2023*

# 3.1 Our double materiality assessment

In 2023, we took a crucial step towards CSRD compliance. As Jobien Laurijssen, Sustainability Manager, says: "We carried out a double materiality assessment in which we took into account impact materiality *(the impact our activities have on people or the environment)* and financial materiality *(the financial risks and opportunities related to external evolutions such as climate change)*."

We conducted our double materiality assessment during the second half of 2023. First, we determined the scope of the assessment. "Our main challenge was how to tackle the complex structure of VP Capital, which consists of the activities of the family office (as a stand-alone company), our financially consolidated companies (VP Landbouw, VP Textile and our real estate holding VP Vastgoed) and other direct and fund investments." As suggested by Chapter 1 of the European Sustainability Reporting Standards (ESRS 1), we decided to disaggregate the information, dividing the ESG exercise into two levels:

- the activities of our family office
- our financially consolidated companies: VP Landbouw, VP Textile (consisting of HAVEP, Hydrowear and Van Heurck) and VP Vastgoed

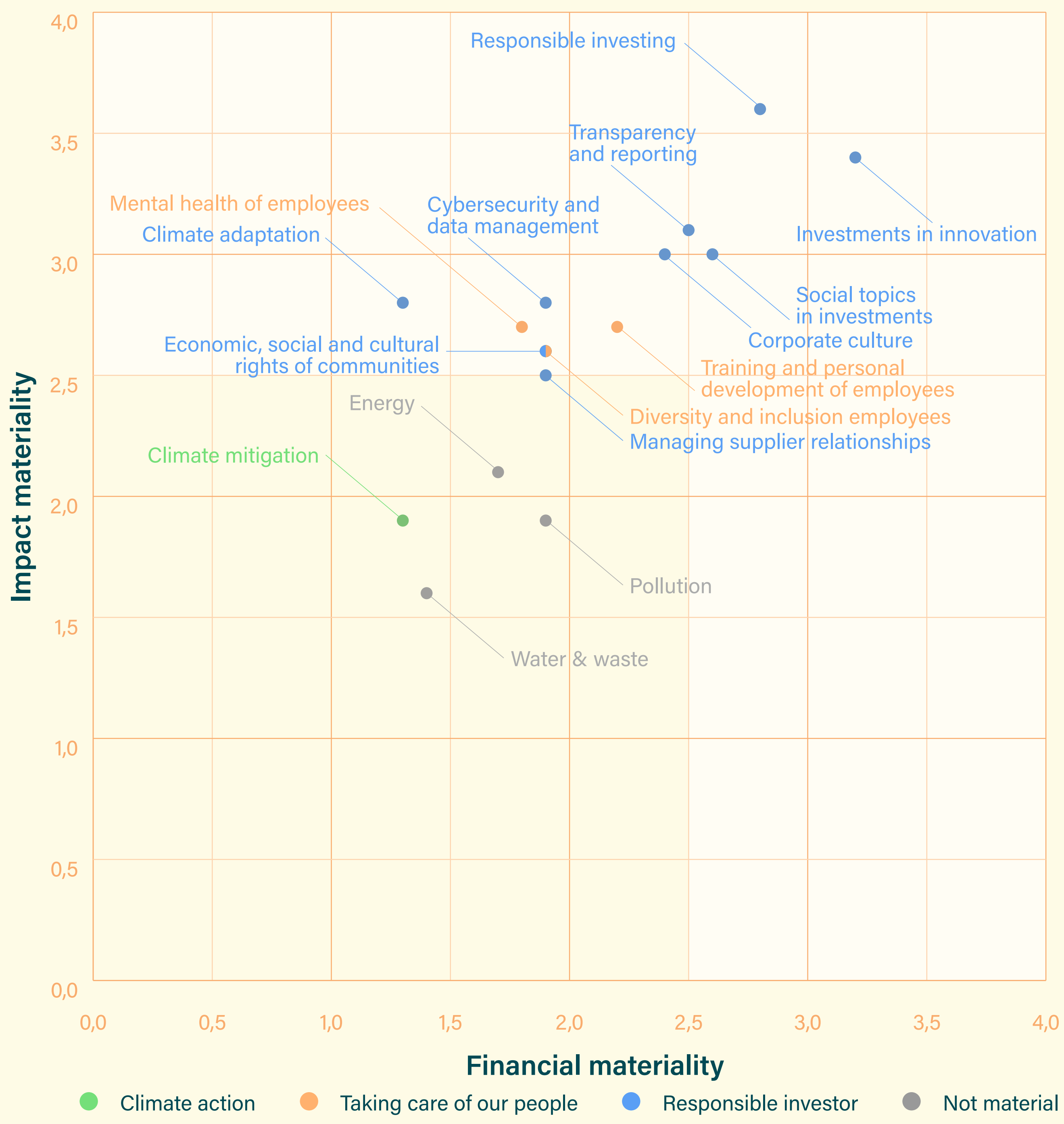
A separate CSRD trajectory was outlined for VP Textile.

"For the first level, the activities of our family office, we zoomed-in on the impact of our family office on the environment (E), on our employees (S) as well as on our responsible investment activities (G). The latter includes our capital impact (investments and donations) as well as our role and influence as a responsible investor in the broader ecosystem (investor impact). This is because the EU standards and the guidance document pertaining to the value chain do not yet include a specific methodology on incorporating impacts associated with our family office through our investments."

After this first phase, and on the basis of desk research, a benchmarking analysis, and interviews with internal experts, we assembled a longlist of topics for each level, which was then presented to three directors and the sustainability team.

We then conducted a stakeholder analysis, identifying 78 stakeholders ranging from family members, to VP Capital and VP Landbouw employees, peers and representatives from direct investments, impact funds and NGOs: "We sent them a survey consisting of questions on Impacts, Risks and Opportunities (IROs) related to the activities of our family office and our financially consolidated companies."

Our IROs are presented in the matrix below.




*Note: The materiality threshold was set at 2.5 but after a discussion, climate mitigation was considered material* (*see page 43*).

# 3.2 Our sustainability themes

The material IROs were divided into three categories, namely 'climate action' (E), 'taking care of our people' (S), and 'responsible investor' (G). As more detailed information becomes available over the coming years, we will develop more targets, action plans and policies.

As you can see below, we've aligned our sustainability themes with our investment strategy. We aim to further integrate these by next year.

This year, we will monitor the data points related to our material topics, fill in the data gaps, and establish targets. For more details on the next steps, go to chapter 5.

| | **E** *Climate action* | **S** *Taking care of our people* | **G** *Responsible investor* | |
|---|---|---|---|---|
| | **Organisational impact** | | **Investor impact** | **Capital impact** |
| **Material topics** | • Climate mitigation | • Diversity and inclusion<br>• Mental and physical health<br>• Personal development and training | • Investing responsibly<br>• Transparency and communication<br>• Cybersecurity and data management<br>• Business conduct<br>• Management of relationships with suppliers | • Environmental innovation<br>• Social topics related to investments<br>• Donations |
| **Related ESRS** | • **E1: Climate** | • **S1: Own workforce** | • **G1: Business conduct** | |

*Some topics in the double materiality assessment are clustered differently in this table. These changes are explained on the next page.*

## 3.2.1 Climate action

### 3.2.1.1 Our $CO_2$ footprint

According to the double materiality assessment for the activities of our family office, no topic related to the environment was considered material, since the direct environmental impact of our office activities is relatively small. Mark Schravesande, Project Manager Sustainability, expands on this: "However, we decided to consider climate mitigation a material topic, because it is material to our investments, and we have set science-based targets that include reduction targets for our family office."

Since 2018, we have been calculating our annual carbon footprint in collaboration with the consultancy firm CO2logic. Our footprint has been divided into three scopes, in accordance with the Greenhouse Gas (GHG) Protocol:

- **Scope 1**: direct emissions from business activities
- **Scope 2**: indirect emissions from purchased energy
- **Scope 3**: all other emissions resulting, indirectly or otherwise, from business activities such as business travel and purchased goods and services

In 2023, our carbon footprint was 15.285 $tCO_2$ equivalent. This is the sum of all scope 1, 2 and 3 emissions. "In relation to this total, our scope 1 and 2 footprint is almost negligible. In 2023, it amounted to 19 $tCO_2$ eq. Our office in Goirle runs entirely on renewable energy (biomass heat and green electricity). In addition, the majority of our lease cars are already fully electric. The remaining emissions come from hybrid electric cars and gas consumption related to heating our office in Turnhout."

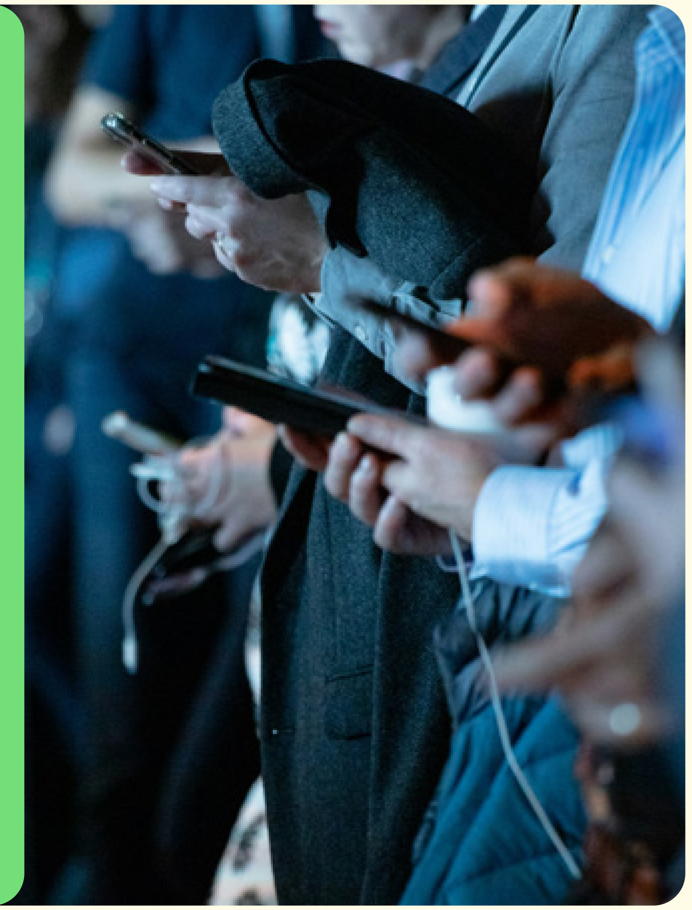

But, as for most organisations, our scope 3 emissions are significant. "When calculating the footprint of companies in which we invest, we take these into account in proportion to our investment share. An example: for an investment in which we have a 10% share, we also include 10% of their scope 1 and scope 2 emissions in our own scope 3 emissions. Furthermore, we encourage and support our portfolio companies to identify and reduce their scope 3 emissions, although these are – in line with the GHG Protocol – not part of our footprint."

"Quantifying the emissions from all of our investments remains a challenge. Over the last few years, we have expanded the coverage of our footprint step by step. We started with the scope 1, 2 and 3 emissions of our family office; everything except for the most substantial part, our financed emissions. Looking at these emissions, we first included the footprint of our financially consolidated companies (HAVEP and VP Landbouw) and two direct investments (Q-lite and Batenburg Techniek) followed by Hydrowear and our direct real estate investments. For 2022, we added the remaining direct investments: Mediahuis, Van Heurck and listed companies Accsys Technologies, Aquaporin and Ackermans & van Haaren. For 2023, we managed to include the emissions of BYBORRE and all our fund investments, reaching a coverage of 100% of our scope 3 emissions.

