

ESG Technology Update: Environmental, Health, & Safety (EHS) and Supply Chain Risk Management (SCRM)

Q1 2023

The Leading Advisor to ESG Technology Platforms

HW led several marquee ESG transactions in 2022 with robust activity expected in 2023



- Alcumus is a provider of compliance and ESG software and technology-enabled solutions that address a broad range of risk categories across diversified end markets
- Apax will look to support management on its current growth plan to expand its presence globally, both organically and through additional acquisitions



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- 360training is a provider of integrated digital training and compliance platform for highly regulated industries
- The investment from GreyLion and Vestar will provide 360training with additional significant capital backing to accelerate its organic and inorganic growth initiatives



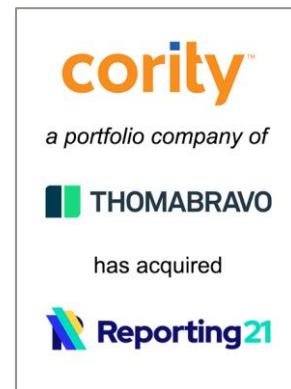
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- Lisam Systems is a provider of Environmental, Health, and Safety compliance management software solutions and services
- The investment from Keensight will expand Lisam's existing SaaS EHS risk and compliance platform and assist the company in developing its sales and marketing team



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- Reporting 21 is a provider of Environmental, Social, and Governance (ESG) performance solutions and advisory services to financial institutions and corporations
- The Reporting 21 solution will be incorporated into Cority's Sustainability Cloud to better support customers in managing, reporting, and actioning its sustainability and ESG initiatives



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HW ESG and Compliance Technology Coverage Areas

Environmental, Social, and Governance (ESG)

Solutions designed to deliver, manage, track, and measure ESG performance

Environmental, Health, and Safety (EHS)



Solutions that streamline environmental, health, and safety management, and improve health and safety performance

Select Market Participants



EcoOnline



Key Trends

- Cloud deployment with mobile functionalities
- Necessity of EHS visibility throughout the entire organization
- Convergence of employee safety and asset risk management
- Heightened regulatory and investor focus on sustainable business practices
- Data aggregation and benchmarking relating to sustainability commitments

Supply Chain Risk Management (SCRM)



Solutions that manage supply chain and vendor risk to enhance operations and improve sustainability

Select Market Participants



Key Trends

- Increased focus on supply chain transparency and risk mitigation
- Integration of climate risk, sustainability, and resilience
- Significant focus on climate impact and sustainability
- Demand for “nth-degree” supplier visibility
- Interest in end-to-end platforms with seamless data integration
- Growing importance for marketplaces with high network nodal density

Governance, Risk, and Compliance (GRC)



Solutions designed to manage business compliance and risk standards and improve governance

Contact us for our GRC sector update



EHS & SCRM Technology Update

What We're Reading

HOW COMPANIES CAN IMPROVE SUPPLY CHAINS TO BE MORE GREEN, DIVERSE, AND COMPLIANT

Supplychainbrain.com | January 17, 2023

- Over 90% of S&P 500 companies publish ESG reports, as shareholders push companies to be ESG-conscious
- Many companies are attempting to use outdated ERP systems and lack the ability to track accurate / useful ESG data
- Read the full article [here](#)

ENVIRONMENTAL, HEALTH, AND SAFETY SOFTWARE IS NOW A HOT COMMODITY

TechCrunch | January 15, 2023

- EHS software's use of AI and automation bolsters the sector to weather the potential global economic downturn
- The absence of the world's largest enterprise software vendors in the space has left room for midsize innovators to flourish over the past few years
- Read the full article [here](#)

IMPROVING WORKPLACE SAFETY THROUGH WAREHOUSE AUTOMATION

EHS Today | January 11, 2023

- Companies are looking to robotic / automated solutions to improve productivity, efficiency, and decrease the labor intensity of warehouse jobs
- Increased automation in warehouses provides a safer workplace environment, greatly reducing employees' exposure to dangerous situations while decreasing organizational risk
- Read the full article [here](#)

