

MPG | MADISON PARK GROUP

Environmental, Social & Governance
Primer

October 2022



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The “Perfect Storm” For ESG Solutions

Trifecta Of Government Regulation, Public Pressure And Corporate Momentum Leading To Rapid Change

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Climate and Social Change Are Driving Investors and Strategics Towards ESG Solutions

Dataraman secures \$13.4m⁽¹⁾ Series B on rising demand for strategic ESG insights

September 2022

CISION

Business sustainability ratings platform EcoVadis raises \$500 million to accelerate global expansion

September 2022

VentureBeat

IBM makes first major foray into ESG through Envizi acquisition, a building emissions reporting provider

January 2022

TechCrunch

Climate accounting platform Persefoni raises \$101m Series B led by Prelude and TPG

October 2021

TechCrunch

Harwood Private Equity acquires 3BL Media, an ESG content distribution platform

July 2021

HARWOOD PRIVATE EQUITY

Influential Strategic Themes



- Increasing pressure on corporate boards to demonstrate commitment to ESG and sustainability issues including climate change, human rights and social unrest



- Social issues within supply chains are becoming increasingly important, particularly given fragility of supply chains; traceability solutions are leading the charge as companies attempt to curb human rights abuses and improve labor conditions



- While originally considered a cost-avoidance solution, EHS vendors are now becoming foundational to ESG success, especially given their vast data troves and reporting capabilities



- Increasing regulatory imperative of ESG (e.g., new Scope emissions reporting) leading to rise in technology vendors for carbon reporting and more



- Increased funding, development and maturity of the DEIB marketplace driven by momentum and support for advancing representation of diverse talent in the workplace



- Many ESG technology vendors are focused on internal workflows and data aggregation, however, actual communication of ESG initiatives to the public remains an open opportunity



- Aggressive consolidation and investment activity converging across different risk & compliance ecosystems (e.g., EHS and GRC are acquiring into ESG to build out complete suites); however, few vendors have complete capabilities across E + S + G

The World Is Changing

The Time Of ESG Has Begun

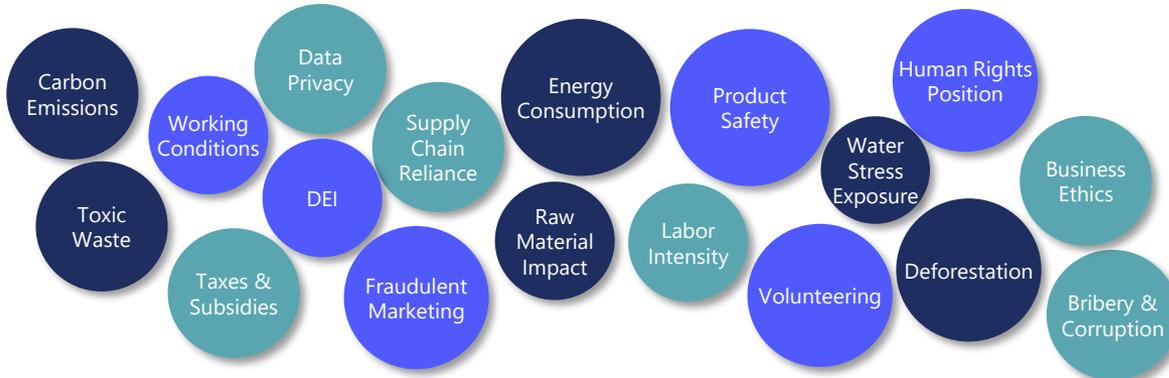


Environmental

Social

Governance

Data Disclosure, Reporting, and Corporate Engagement ...



... Measured & Benchmarked Against Globally Accepted Standards



"Not a day goes by when an Environmental, Social and Governance (ESG)-related topic isn't prominent in the news, and some of it so eye-opening that it truly cannot be ignored ... The days when companies struggled to make a business case for sustainability are over. Organizations large and small are seeing the benefits of both carbon management and building sustainability into their everyday processes throughout their supply chains."

Paul Marushka, CEO



"As companies continue to invest further in ESG and CSR programs to both give back and meet regulatory demands, they need a partner who can help connect their philanthropic goals to meaningful social impact opportunities."