## Mediahuis halved its $CO_2$ scope 1 and 2 in four years

Since implementing a reduction programme, Mediahuis has more than halved its 2019 scope 1 and 2 $CO_2$ emissions. In 2023, Mediahuis's carbon footprint (scope 1 + 2) amounted to 10,591 t$CO_2$ eq. The reduction can be attributed to various measures, among which a switch to green electricity and the installation of heat pumps in the head office in Amsterdam are particularly noteworthy. A number of business unit buildings have been sold, and a small printing business has closed. Furthermore, a business unit in Luxembourg has moved to much more energy-efficient premises. Lastly, newly leased cars are now fully electric.

MEDIAHUIS



## VP Landbouw takes steps to eliminate biggest GHG drivers

VP Landbouw continues to have a good insight into its emissions. In 2023, its greenhouse gas emissions amounted to 3,425 t$CO_2$ eq. for scopes 1,2 and 3, while in 2022 it was 4,335 t$CO_2$ eq. VP Landbouw has taken several steps to reduce its emissions: it now procures 100% green electricity and has relocated to a more sustainable office. Furthermore, it has switched to Hydrotreated Vegetable Oil (HVO50). By the end of 2023, VP Landbouw began to reduce enteric emissions from cows by adding methane-reducing additives to feed. The remaining direct carbon emissions were offset through the procurement of certificates.

vp landbouw

### Q-lite's switch to electric vehicles

Q-lite has achieved a 23% reduction in emissions in 2023 compared to 2022. By far the largest part of this reduction is due to the switch to electric vehicles and the use of biofuels. In addition, gas consumption for the business premises has decreased. Q-lite's scope 3 emissions are also down 17% compared to 2022, largely due to a reduction in energy consumption of sold products.

Previous subchapter

Next subchapter

*We are on track to achieve our reduction targets*

## 3.2.1.2 Action plan & targets

We have established carbon reduction targets for 2030, which have been validated by the Science Based Targets initiative (SBTi). We have validated science-based targets (SBTs) for scopes 1, 2 and 3, with scope 3 being subdivided into three levels:

- Direct portfolio companies with science-based targets in 2030
- Listed portfolio companies with science-based targets in 2030
- Emissions from our real estate investments, both direct and through funds

In order to achieve these targets, we have implemented an action plan that includes:

- Phasing out gas at our Turnhout location
- Phasing out petrol/diesel lease vehicles
- Supporting portfolio companies with SBT commitments
- Engagement with listed companies on SBT commitments
- Energy reduction measures for direct real estate
- Engagement with direct real estate tenants on green electricity procurement
- Engagement with real estate fund management on emission reduction measures

| | Emissions scope 1 & 2 | Direct portfolio companies with validated SBTs (scope 3) | Listed portfolio companies with validated SBTi targets (scope 3) | Real estate emissions (scope 3) |
|---|---|---|---|---|
| 2019 | 25.4 $tCO_2$ eq. | 0% | 0% | 26.7 $kgCO_2$ eq./m² |
| 2023 | 18.6 $tCO_2$ eq. | 10.2% | 0% | 18,6 $kgCO_2$ eq./m² (-28%) |
| Target 2030 | 11.7 $tCO_2$ eq. (-46%) | 53% | 53% | 7.2 $kgCO_2$ eq./m² (-73%) |

The results of 2023 show that we are on track for our reduction targets:

- Scope 1 and 2 emissions have remained low despite increased office activities. We expect a reduction in 2024, bringing us closer to our SBT.
- The total footprint of our direct companies has decreased by 21%. VP Landbouw, Mediahuis, Q-lite and Batenburg Techniek have all achieved significant reductions thanks to a variety of measures.
- Both HAVEP and Hydrowear (both part of VP Textile) established validated SBTs in 2023. In 2024, we expect Mediahuis and Van Heurck to establish validated targets, meaning that we will achieve the SBTs for our portfolio companies.
- As for our listed companies, two out of three have realised significant carbon reductions
- None of the listed companies in which we invest has committed to SBTs to date, although they have the intention of doing so in the near future.
- The footprint of our direct real estate has been reduced by an impressive 76%, largely thanks to tenants switching to green energy and certain changes to the portfolio.
- Our SBT for real estate includes not only direct real estate, but also all properties of our real estate fund investments. For these properties, a reduction of 19% (compared to 2019) has been achieved in 2023.

### Offsetting and certification

We offset our $CO_2$ emissions – scope 1, 2, and a large part of scope 3 – through CO2logic by financially supporting four projects: reforestation and conservation of forest in Zambia, a wind project in India, distributing energy-efficient cookstoves to families in India, and sustainable timber plantations in Sierra Leone.

We've been certified by CO2logic as a carbon-neutral company for the fourth successive year. For 2023 we have, for the first time, managed to calculate our complete carbon footprint, including all of our financed emissions. Our validated science-based targets commitment and our reduction plans combined with our decision to compensate 100% of remaining emissions means that we have qualified for Gold certification for 2023. We are proud of this achievement and hope to have set an example that others will follow.

*We have established **carbon reduction targets** for 2030, which have been validated by the Science Based Targets initiative (SBTi)*

### 3.2.1.3 Our climate risks and opportunities

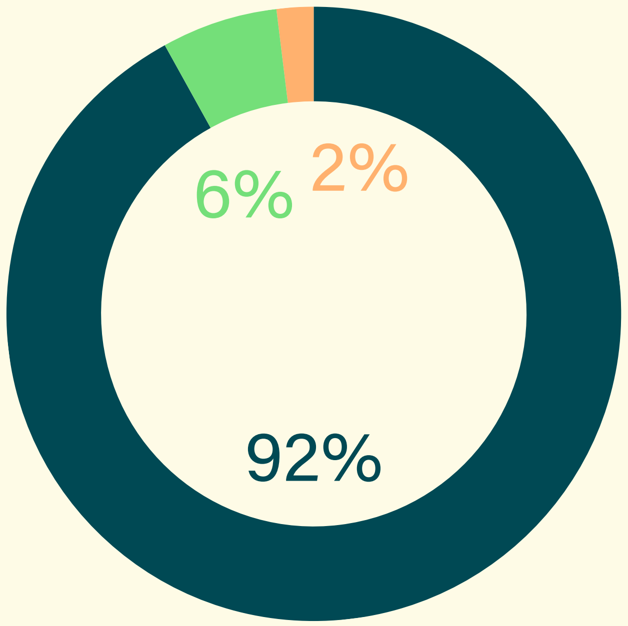
We identified three types of risks and opportunities across our portfolio:

- **Physical climate risk**: the extent to which an asset is at risk of being affected by climate change in the form of rising temperatures, extreme weather events, or shifts in drinking water supplies. The physical climate risk score is determined based on climate exposure, vulnerability and adaptive capacity.
- **Climate transition risk**: the extent to which an asset faces risks related to the transition to a low-carbon economy. The climate transition risk score is determined based on exposure to the transition (in terms of macro trends and geographic location) and how long that exposure lasts.
- **Climate transition opportunity**: the extent to which an asset plays a role in the transition to a low-carbon economy. The climate transition opportunity score is determined based on economic resilience (in terms of macro trends and geographic location).

When calculating these scores, we look primarily at an asset's geographical location and the sector in which it operates. For funds, we calculate a weighted average of the scores of the assets within their portfolio.

The percentages in the table show the amount of capital invested in physical climate risks, climate transition risks and climate transition opportunities.

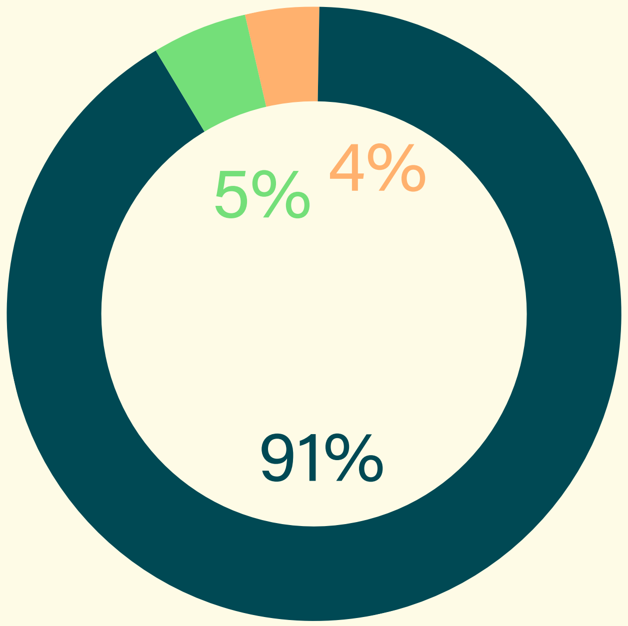
**Physical climate risk**




Invested capital, 2023 (%)

- Exposure to physical climate risks (e.g. extreme weather events) is driven by underlying (impact-) fund investments in sensitive geographies
- Changes in precipitation & temperature patterns in developing countries are the main sources of risk classified as 'high'

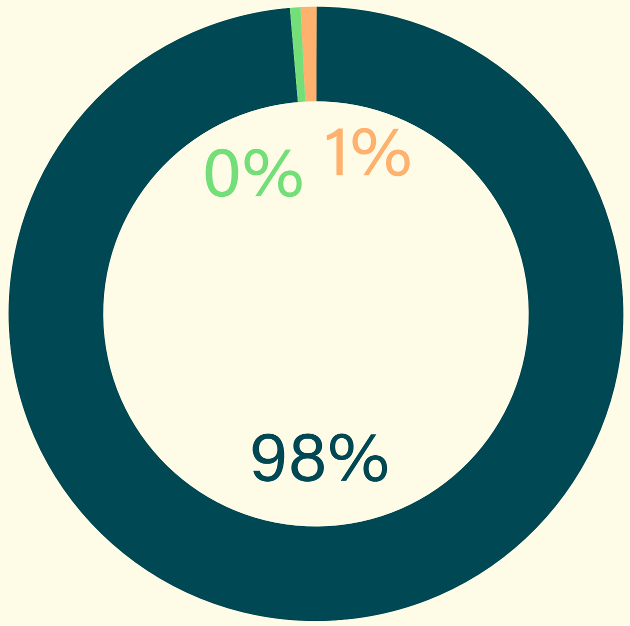
**Climate transition risk**




Invested capital, 2023 (%)

- Transition risk indicates risk posed by investments in carbon-intensive geographies in light of a transition towards a low-carbon economy
- Risk is driven particularly by underlying companies in fund investments in North America, Asia and Africa

**Climate transition opportunity**




Invested capital, 2023 (%)

- Degree of opportunity reflects macro-economic and institutional context; whether geographies have the economic flexibility and infrastructure to facilitate the low-carbon transition
- Risk stems from impact investments in Africa with relatively low adaptive capacity

