

Investindustrial first to become carbon positive

Investindustrial is upping its ESG game, having announced plans to become carbon positive across all of its funds by the end of 2020, the first firm to do so.

The European investment group said it hopes to offset over 100 per cent of carbon emissions in its funds via proprietary nature-based climate solution projects that focus primarily on avoided deforestation and marine coastal ecosystems.

"I am delighted to see the firm achieve this significant milestone which was led by the Sustainability team and coordinated across the entire organisation and portfolio companies," Andrea C. Bonomi, founder and managing principal of Investindustrial said.

Investindustrial has been carbon neutral at firm level for the last decade and in its portfolio in each fund for the last five years.

A growing number of private equity firms this year have announced plans to yield their financial clout to combat the world's most pressing problems. ●

KKR launches Gamma Biosciences

KKR has launched a new platform, Gamma Biosciences, which will operate a portfolio of companies focused on biologic therapies. KKR and co-investors have committed to invest \$200m in Gamma.

It is understood that Univercells, a Belgian biologic therapies provider, has committed a €50m investment through the KKR platform; other investors include the Bill & Melinda Gates Foundation and the European Investment Bank.

Gamma has already completed its first acquisition with the purchase of UK-based gene therapy group, Astrea Bioseparations. It marks KKR's first investment in Europe from the Health Care Strategic Growth Fund.

In addition, Gamma has entered into an agreement with Univercells to take a controlling stake in the Belgium-based company's manufacturing equipment business.

The transaction is expected to close in the first half of 2020. ●



KKR raises \$1.3bn for new impact fund

KKR's impact fund comes as a number of heavyweight private equity houses have been criticised for not using their financial firepower for the greater good.

KKKR has launched one of the largest vehicles dedicated to responsible investing, raising \$1.3bn for its first global impact fund.

The new fund, KKR Global Impact, was first announced in early 2018 and last year, the fund exceeded its \$1bn target. The latest fundraise saw commitments from pension funds, family offices, institutional investors and high-net-worth individuals. In a statement, KKR said that it will be investing \$130m of its own capital alongside its clients. "We are thrilled to see our investors' shared enthusiasm for the tremendous opportunity we see ahead for KKR Global Impact and will build on this to help set the new standard across investing, value creation and measuring success

in the space," said Alisa Amarosa Wood, KKR partner and head of KKR's Private Market Products Group.

KKR Global Impact will invest in companies in the lower mid-market, focusing on climate change, clean water, workforce development, waste, mobility, sustainability and infrastructure improvements. Since 2018, the fund has already invested in Barghest Building Performance, Ramky Environ Engineers, KnowBe4, Burning Glass, and the construction of a wastewater treatment plant.

"As investors, we have a significant role to play in building businesses that contribute to SDG solutions, while also generating financial returns for our fund investors by doing so," said Robert Antablin and Ken Mehlman, KKR partners and co-heads of KKR Global Impact. ●



HUMATICA CORNER

AI, IQ & EQ – The future of knowledge-work and leadership

At a time of heightened uncertainty, AI is creating even more future shock. Leading scientists, including the late Stephen Hawking warn that if left unchecked, "someone will design AI that improves and replicates itself. This will be a new form of life that outperforms humans." We aren't there yet, but AI and more broadly information technology are changing the face of work as we know it.

The collapse in the cost of information has loosened the historical bonds between functions, hierarchical levels and geographies in a corporation. Most of the value-add is "knowledge work" which can be done remotely, on-the-road or in the home office. But AI delivers something more than this - more than simply automating human interfaces and reducing the cost of interactions. It promises the ability to automate learning, that is, to connect the dots and recognize patterns.

In this way, AI is moving up the knowledge worker's value-add chain in the workplace, to the kind of work that trained professionals in finance, law, medicine and many other occupations have studied years and years to master. Their experience, the precious ability to recognize patterns in their areas of expertise, is now being challenged by AI technology. AI is replacing IQ in the workplace.

Far more important will be your EQ in the future, that is the ability to sense the emotional state of another person and adjust your behaviour to influence them. As repetitive tasks, and increasingly knowledge-based work are automated away through AI, more higher EQ employees will be needed at all levels to motivate, inspire, and drive innovation.

Tomorrow's high EQ leaders may actually come from many diverse backgrounds, and not a traditional academic career path. EQ is an elusive personality trait. Despite all the efforts and investment in management coaching and leadership soul searching, it is inherently difficult to become more sensitive to other people's emotional state. Ego and insecurity often get in the way. Either you have high EQ, or you don't.

So, what do you look for in a leader with high EQ? For one, they are more likely female. Beyond that, high EQ people have good listening skills - in particular with their eyes. That is, they don't need to be told what the subtle dynamics in an organisation are. They are perceptive enough to triangulate the relationships and sensitivities in a group by simply observing the interactions. High EQ people are also so self-aware that they understand the implications of their behaviour on everyone else around them. They understand in an instant, without thinking, the occasions when breaking the behavioural norms is exactly what is needed to send the right signals to a group they lead. It's a natural reflex, rather than a well triangulated logic. High EQ leaders leverage this competence to ensure the right management rhythm, processes and interactions to drive desired behaviours without using old-fashioned command & control.

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Hard Facts for the Soft Factors