Mike Gianoni, President & CEO



"From our conversations across the more than 700,000 board members and leaders we serve, ESG is the most frequent topic in boardrooms and executive suites globally. As we empower clients to transform their organizations through impactful solutions, the core of our purpose is guiding and enabling their ESG journeys."

Brian Stafford, CEO



Major Incumbents And Emerging Players

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Well-funded Incumbents Increasingly Challenged By Emerging, Specialized Players

<p>Large Players / Aggregators</p> 							
							

<p>Environmental</p> 	  <p>Environmental Management / Compliance</p>	<p>Normative</p>  <p>Carbon Accounting & Climate Disclosure</p>	<p>Higg</p>  <p>Sustainability Management / Insights</p>	  <p>Product Stewardship & Compliance</p>	  <p>EPCRA, Chemical Compliance and SDS</p>	  <p>Procurement / Supply Chain Sustainability</p>
<p>Social</p> 	  <p>Diversity, Equity & Inclusion (DE&I) Platform</p>	  <p>Inclusive Benefits & Pay Parity Management</p>	  <p>Employee Wellbeing & Engagement</p>	  <p>Procurement / Supplier Diversity Management</p>	  <p>Grants & Volunteer Management</p>	  <p>Discrimination & Harassment Prevention</p>
<p>Governance</p> 	  <p>Integrated Risk Management / GRC</p>	  <p>IT Policy & Security Compliance</p>	  <p>Business Continuity & Resilience</p>	  <p>Board Portals & Meeting Management</p>	  <p>Financial Compliance & Risk Management</p>	  <p>Third-Party Vendor Risk Management</p>

Capital Raising and PE Transactions

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Strong Investor Interest As ESG Enters The Forefront Of Corporate Priorities

\$ in millions

Lead Investor(s)	Target	Date	Target Description	Deal Type	Pre-Money Valuation	Capital Raised	Step-Up ⁽²⁾
		Oct-22 ⁽³⁾	Ethical business practices benchmarking and software solutions	Growth / Recap	n/a	n/a	n/a
 		Sep-22	ESG insights and material risk assessment software platform	Series B	n/a	\$13 ⁽¹⁾	n/a
		Jun-22	Environmental compliance data management and reporting	Series C	\$120	\$30	2.31x (Feb-21)
		Jun-22	Supply chain sustainability ratings and data analytics	Growth / Recap	\$1,000	\$500	n/a
		Jun-22	AI-enabled diversity and inclusion analytics platform	Series B	\$72	\$25	2.63x (Aug-21)
		Apr-22	Sustainability insights for consumer products	Series B	n/a	\$55	n/a
		Feb-22	Full-scale carbon footprint program-as-a-service	Series B	\$930	\$70	16.40x (Jul-20)
		Jan-22	Supply chain sustainability platform	Growth / Recap	\$650	\$350	n/a
 		Oct-21	Carbon footprint management SaaS platform	Series B	\$170	\$101	5.23x (Apr-21)
		Jun-21	ESG content distribution software platform	Growth / Recap	n/a	n/a	n/a

Sources: Pitchbook, Capital IQ, corporate websites, press releases, LinkedIn

1) GBP / USD: 1.14 as of Sep-22

2) Dates represent month and year of prior raise

3) Alpine invested in Ethisphere and folded it under Alpine's newly formed data platform "predictis"

Strategic Precedent Transactions

Strategic Acquirer Interest From Diverse Set of Buyers

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\$ in millions

Acquirer	Target	Date	Target Description	Enterprise Value	Estimated Revenue	Enterprise Value / Est. Revenue
 accenture	 Carbon Intelligence	Sep-22	Energy consulting services & software data platform for tracking supply chain emissions	n/a	n/a	n/a
 cority	 Reporting21 (f.k.a Sirsa)	Sep-22	ESG advisory and SaaS solutions for "Scope" emissions, peer benchmarking, and impact assessments	n/a	n/a	n/a
 Nasdaq	 Metrio	Jun-22	ESG reporting and data management software	\$49	n/a	n/a
 Brightly	 Energy Profiles Limited	Jan-22	ESG optimization for facilities and predictive analytics	n/a	n/a	n/a
 IBM	 enVIZI	Jan-22	Data analytics software for tracking & managing their carbon footprint	n/a	n/a	n/a
 benevity	 Alaya	Dec-21	Switzerland-based employee engagement SaaS platform	n/a	n/a	n/a
 blackbaud	 EVERFI	Dec-21	Software solution focused on social impact via corporate sponsored education	\$750	\$100	7.50x
 OneTrust	 .planetly	Dec-21	Climate technology platform enabling transparency around carbon emissions	n/a	n/a	n/a
 Diligent	 ACCUVIO	Aug-21	Sustainability software focused on data standardization, tracking, and audit	n/a	n/a	n/a
 cority	 WeSustain enterprise sustainability	Apr-21	Enterprise sustainability solutions that measure & improve performance	n/a	n/a	n/a