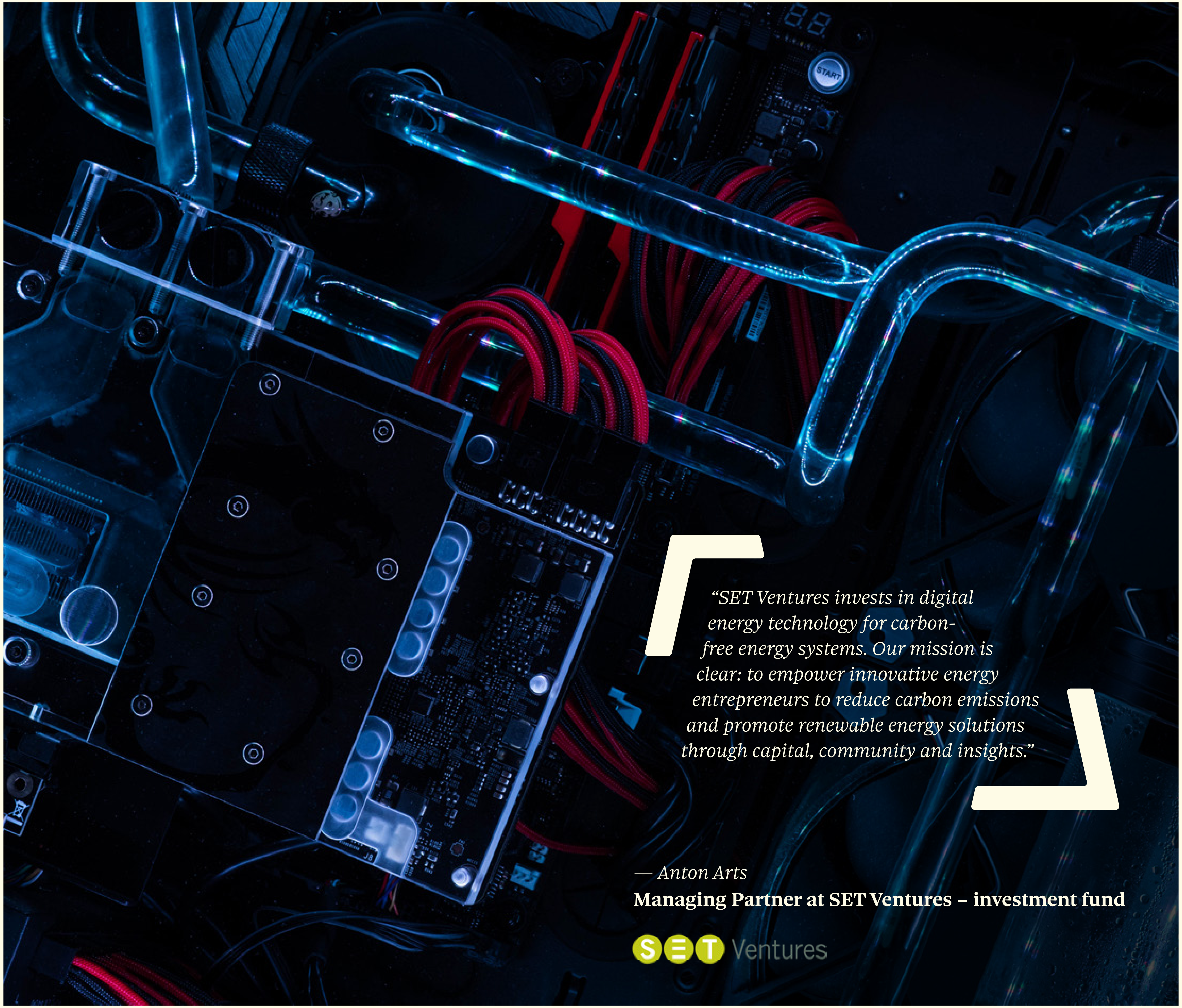
● Low risk / high opportunity ● Medium risk / opportunity ● High risk / low opportunity

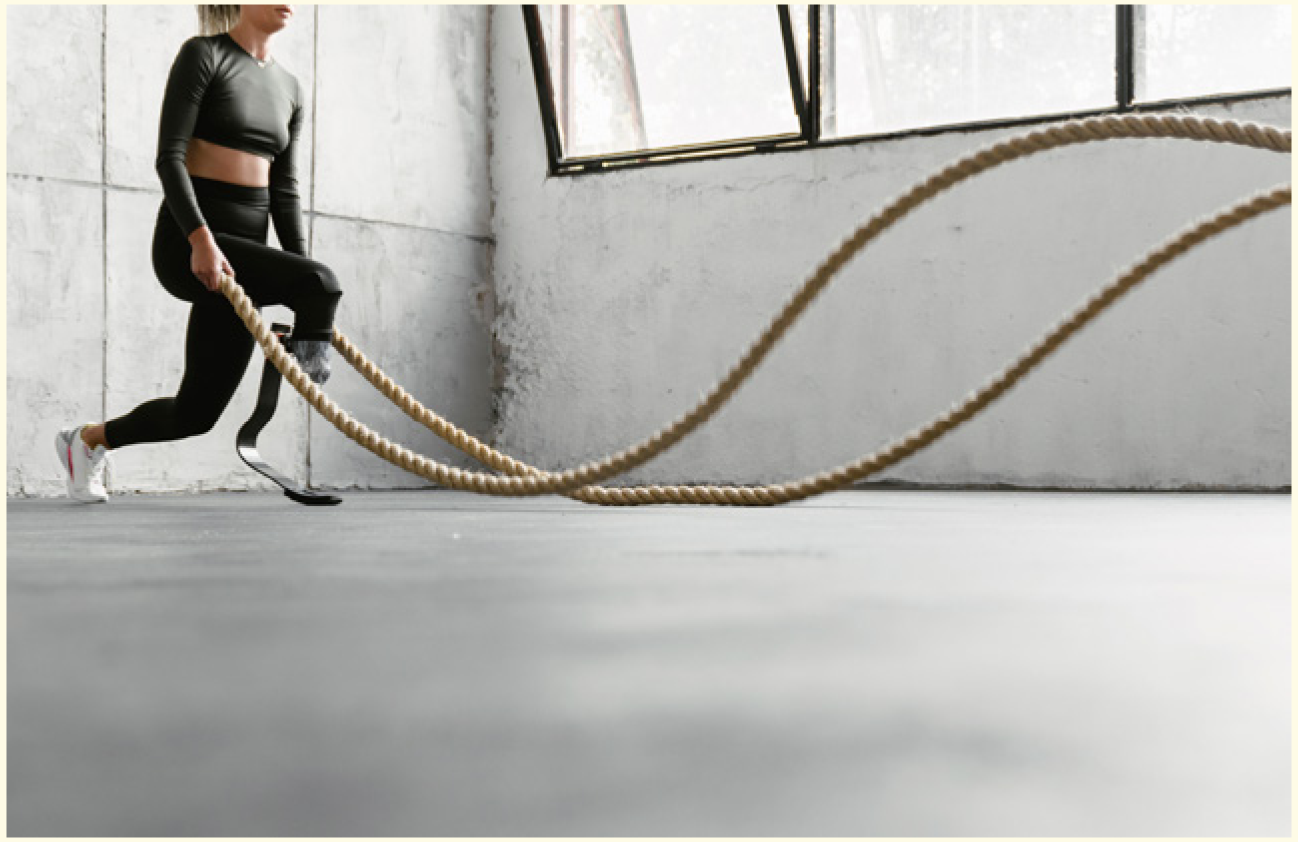
*Note: Numbers may not add up due to rounding*

The conclusion gleaned from this is that the portfolio is well protected against the impacts of climate change, as 92% of the capital is invested in assets with low physical climate risk, 91% in assets with low climate transition risk, and 98% in assets with high climate transition opportunity.

More concretely, we have invested our capital in various impact funds focused on energy transition, protein transition, and other low-carbon strategies. Among these fund investments are:

- Blue Horizon, which pioneers alternative proteins to revolutionise the food industry
- Princeville Climate Tech, dedicated to advancing technologies that mitigate climate change
- World Fund, which supports startups aiming to decarbonise the economy
- SET Ventures, which invests in innovative energy solutions that enable the energy transition





## 3.2.2 Taking care of our people

### 3.2.2.1 Diversity and inclusion

We welcome new team members from all walks of life who bring with them fresh insights. We apply non-discriminatory principles to the means by which we reward and promote our employees. This is formalised in our non-discrimination policy. Our Code of Conduct for employees also covers non-discrimination. We expect our employees to refrain from engaging in any form of discrimination, or behaviour that could be considered discriminatory, such as using inappropriate language, sending inappropriate emails, and/or accessing inappropriate material in the workplace. Our compliance officer is the point of contact for reporting any breach of this policy.

VP Capital has a small (but mighty) team. At the end of 2023, the headcount of our investment team was 14 (11 fte), supported by a facility team of 7 (6 fte). 67% of our employees were men and 33% women. Our management board consisted of four men. The Supervisory Board is made up of two men and three women. We also monitor the wage gap, which is the average difference in remuneration between male and female employees. In 2023 the wage gap was 166%, which could partly be explained by the all-male management board. Going forward, we aim to further build a diverse and inclusive workforce with increasingly equal remuneration. As an example, we hired a female Director of Impact & Communications at the start of 2024. Other actions toward greater social equality are being analysed and translated into concrete actions.

### 3.2.2.2 Mental and physical health

- We had no accidents resulting in a leave of absence at VP Capital in 2023
- The annual rate of unplanned absence was 1.1%
- The percentage of workers leaving the organisation was 5.0%

This year, we have developed a vitality action plan. Interested employees received a Fitbit and a personalised vitality programme, with tips on nutrition, sleep hygiene and exercise. A medical check-up and therapy sessions have also been made freely available.

### 3.2.2.3 Personal development and training

We consider continuous learning and personal development to be extremely valuable aspects of employees' working lives. We offer our people the opportunity to book coaching sessions, subscribe to training courses/e-learning and attend conferences and congresses. Each employee is entitled to up to five days of work-related training per year, plus an additional day off to develop their own interests. Furthermore, development meetings are now incorporated into the performance cycle of every employee.

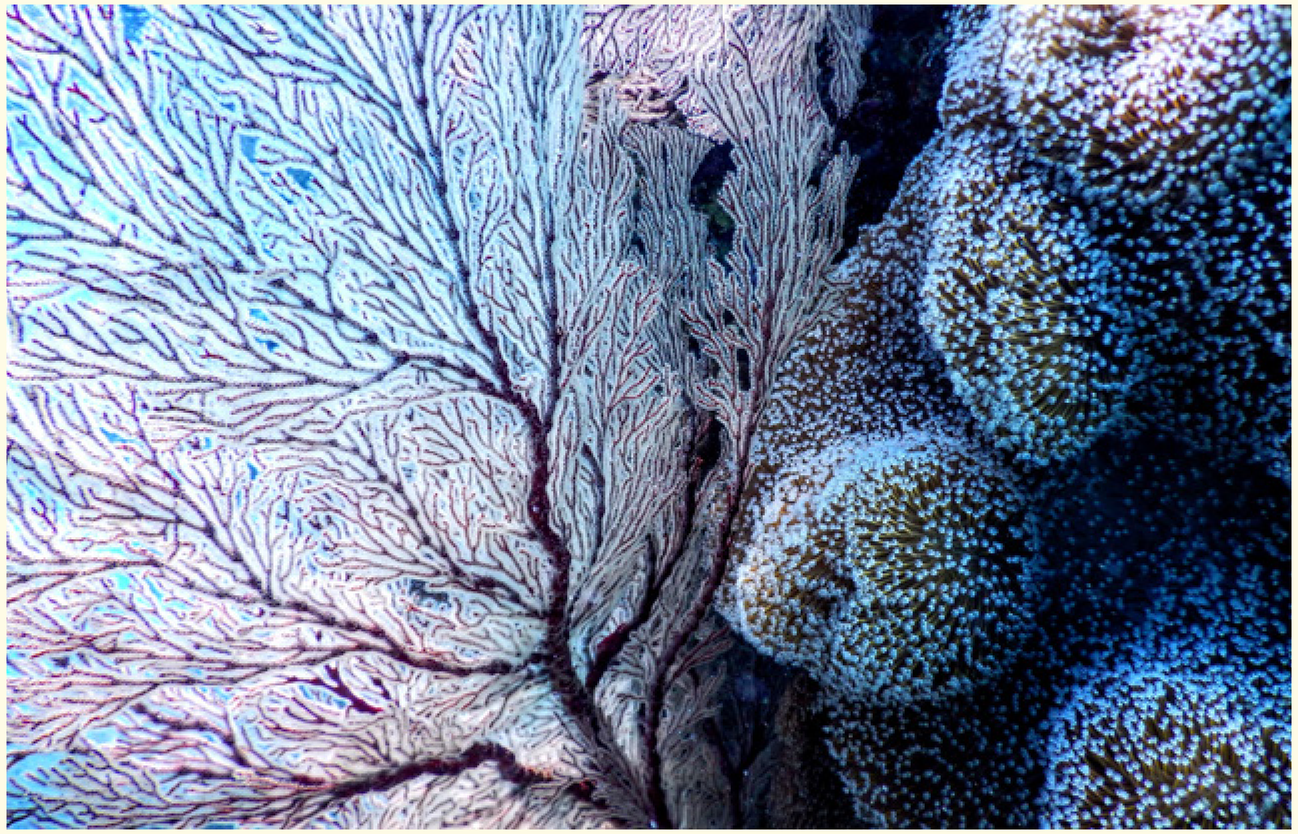
## 3.2.3 Responsible investor

By developing policies, targets and actions linked to governance, we want to affirm our reputation as a responsible investor.

### 3.2.3.1 Business conduct and prevention and detection of corruption and bribery

We have a Code of Conduct for employees to prevent unethical behaviour:

- **Conflicts of interest**: we require our employees to perform their duties conscientiously, honestly and with our best interests at heart. Employees need to avoid situations in which their personal interests could conflict with those of VP Capital.
- **Client relations**: employees need to avoid personal investments in companies that have a contractual relationship with our family office. If such a situation arises, they should report it to their manager or the compliance officer.
- **Bribes and kickbacks**: we instruct our employees to not give or accept personal gifts or favours of material value to or from third parties if this could lead to a relationship of dependency or influence a business decision. The acceptance of bribes or secret commissions is strictly prohibited at VP Capital.



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## A two-day deep-dive into impact investing

At the end of last year, the VP Capital team celebrated the launch of our new strategy 2024–2028. The goal was to inspire us and improve our knowledge by presenting innovative ideas and projects while also allowing time for team building. For instance, we listened to the inventive project of Merijn Tinga, otherwise known as 'The Plastic Soup Surfer.' We also visited the Floating Farm Rotterdam, the world's first floating city farm that produces healthy food close to the consumers. In RDM Rotterdam, which is part of the Rotterdam Makers District a regional hub for innovative manufacturing, we heard impressive pitches from four early-stage impact ventures. This experience gave us valuable insights into the opportunities linked to impact ventures, which will be a key focus in our new strategy.

*More than 80% of the parties with whom we work have signed our Code of Conduct*

Our Code of Conduct describes what to do in the event of a violation and how to report, investigate and sanction it. Employees who violate the Code of Conduct will be disciplined according to the Code and applicable laws.

We also have a whistleblower policy, which describes how we employees can safely report inappropriate behaviour or a suspected violation of our policies. They can also report any suspicions anonymously and will be assisted and represented by a confidential adviser. This adviser will also ensure that the report is only accessible to those handling the complaint. Whistleblowers are legally protected, meaning that they will not be disadvantaged or subject to disciplinary action for making a complaint.

### 3.2.3.2 Management of relationships with suppliers

The Code of Conduct for third parties outlines our rules and expectations in the areas of human rights, labour, climate and business ethics. More than 80% of the parties with whom we work have signed this document, as have all new investments in 2023.

### 3.2.3.3 Entity-specific material topics on investor impact

VP Capital has also identified three material topics linked to our investor impact. At present, these are identified as entity-specific topics, due to the fact that sector-specific standards for the financial sector – where topics such as cybersecurity and responsible investments will likely be included – have not yet been published.

#### Investing responsibly

As a family office, responsible investments are one of the main pillars of our investment strategy. Before we invest in a fund or a company, we perform due diligence by looking at the purpose of the company, the contribution to our solutions, and the impact potential. We assess the financial, legal and tax risks, and identify sustainability issues. Only once we have all the necessary information do we make a decision.

As mentioned in our previous strategy, one of our employees (or close associates) must have a seat on a governing body of at least 75% of our total assets. In 2023 this was the case for 84% of our investments. This increases our opportunities to put sustainability, impact and innovation on the agenda, and ensures that the company knows the goals that we have set. We also provide advice on developing and communicating a sustainability strategy and assist companies in measuring, monitoring and reporting sustainability information.

As a long-term investor, we do not have a predetermined exit horizon. We never take a divestment decision lightly: we always explore all options before exiting. Reasons for an exit include a management vision that is no longer aligned with our vision, a failure to achieve the necessary progress on sustainability and impact, or a good offer from a party with a similar view on impact that can take the investment to the next level.

#### Transparency and communication

For years, one of our main goals has been to inspire our network of investment companies and other family offices through dialogue, transparency and collaboration. This is why every year we publish a report in which we are transparent about our sustainability targets, results and shortcomings; we also welcome constructive feedback from all stakeholders. Additionally, we share our knowledge through social media (LinkedIn), our blog and news media, and participate in panel discussions and round tables. By doing so, we hope to collectively with other parties develop knowledge and bring impact investing to the next level. We receive more investment enquiries from impact companies and are more frequently in contact with parties that work on sustainability. If peers want to know how we set up our investing and impact strategy, we are happy to have an open conversation with them.

We set two concrete targets for transparency and communication in our new strategy (for more information on the new strategy, refer to chapter 5).

- Every year, we aim to start a conversation on impact (investing) with more than 50 peers.
- Furthermore, we engage with our portfolio on sustainability topics. We challenge and help the companies and funds reduce negative impacts, and improve the positive ones. On average, we want to reach at least 90% of our portfolio.

We have drawn up an exclusion list of investments that we exclude altogether, such as weapons manufacturers. We also avoid companies whose production methods almost certainly have a negative impact on the environment and/ or human rights, as well as those who violate international treaties.

### Cybersecurity and data management

We handle the confidential or personal information of employees and third parties with diligence and responsibility. We only collect, use and retain information necessary for our business operations. In addition, information is never kept longer than is necessary or required by law.

According to our assessment, cybersecurity is a material topic. We are developing new policies, targets and action plans to further strengthen our cybersecurity.

## 3.2.3.4 Entity-specific material topics related to environmental innovation, social topics and donations

As investing is our core business, we have added several entity-specific topics to give a more complete picture of our impact. Companies can add entity-specific topics if they conclude that an impact, risk or opportunity is not covered by the EU standards but is material for their undertaking.

At present, we have identified three such topics: investing in environmental innovation, social topics related to investments, and donations.

### Environmental innovation

The investments in environmental innovation are linked to the environmental challenges that we have identified in our new investment strategy: biodiversity and climate.

### Social topics related to investments

As we consider social equality an important challenge and have identified inclusivity as a solution in parallel to this, we see it as an entity-specific material topic. More concretely, we intend to track how our investments contribute to social equality and inclusivity.

### Donations

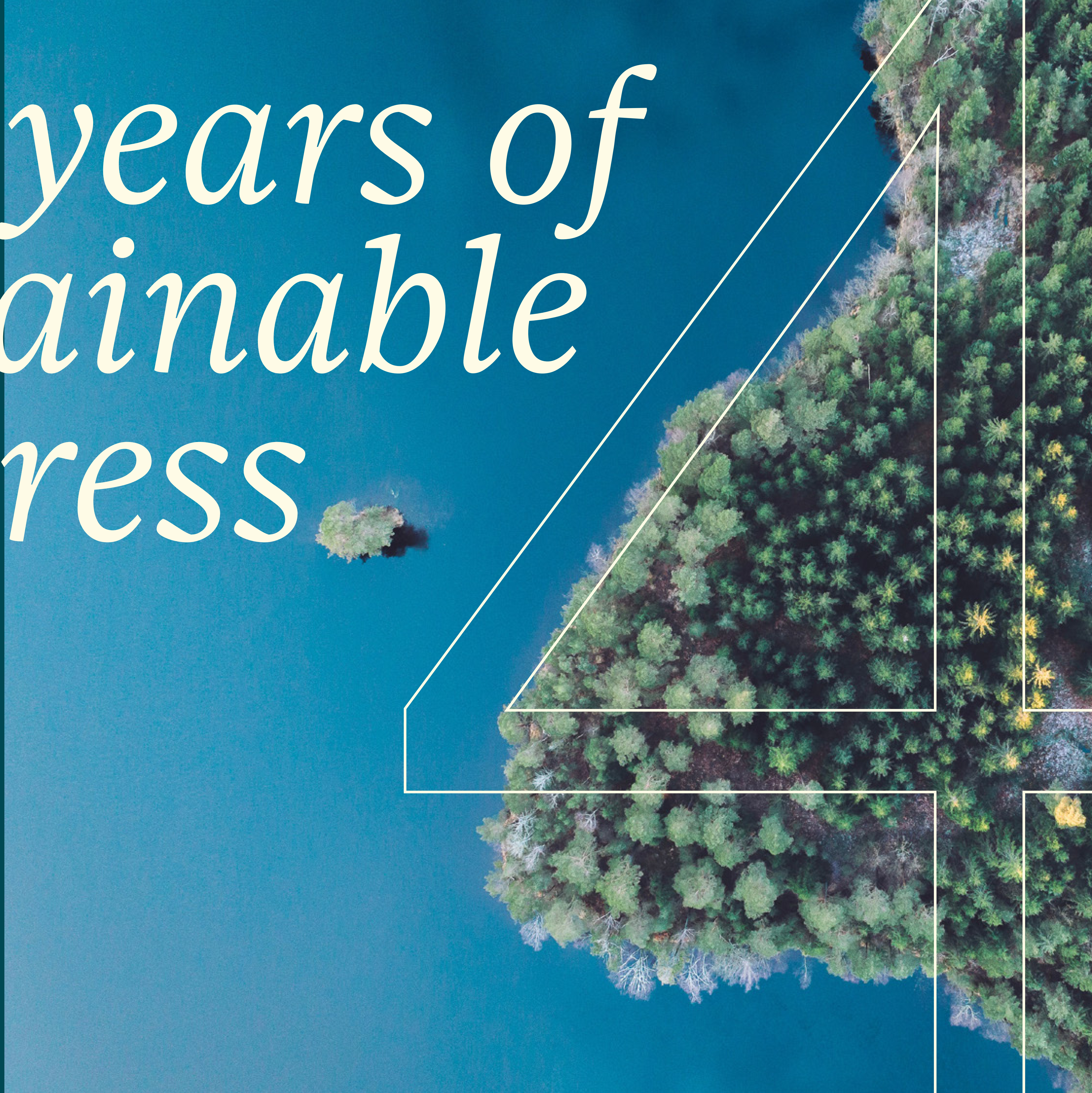
In the double materiality matrix, we have identified 'affected communities' and 'climate adaptation' as material topics as a result of our financing of local NGOs and non-profit organisations. Yet the ESRS standard on affected communities is not relevant to our activities. A similar situation applies to the climate adaptation projects that we finance through offsetting. For this reason, we have also developed an entity-specific material topic called donations.

In the coming years, we will further develop these entity-specific material topics. To learn more about our current investments and donations, refer to the information on our Progress Score in chapter 3.

# 3.3 Financially consolidated companies

As mentioned, we have also assessed the material topics of our financially consolidated companies: VP Vastgoed, VP Textile (in a separate trajectory) and VP Landbouw. We will now take the time to align the targets and metrics – covered by the Progress Score – with the material topics. Please refer to the Progress Score of those investments in chapter 3 for more information.

# *Five years of Sustainable Progress*



# 4.1 From our perspective

*Since we embarked on this journey, back in 2018, we have made significant progress. Guus van Puijenbroek, Director of Strategic & Family Matters, and Jeroen Heine, Director of Investments, reflect on how it all began, what lessons they've learned, and whether they're satisfied with the results.*

**Let's go back to a few years ago. Why did you decide to integrate sustainability into your investment strategy, and how did you proceed?**

**Guus van Puijenbroek:** "We have been interested in sustainability and impact for a long time. When our previous investment strategy concluded, we received the family's blessing to invest in sustainable solutions and inspire other family offices and investors to follow suit. Our goal was to use our capital and network as levers for sustainable progress, to secure a future for generations to come."