MPG's Deep Industry Expertise

Dedicated Risk & Compliance Software Practice Deeply Entrenched In The ESG Technology Market

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Recent Relevant Experience

 Majority Recap	 Majority Recap	 Strategic Sale
 QMS/EHS Software	 HIPAA Compliance	 Call Fraud Compliance
 Strategic Sale	 Majority Recap	 Buy-side Advisory
 E911 / Public Safety Software	 Inspection Audit Platform	 Sustainability Tech
 Strategic Sale	 Majority Recap	 Strategic Sale
 Transportation Safety	 ESG Solutions	 Environmental Compliance
 Buy-side Advisory	 Strategic Sale	 Strategic Sale
 GRC/RMIS Platform	 ESG Software	 Supply Chain Compliance

MPG Coverage Areas



- MPG's risk & compliance software practice has received increased attention from both investors and strategic buyers seeking to capitalize on emerging trends
- Throughout the evolution of this market, MPG has diligently maintained a position as a foremost leading advisor through active dialogue with industry incumbents, emerging vendors, and thought leaders

Note:
1) Rivo transaction at previous firm

M&A Advisors To The Software Economy

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Technology Leaders Trust MPG With Critical Financial & Strategic Decisions

MPG's ESG Practice Leaders



Jonathan Adler
Managing Director
Email | [LinkedIn](#)



James Tomasullo
Vice President
Email | [LinkedIn](#)



Bobby Andreozzi
Associate
Email | [LinkedIn](#)



Gabriel Lechner
Analyst
Email | [LinkedIn](#)

By The Numbers

200+
COMPLETED TRANSACTIONS

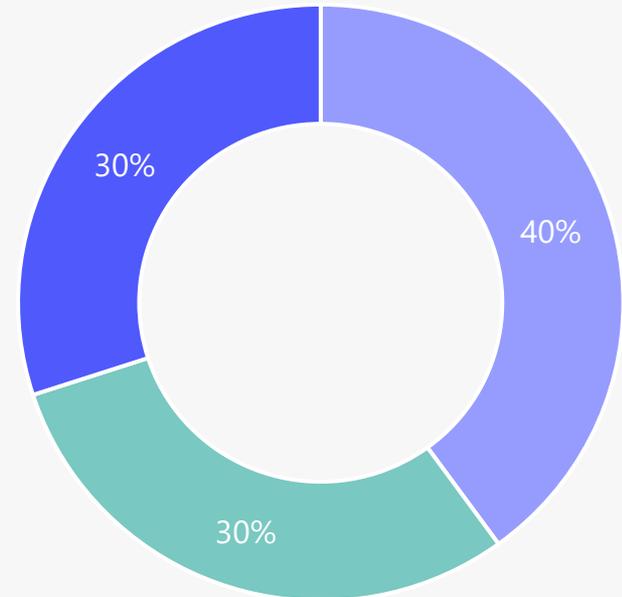
40%+
SPONSOR-BACKED CLIENTS

98%
TRANSACTION SUCCESS RATE

\$30+
BILLION IN DEAL VALUE

22
DEDICATED ADVISORS

MPG's Process Outcomes by Buyer Type⁽¹⁾



● PE-Backed Strategic ● Public Strategic ● Financial Sponsor

(1) Select deals completed in the last two years



FOCUS

We partner with global technology clients across North America and Europe



EXPERTISE

We specialize in impacting growth strategies to optimize shareholder value creation



STRATEGY

We marry thoughtful corporate strategy planning with stalwart transactional execution



RESOURCES

Domain experts with active relationships across +1,500 investors

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