"The first year, we assessed our investments based solely on ESG criteria. However, we felt this was only part of the equation. We were not alone in this sentiment. A few years ago, ESG ratings lost some credibility when a major ESG index included an oil company, reasoning that it documented its ESG policies well compared to others in the sector. They ticked all the boxes, but it missed the larger issue: it's still an oil company. So, we decided to evaluate our investments based on their impact. For us, this means that any company or fund that is positively contributing to key planetary or societal challenges (see page 86) is considered an impact investment. Our definition differs from others, which usually classify companies and funds as impact investments if they were founded with the intention of making a positive impact."

**Jeroen Heine:** "At the time, we were ahead of the curve, but this strategy was the only way forward because we truly believed (and still do) that to be future-proof as a family office, you must invest in companies and funds that take sustainability seriously. They will be the ones that stand the test of time."


### How did this work in practice? How did you convince companies to join in?

**Jeroen Heine:** "In 2018 we invited the management teams of our direct investments to explain our sustainable investment strategy and asked them to gather information on energy and water consumption, carbon emissions, and more besides. Knowing that this was a significant investment in terms of time, we hired Holtara (see page 78) to support them. Having an external party validate our findings was also crucial to avoiding accusations of greenwashing."

**Guus van Puijenbroek:** "Based on this initial data, the experts in our team developed a roadmap with targets and KPIs in collaboration with the companies. For instance, we helped them research sustainable raw materials and switch to sustainable energy sources. One early adopter was Q-lite. In 2019, they launched a circular business model called display-as-a-service. They quickly realised they had a competitive advantage, especially in public tenders, because no one else offered the same innovative and sustainable service."

### What was the reaction of fund managers?

**Jeroen Heine:** "Initially they opted for a 'wait-and-see' approach, but after the pandemic, they warmed up to ESG. Now they are grateful we led them on this trajectory, as it prepared them for the Sustainable Finance Disclosure Regulation (SFDR)."

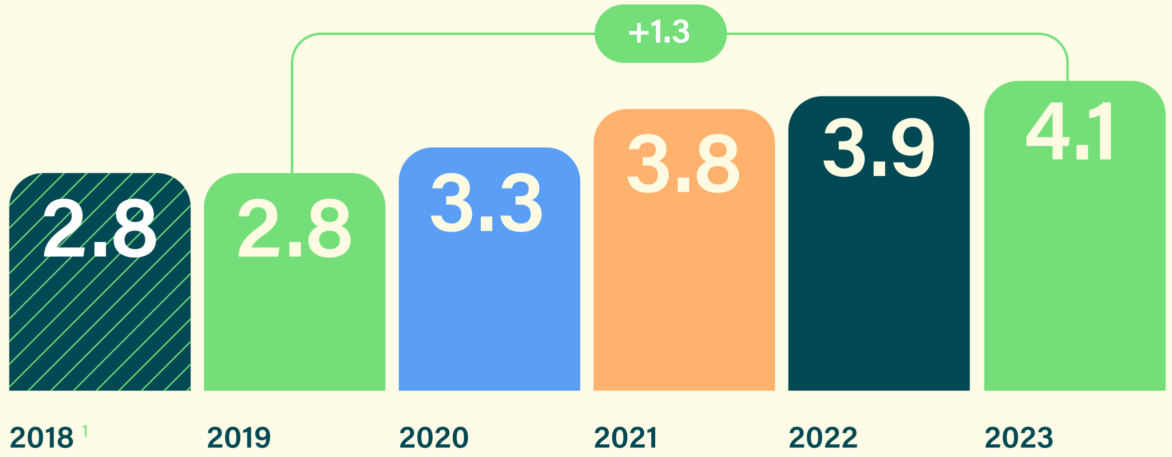
**Guus van Puijenbroek:** "The Progress Score we gave each fund acted as a trigger for them to focus on ESG and Impact. For instance, one fund manager was displeased with his fund's score because it was lower than that of his direct competitor. So, a year later, his ESG team had tripled in size, all with the aim of becoming best in their class. This is proof that our approach worked."

### Are you disappointed that you didn't achieve a Progress Score of 8/10 but instead scored 7.9/10?

**Guus van Puijenbroek:** "We are not disappointed. Going from a 5.8/10 in 2018 to an 8/10 in 2023 was an ambitious target. But even so, the exact score is not important because the analysis shows that we have accomplished our mission to help drive change.



ESG Management Score, 2018-2023

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Impact Score, 2018-2023


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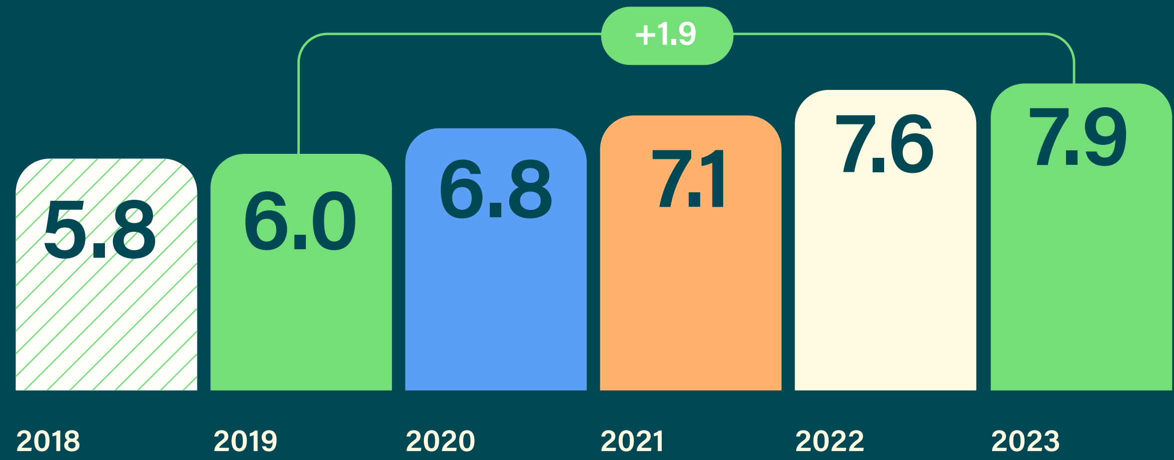
Progress Score, 2018-2023




1 2018 was the baseline measurement in preparation for the five-year strategy from 2019 to 2023
Note: Numbers may not add up due to rounding.

| | | | | | |
|---|---|---|---|---|---|
| **Legacy portfolio progress score** (2019 portfolio) | 6.0 | 6.8 | 7.2 | 7.6 | 7.9 |
| Portfolio share: (% of inv. cap.) | 100% | 100% | 92% | 88% | 84% |

| | | | | | |
|---|---|---|---|---|---|
| **New investments progress score** (not part of 2019 portfolio) | n/a | 6.0 | 6.4 | 7.3 | 7.8 |
| Portfolio share: (% of inv. cap.) | n/a | 0% | 8% | 12% | 16% |

| | | | | | |
|---|---|---|---|---|---|
| **Weighted progress score** | 6.0 | 6.8 | 7.1 | 7.6 | 7.9 |
| Portfolio share: (% of inv. cap.) | 100% | 100% | 100% | 100% | 100% |

## Legacy portfolio

Legacy assets have improved their progress score significantly showcasing the effective engagement of VP Capital. Due to its large weight in the overall portfolio, its contribution to the increase in progress score is larger than the new additions.

## New investments

Overall, new assets have been an improvement on the original 2019 score. However, the legacy portfolio has outperformed the new(er) investments on an annual basis.

This can be primarily attributed to the dampening effect of the new investments in Van Heurck and Hydrowear at the time of investment (since then their score has increased significantly), and 747 Capital, due to their relatively large weight and low score.

Although, the new investments score lower, they have shown greater improvement than the legacy portfolio in the same 2020-2023 time frame: 1.8 vs. 1.1 respectively.

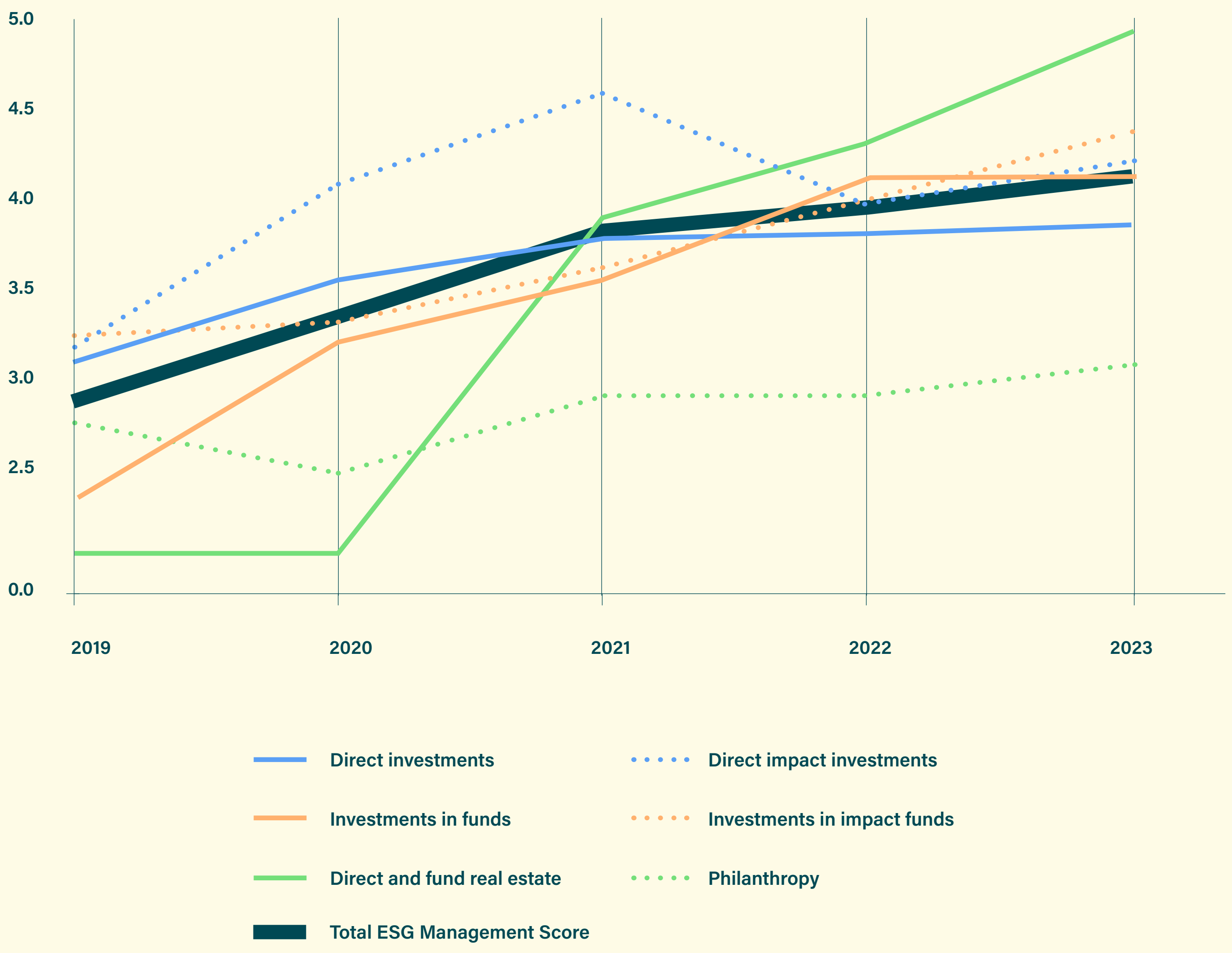
*One of our most important KPIs – in both our previous and new strategies – is engagement with our portfolio*

For instance, our direct investments have improved their Progress Score significantly, and we believe that our active engagement efforts have contributed to this. The evolution through the years is remarkable. Batenburg Techniek has significantly increased its focus on sustainable projects, while Mediahuis has honed its qualitative content. That is why one of our most important KPIs – in both our previous and new strategies – is engagement with our portfolio."

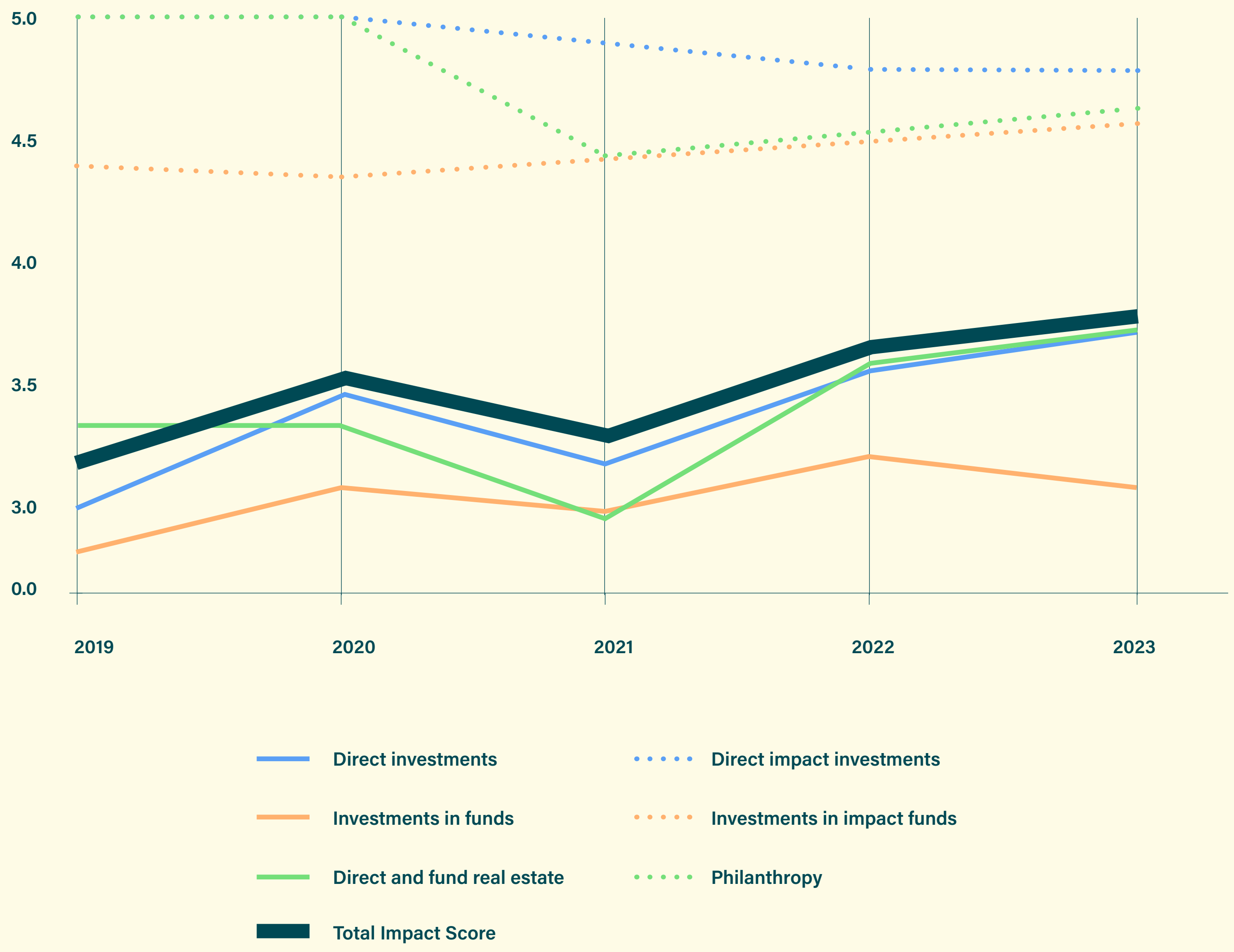
"Regarding VP Landbouw and VP Textile, I would have liked to have made further progress. We knew these would be long-term endeavours, but it's unfortunate that important investment programmes still face stringent regulations. For example, due to ongoing regulatory issues in the Netherlands, we are unable to obtain permits for stables that include sophisticated installations to reduce the emissions of our dairy cattle. On the textile front, we've had some lean years that hindered our sustainability efforts. Nonetheless, we've seen significant improvement."

"Furthermore, our family office is seen as a pioneer in ESG and impact reporting. We are frequently invited to speak to other family offices in Europe or give lectures at colleges and universities. Even the managers of major funds ask us to elaborate on our process."

## ESG management scoring 2019-2023




## Impact scoring 2019-2023




### You also have real estate in your portfolio. How do you use your influence to stimulate sustainability in this sector?

**Jeroen Heine:** "We've made significant progress in real estate. In 2019, our real estate had an ESG score of 2/5; now, it's 4.9/5. We developed an ESG policy and Impact screening criteria, set science-based targets, invested in solar panels, and asked tenants to consider switching to green energy. In future investments, we will continue to raise awareness of sustainability, focusing on affordable and sustainable housing. A good example of this is our investment in a project in Leiden, which is nearly ready, with all the apartments having already been rented out."

"Our real estate funds have also improved on ESG management and impact scoring. Partly due to our influence, REG Fund and HCRE have created ESG policies and analysed their assets for improvement opportunities. They encourage tenants to switch to green energy and closely monitor their assets' energy and water consumption."

### How has the family office changed over the past five years?

**Guus van Puijenbroek:** "Our team has grown significantly. We have two full-time employees dedicated to sustainability. And now that we've chosen to put impact first, we've also had to adapt our investment policy. Our sustainability experts screen potential investments to ensure their contribution to one of our six solutions. We'll only invest in a non-sustainable company if it has concrete plans to lead its field in sustainability in the next five years. We've also formalised the terms and conditions for exiting investments. In conclusion, everything we've learned in the last five years is now part of our new strategy. It's been a transformative journey."

*Impact awareness filters down to the portfolio company level in topics such as business strategy, marketing, talent and culture*

# 4.2 From our stakeholders' perspective

*We are pleased with the outcome of our previous investment strategy. But how did our stakeholders experience it? We asked a few of our partners, our heritage companies, investment funds and peers.*

## VP Capital

"As a family, we can be proud of what we have achieved over the past five years with VP Capital, both in our internal and external operations, as well as in our aim of heading toward a more ecological world. In various areas, we have made significant strides in terms of sustainability, having also created financial value for our shareholders in the process. We are certainly at the forefront as a family business, which also means that the path we have taken has been somewhat uncharted territory for us."

— **Ruud van Puijenbroek** (family member and member of the Supervisory Board)

## Haniel

"For me, VP Capital is a role model and outstanding partner in terms of networking and trusting the openness of family-owned investment holdings to create a common mindset for doing business aimed toward a future worth living."

"VP Capital's conviction in impact investments and the transparency of its progress reports show how successful sustainability transformation can be for heritage companies, and how impact investments can be made at the same time."

— **Christian Rube** (Sustainability at Franz Haniel – a family office and a peer of VP Capital)

## Holtara

"Reflecting on our collaboration over the past five years, it's been a pleasure to work with VP Capital in developing a robust scoring methodology to assess the sustainability performance of their diverse portfolio. VP Capital's ambition, knowledge and open collaboration have been instrumental in this journey."

"The key achievement of our collaboration has been the annual Portfolio Reports. At the heart of the Portfolio Reports lies a thorough analysis of and active annual engagement with nearly all of VP Capital's investments, enabling in-depth discussions with management and investment teams to evaluate progress and pinpoint areas for further improvement. Using the data from engagements, we scored the investments to the best of our abilities in an objective, critical and independent manner, as requested by VP Capital."

"Since the baseline assessment in 2018, we have witnessed a significant growth of the Progress Score over the years. This has been substantiated by tangible progress in VP Capital's investments through changing business models, reduced carbon emissions, etc. The publicly reported scores in the Progress Report have further encouraged investments to make year-on-year progress."

"It is clear to us that VP Capital is a frontrunner in driving sustainable progress, and we look forward to continuing our collaboration as VP Capital's advisory partner on sustainability as their strategy evolves."

— **Gert-Jan van de Poll** (Manager at Holtara – one of our partners)

## VP Landbouw

"Over the past five years, our farm has made big steps toward regenerative agriculture that we would not have taken without the drive and support of VP Capital. The process started five years ago when VP Capital created awareness around the importance of building a sustainable business model for the future. Together with VP Capital we explored various models to enhance biodiversity, reduce agrochemical usage, improve soil quality and enhance animal welfare, all combined with improved farm profitability."

"We decided that Regenerative Agriculture would be the way forward for our farm, and started to work out the plan together with VP Capital's sustainability manager. The plans actually turned into tangible actions on the farm *(for example, strip farming, grazing, no-till, mixed cropping, etc).* It is not easy, and sometimes a bumpy road. But we are committed, work hard, and learn every day."

"Our goal is to create a blueprint for scalable profitable regenerative farming. VP Capital has been an important driver, supporting us throughout our journey."

— **Simon de Brouwer** (farm manager of VP Landbouw – heritage company of VP Capital)

## PYMWYMIC

"VP Capital has been a valuable investor for PYMWYMIC. They have brought impact screening of their investments to the next level and really set the standard for others to follow. We have enjoyed approaching the challenges on our impact methodology, the exercise with VP Capital's inhouse carbon footprint expert, and of course the increasing alignment of investment focus."

"VP capital sets the right standard of truly screening their portfolio for impact. Not just at the moment of investment, but actually keeping track of performance and progress. This is appreciated as it gives the right credit to the ones who go the extra mile to create the positive change our systems need."

— **Rogier Pieterse** (Managing Partner at PYMWYMIC – investment fund)

## SET Ventures

"SET Ventures and VP Capital share the same philosophy; that attention to impact can supercharge an investment strategy. Since our founding in 2007, we have been convinced that pairing sound ESG practices with a drive to create environmental impact makes us better investors and our companies stronger businesses. We are proud that the performance of our portfolio continues to reinforce this conviction; to prove that investors can achieve strong returns while generating lasting environmental impact."

"We admire how VP Capital has supported our impact journey, by being both demanding and supportive at the same time. Through their benchmarking, they have helped us to become more articulate about our strategic direction and to implement transparent reporting practices. This impact awareness filters down to the portfolio company level in topics such as business strategy, marketing, talent and culture."

"We are proud that VP Capital has renewed its commitment to our partnership by investing in SET Fund IV. We look forward to a strong collaboration going forward!"

— **Anton Arts** (Managing Partner at SET Ventures – investment fund)

## Batenburg Techniek

"At Batenburg Techniek, we work on projects that have a positive impact, and VP Capital, as a family office, has a clear ambition in the field of sustainability. Through mutual encouragement, attention, and the societal role we fulfil, we together enhance the importance of a cleaner, safer, and healthier living environment."

— **Ralph van den Broek** (CEO at Batenburg Techniek – a direct investment of VP Capital)

# *Outlook*

# 5.1 We became an impact-first family office

*Strategy-wise, 2023 was a big year for VP Capital, as Managing Director Bart van Eyk explains: "We conducted a thorough revision of our strategy, as we do every five years. Again, and even more so, sustainable investments lie at the front and centre.*


Van Eyk has been responsible for the day-to-day running of the organisation since March 2023, by which time consultations with family members as input for the new strategy had been ongoing for several months. As he says: "In April, a SWOT workshop with the team put the gears in motion. Over the following months, the entire team participated in research and the selection of relevant topics and solutions in which to invest. Then, to put theory into practice, we determined what that would mean for the asset classes we invest in. In November, the Supervisory Board gave its approval, followed by the family. In January 2024, we launched our new strategy."

## Measuring impact

"Impact-wise, we reversed our priorities. We used to look at financial opportunities through an impact lens. Now we put impact first, looking at it through a financial lens."

"How do we make sure that our actions have the impact that we aim for? We try our best to make impact measurable. We use specific metrics to monitor our progress towards a better planet." From 2018 onwards, VP Capital devised a Progress Score (see page 19), combining impact and ESG, to gain better insight into its investments. "We are now developing a new methodology to set clear targets for our investment portfolio and measure progress."

## Early-stage investments

"Direct investment in pre-seed and seed companies is also a priority. Moreover, it is a well-considered choice", continues Van Eyk. As start-ups and early-stage companies experience difficulty in securing financing, VP Capital can make a difference by supporting them. It gives our investments more added value than ever. Our family office has no fixed exit horizon, so there is no pressure to generate returns in a short period.

Naturally, we are exposed to more risk, and to counter this we have devised a strategy based on three pillars:

1. Allocation of only part of the capital to early-stage investing
2. Entry into strategic partnerships with venture builders, accelerators, incubators
3. Build up a new team with the necessary experience in direct venture investing

## Significance for funds and direct ventures

In light of this new investment strategy, VP Capital applies a stricter set of conditions for new investments in funds. For example, we will in principle only approve investments in Article 9 funds. "According to the Sustainable Finance Disclose Regulation (SFDR), the European regulation that requires banks, insurance companies and investment firms to report on their impacts, Article 9 funds are labelled as sustainable investments. For our own conditions, we state that funds that we are considering investing in should at least have a viable plan to adhere to an Article 9 fund or equivalent objectives and standards in the near future. In 2023, 38% of the impact funds in which we invested were Article 9 funds, while 40% were Article 8 funds."

Furthermore, the impact-first strategy translates into a concrete set of criteria for each of our asset classes. "We ask that funds, ventures, real estate and listed companies contribute to at least one of our six solutions (see text box on our new strategy). Another condition is that we exclusively initiate investments in companies with headquarters located in the Netherlands or Belgium. That way, we play to our strengths. We know the market, and we can rely on our network. In the coming years, we plan to expand to Western Europe and Scandinavia. While we do have investments in Africa and Asia, these are managed via fund managers with boots on the ground and local expertise."

*"It is a well-considered choice to invest in early-stage companies, where we can provide added benefits"*

— *Bart van Eyk*
**Managing Director**

## Looking ahead

"Another significant step to look forward to: this year we are dedicating ourselves to preparing for the Corporate Sustainability Reporting Directive; EU legislation that requires us to report on our sustainability efforts in a transparent manner. ESG topics are singled out, which is to our advantage, as we already take ESG into account within our Progress Score."

### Our new strategy

Every five years we revise our strategy. Our new strategy for 2024–2028 is partially based on Kate Raworth's 'Doughnut of social and planetary boundaries,' which defines a safe and just space in which humanity can thrive. We selected three major challenges – biodiversity, climate and social equality – for which we are in a position to make a considerable contribution, counting on our particular expertise and extensive network.

Six solutions are linked to these three challenges, as visualised in the figure below. The solutions are meant to facilitate progress via our investments. Alongside the five focus domains, VP Capital also has investments in other domains, including media and healthcare.

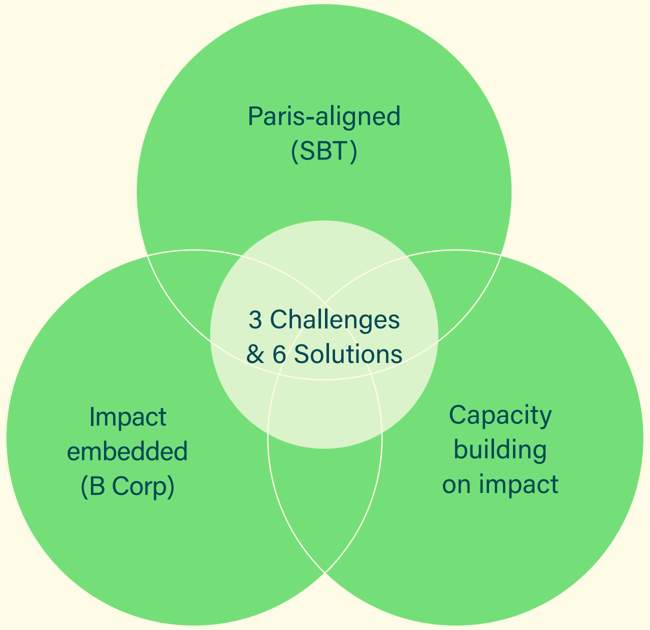
### Investment strategy: 3 challenges – 6 solutions – 5 domains

| *We take on challenges* | *We contribute to solutions* | *We focus on 5 domains* |
|---|---|---|
| | *Bio-based* | |
| | *Regenerative* | *Agri-food* |
| | *Toxicity-free* | *Built environment* |
| *Biodiversity* | *Circular* | *Clean technology* |
| *Climate* | *Net zero* | *Energy* |
| *Social Equality* | *Inclusive* | *Textile* |

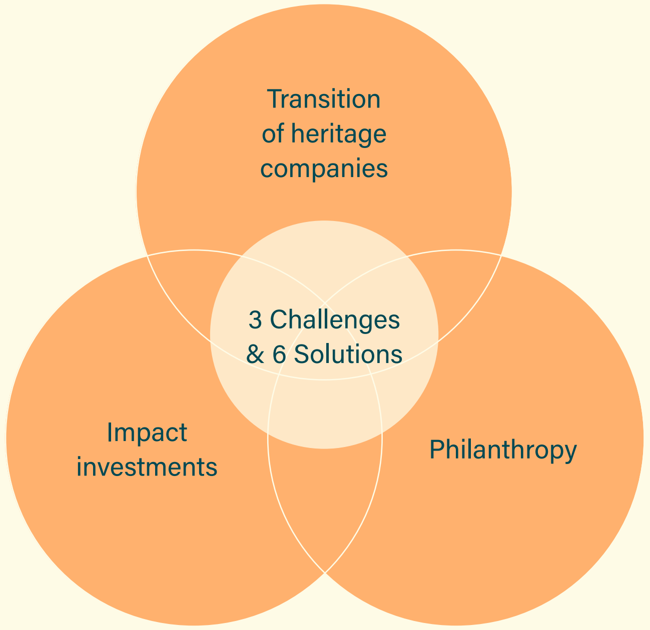
## Achieving impact on three levels

VP Capital defines its impact on three levels: organisational impact (through our own family office), capital impact and investor impact.

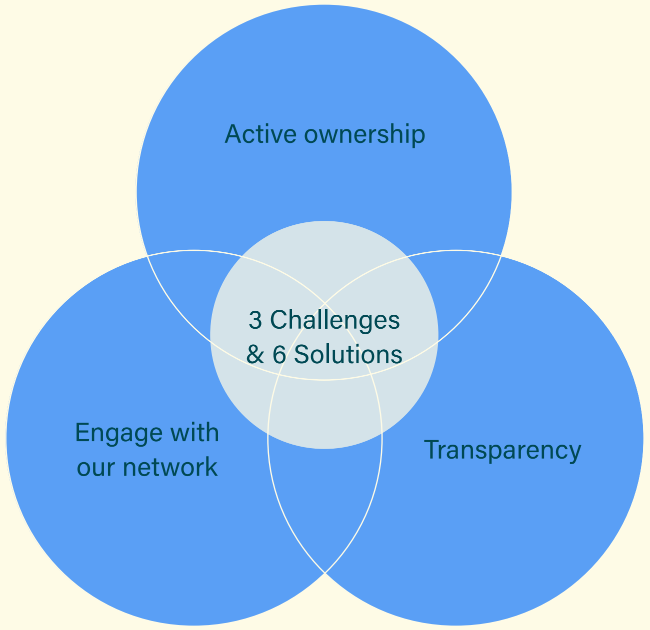
### Organisational impact




### Capital impact




### Investor impact




VP Capital's impact as a family office – i.e. our organisational impact – is enhanced through three principles. Since 2022, the family office has been a certified B Corp, a label based on rigorous social and environmental criteria. Secondly, concrete goals for reducing greenhouse gas emissions and limiting global warming are set in stone through the Science Based Targets initiative (SBTi). Thirdly, VP Capital continues to build sustainability knowledge in-house, and shares its expertise with portfolio companies and its network.

On a second level, we look at the impact of our capital. We allocate a portion of it to the sustainable transition of our existing direct portfolio. Furthermore, we give special attention to impact investments: we believe and invest in sustainable real estate, impact funds and early-stage companies. Lastly, we support not-for-profit organisations through donations.

Investor impact is the third level. VP Capital places active ownership high on the agenda: in the majority of investments, we collaborate on developing ESG criteria and impact roadmaps. Engaging with our network, including our peers, communicating transparently and sharing learnings are also part of that.

# We have already begun preparations for the Corporate Sustainability Reporting Directive

# 5.2 CSRD: our next steps

*From 2026, we are required to follow the specific guidelines of the Corporate Sustainability Reporting Directive (CSRD). As this entails a different reporting approach to that of our previous reports, we have already begun preparations.*

Our first priority was to carry out a double materiality assessment by involving our stakeholders. As Michel Meerkerk, Director of Finance & Legal elaborates: "This was a whole new approach for us, we have never formally asked a broad variety of stakeholders for their insights regarding our impacts, risks and opportunities in terms of ESG. But most of the topics that were ultimately considered to be material were already on our radar. For instance, we already had validated science-based targets to reduce our carbon footprint in place. Moreover, our family office is B Corp certified."

"Yet we took some topics, such as business ethics, for granted, as investing responsibly is one of the cornerstones of our way of working. So this exercise reminded us that we also need to communicate these policies and action plans, because they are relevant to the stakeholders."

In addition, companies that fall under the CSRD must look ahead by preparing roadmaps and transition plans to meet future targets. "For $CO_2$, we have already drawn up a roadmap with reduction targets up to 2030. For other topics, we need to map which policies, action plans, targets and metrics are still missing."

## Unanswered question

But the most important unanswered question is how we will gather the necessary information. "For much of our portfolio – which consists of large and/or listed companies – we will be able to rely on annual reports in the future, because such companies also fall under the CSRD. For instance, 98% of our direct investments will have to publish a CSRD-compliant report. For real estate investments and investments in impact funds, it is not yet clear as to whether or not they meet the CSRD criteria. This will make it harder for us to gather input. The EU guidance documents and standards don't specify how to tackle this problem."

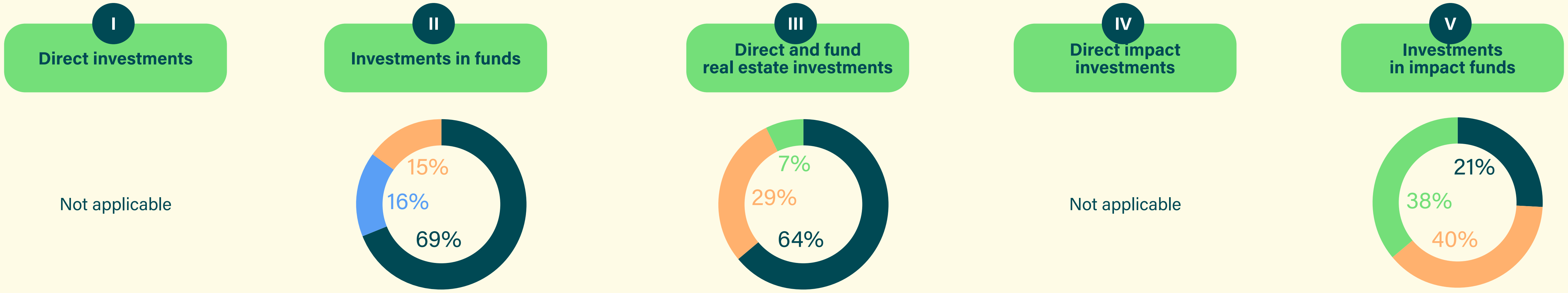
## EU Taxonomy

Another challenge is the EU Taxonomy. "Since early 2022, our investments that fall under the Non-Financial Reporting Directive (NFRD) or the Sustainable Finance Disclosure Regulation (SFDR) have been required to indicate whether their activities are in line with the EU Taxonomy, a European framework for assessing whether investments and activities are sustainable."

This is no easy task, since companies need to calculate what percentage of their turnover comes from products and services in line with the EU Taxonomy's sustainable activities. They must also indicate what percentage of their CapEx and OpEx are related to EU Taxonomy assets or processes. Michel Meerkerk: "We conclude that only a small minority of our investments have already started working on this. At present, 13% of the investments in impact funds are eligible, while the remainder is as yet unknown."

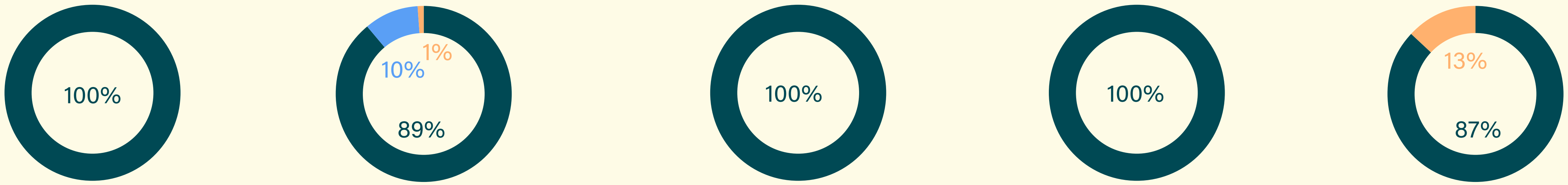
## VP CAPITAL 2023 PORTFOLIO EU GREEN DEAL EXPOSURE

### SFDR
**(fund category, % invested capital)**
Imposes mandatory ESG disclosure obligations on financial market participants.



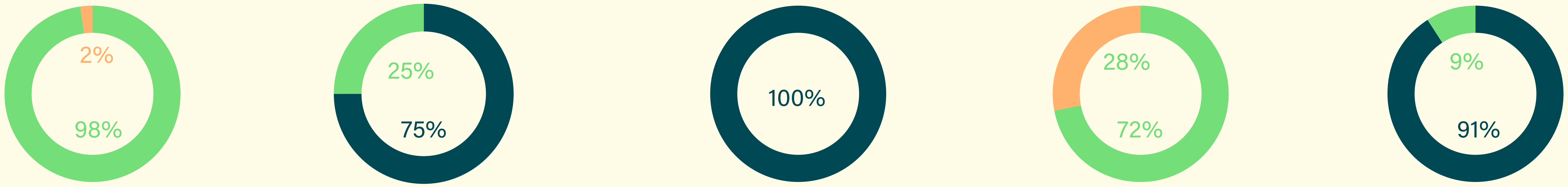

Unknown · Art. 6 · Art. 8 · Art. 9

### EU Taxonomy
**(alignment, % invested capital)**
EU framework to assess and clarify the extent to which investments are sustainable and contribute to planetary and societal challenges. Entered into force in January 2022.




Unknown · Not eligible · Eligible · Aligned

### CSRD[1]
**(applicability, % invested capital)**
EU framework requiring large (and later also smaller) EU companies to introduce mandatory reporting standards on ESG aspects e.g. carbon footprint and social KPIs.




Unknown · Not in scope · In scope

[1]CSRD applicability concerns underlying investments for category II, III, and V.
Note: Numbers may not add up due to rounding

# *5.3 An Explorer's Vision of the impact field*

*In recent years, the world of impact investing has witnessed a steady growth in capital allocation. This growth has been fuelled by the emergence of new impact funds, startups and investors, driven by a growing awareness of pressing global issues like wildfires and societal polarisation. For Astrid Leyssens, our Sounding Board on Impact, now is the time to start broadening our view and focus on systemic impact investment, which takes into account the root causes of planetary and societal challenges.*

Astrid Leyssens, founder of the We Are Impact Collective, is actively involved in various impact fields, such as building impact ventures and impact funds, enhancing the impact capacities of boards, and mentoring family offices in their journey towards impact. At VP Capital, Astrid serves as a Sounding Board, exploring the impact field and writing a monthly internal newsletter on topics related to VP Capital's impact strategy.

The early pioneers in impact investing are now supported by vibrant impact communities, including knowledge institutions, experts and research partners. This ecosystem shift has catalysed a change in investor mindset, with more and more investors taking the societal impact of various asset types into consideration alongside financial gain.

We are now seeing investors adopt a more systemic, holistic approach; one that transcends industry boundaries and is guided by systemic maps of complex issues.

Such investors combine direct interventions, such as providing shelter for the homeless, with indirect solutions targeting root causes, like improving access to mental health care and empowerment programmes. Through the curation of collaborative portfolios, they aim to address societal and environmental challenges in a holistic manner. Place-based initiatives similarly bring together a broad range of resources and stakeholders to collaboratively address local challenges. Successful models, which have included energy cooperatives and city-wide initiatives, can serve as examples of good impact investing practices. In an era where comprehensive solutions are needed to address (often heavily intertwined) global challenges, systemic impact investing offers a promising pathway towards sustainable change.

Experienced impact investors often specialise in specific areas, ranging from carbon emission reduction to marine conservation, and everything in-between. They blend philanthropy and investment to address urgent societal and environmental challenges, commonly seen in investment domains such as affordable housing, water conservation and renewable energy. Different investment types and stages (ranging, for example, from philanthropy to early-stage ventures, scale-ups and infrastructure projects) are carefully chosen to match each domain and asset class and stage.

More experienced impact investors actively participate in governance activities aligned with their objectives in boards and shareholder meetings. Engagement outcomes, especially regarding carbon emissions and diversity initiatives, are assessed, and are increasingly seen as key performance indicators. This trend has been paralleled by a shift toward tangible results, for instance, inclusive board compositions, often achieved through the inclusion of beneficiaries.

As the impact investing landscape continues to broaden, certain aspects warrant closer scrutiny. Issues like time constraints imposed by impact fund timelines and the prioritisation of valuation over long-term value creation for stakeholders have been identified as having a significant potential impact. Moreover, the shift towards systemic impact investing or transition finance is gaining traction among a growing cohort of impact practitioners. This approach – i.e. systemic impact investment – emphasises investing in root cause solutions, fostering interconnectedness among impact themes, combining stages, industries and stakeholders, and often rethinking governance models, beneficiary involvement, power and ownership models.

Unlearning things is very demanding; it requires a reflective mind, a willingness to embrace the unknowing, a change of perspective, and a turn away from the capitalist mindset of survival of the fittest, power to those who've made it, and deference to wealth creation based on colonialisation or natural resource extraction. For a change in systems to arise, a shift in ethos from ego to eco is a crucial first step. From this perspective, the Inner Development Goals prove themselves to be a supportive and helpful tool for reflection, repositioning, and unlearning as a form of common understanding.

System change is certainly included in our Explorer's List.

Other topics of Astrid's Explorer's List include:
*The growth of the commons and cooperatives, tax policy, inclusive boards, steward ownership, nurture capital, conscious capital, regenerative economy, tokens for ecosystem services, quantum computing for mapping interactions in impact stakeholders mapping, mindset change approaches, behavioural and norm-setting initiatives, capital for underserved populations regarding power, innovative democracy models, bioregional solutions, place-based impact investing, social credits, destabilising portfolios, shifting wealth ideas, north-south compensation models, ancient wisdom models, genetic modelling for health cures and soil possibilities, social innovation capital, polycapital, trust-based philanthropy learnings for investors, collaborations, collectives, cooperatives, mental shifts, worldviews, and much more.*

# Gaps in our methodology

*While we are committed to driving impact and striving to measure this with increasing accuracy, we must admit that our methods are not perfect.*

- We cannot precisely quantify how much impact our assets create. In our 2019–2023 strategy, we worked on a ratings basis (with an Impact Score being rated from 1 to 5), meaning that it was not always possible to compare absolute impact. Making impact measurable and understandable remains a difficult and time-consuming exercise. In the past, we've worked with the Dutch Impact Institute to try and calculate our real impact as a family office. The learnings from that experience have been summarised in a blog post.

- Our new strategy envisages the monitoring of progress by means of a set of pre-defined impact metrics that are individually customised to specific solutions (for more information on the solutions, refer to page 85). Our comprehensive impact metrics enable us to make informed and data-driven investment decisions. However, we fear that this will not do full justice to the diverse range of impacts of each of our investments, both positive and negative.

- Many planetary and social issues that we have identified are inherently interlinked. Although we understand and acknowledge this, our impact methodology has not yet been adapted to account for this insight.

- The underlying and systemic causes of planetary or social issues are often complex, and identification of these is essential to creating fundamental change. Investible solutions do not always address the impact issues at that root cause level. While we recognise a need for new technological solutions to combat some of the major challenges, we also understand that a need to change patterns and behaviour exists simultaneously to this. We see this as an important 'next step' for impact investors, but have not yet explicitly included this in our investment thesis. With this in mind, we intend to follow up on good practices in this area.

- While we carefully evaluate the impact of the companies within our portfolio, assessing the incremental impact that we – as investors – bring presents a challenge. We actively engage in dialogue with companies and funds, yet the degree of acceleration of impact and ESG initiatives resulting from these discussions remains uncertain. At present, while we count the number of engagements, we do not measure their outcomes, and, furthermore, our engagement efforts lack predefined objectives or consequences tied to their efficacy.

- Philanthropy – alongside impact investment and company transformation – is key to driving change. With this in mind, we have incorporated philanthropic impact into our impact methodology, while recognising that a thin line exists between evaluating donations on a rational and KPI-driven basis on the one hand, and leaving room for gut feeling or experimentation on the other.

- We welcome the CSRD, as we believe in the importance of sustainability reporting and advocate for its harmonisation. However, we must admit that we are finding it difficult to incorporate CSRD into a complex family office structure consisting of consolidated and non-consolidated investments. Moreover, we recognise the importance of striking the right balance between reporting on ESG aspects of both our office and direct companies, and on the positive impacts of our impact investments and donations. We previously aimed to deliver a CSRD-compliant report a year before the official deadline; however, the first phase took longer than anticipated. We are on schedule to provide a report in accordance with the legal deadlines.

# *Acknowledgements*


### Astrid Leyssens – WAIC

Astrid Leyssens has been our permanent partner for several years, and has worked for VP Capital as head of sustainable progress. Since 2022, she has been a permanent advisor and sounding board on impact and communication for VP Capital through the organisation We Are Impact Collective.

Contact: astrid@weareimpactcollective.org

### Holtara

The consultancy firm Holtara (formerly known as MJ Hudson or Spring Associates) has been involved with VP Capital's Progress Report since the start. Holtara assists us with data collection, portfolio engagement, report preparation, and the creation of roadmaps to accelerate the progress of VP Capital and our portfolio.

### Pantarein

Pantarein is a consultancy firm that is helping us to develop the Progress Report. Pantarein's team specialises in sustainability storytelling and communication. It also helps companies and organisations to develop and implement sustainability strategies and to report on them in a transparent way.

### WeWantMore

WeWantMore is an independent design studio that brings together forward-thinking experts from different disciplines to shape desirable brand identities, products and spaces with impact, now and into the future. Their team created our new branding and helped us develop a brand guide and design outline to give this Progress Report a refreshing look and make it easy to navigate.

### CO2logic

CO2logic, a Southpole company since 2021, is a specialist in environmental and CO2 consultancy. They launched the CO2 Neutral Company label, and are helping us to achieve this certification through steps including validating source data, calculating emissions and facilitating the purchase of carbon credits to offset our remaining emissions.

### Telos Impact

Telos Impact is an impact advisor that helps us make impactful donations across our investment domains. They offer advice and conduct comprehensive due diligence analyses of new charities.

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