WORKPLACE SAFETY AND WEARABLES BY THE NUMBERS

EHS Today | November 9, 2022

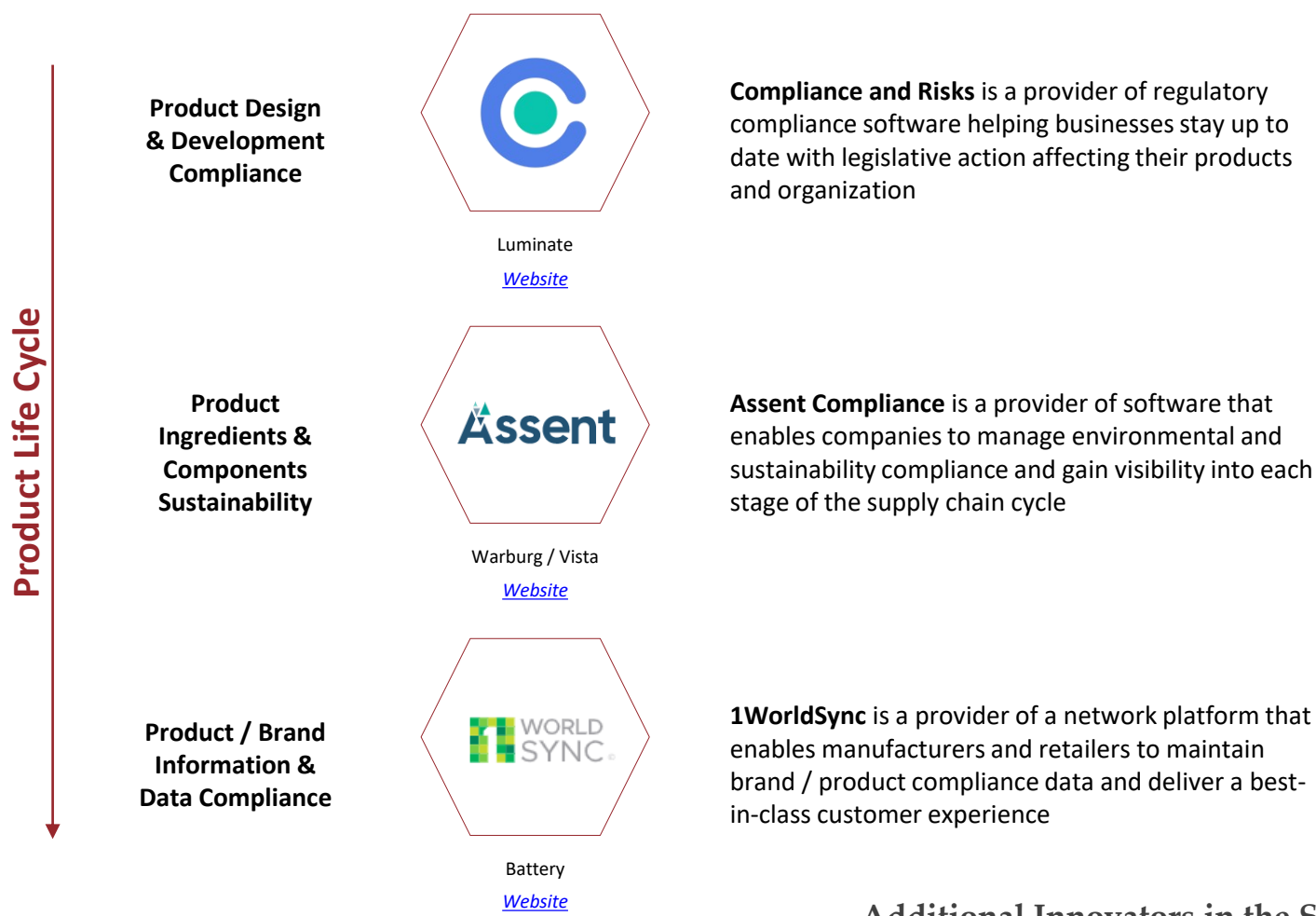
- Increased productivity quotas in frontline and industrial jobs have led to increased risk of injury: 18.3% of drivers who make deliveries for Amazon suffered injuries in 2021, according to a report from the Strategic Organizing Center
- Leveraging wearable technology can help businesses retain an existing workforce and attract new employees
- Read the full article [here](#)

Notable Sector Transactions






Target	Buyer / Investor	Date	Description
 enhesa.	 Bregal Sagemount	January 10, 2023	<ul style="list-style-type: none"> Provider of a regulatory and sustainability intelligence platform assisting businesses with monitoring EHS and other regulations across their enterprise The investment from Bregal will better position Enhesa as it further invests into current product offerings and expands into new customer verticals
 toxnot	 3E	December 12, 2022	<ul style="list-style-type: none"> Provider of a supply chain risk management platform helping companies produce safer products through chemical management and hazard assessment The acquisition by 3E accelerates growth and broadens their suite of supply chain offerings
 CHAS	 veriforce	November 17, 2022	<ul style="list-style-type: none"> Provider of risk prevention, compliance, and supply chain management services helping organizations improve their procedures and improve employee safety The acquisition by Veriforce expedites growth in existing markets and continues their international expansion
 ecovadis	 BlackRock	November 1, 2022	<ul style="list-style-type: none"> Provider of corporate sustainability and social responsibility scorecards allowing for a transparent view for customers on a company's ESG-focused actions The investment by BlackRock enables Ecovadis to accelerate their organic growth and product development initiatives
 ProcessMAP	 Ideagen	October 5, 2022	<ul style="list-style-type: none"> Provider of an EHS-focused data analytics platform aiding businesses with making data-driven decisions and tracking EHS and ESG commitments The acquisition by Ideagen will add EHS-specific software to its existing portfolio of GRC solutions, creating significant cross-sell opportunities

Emerging Space: Product Compliance and Sustainability

Select Platforms

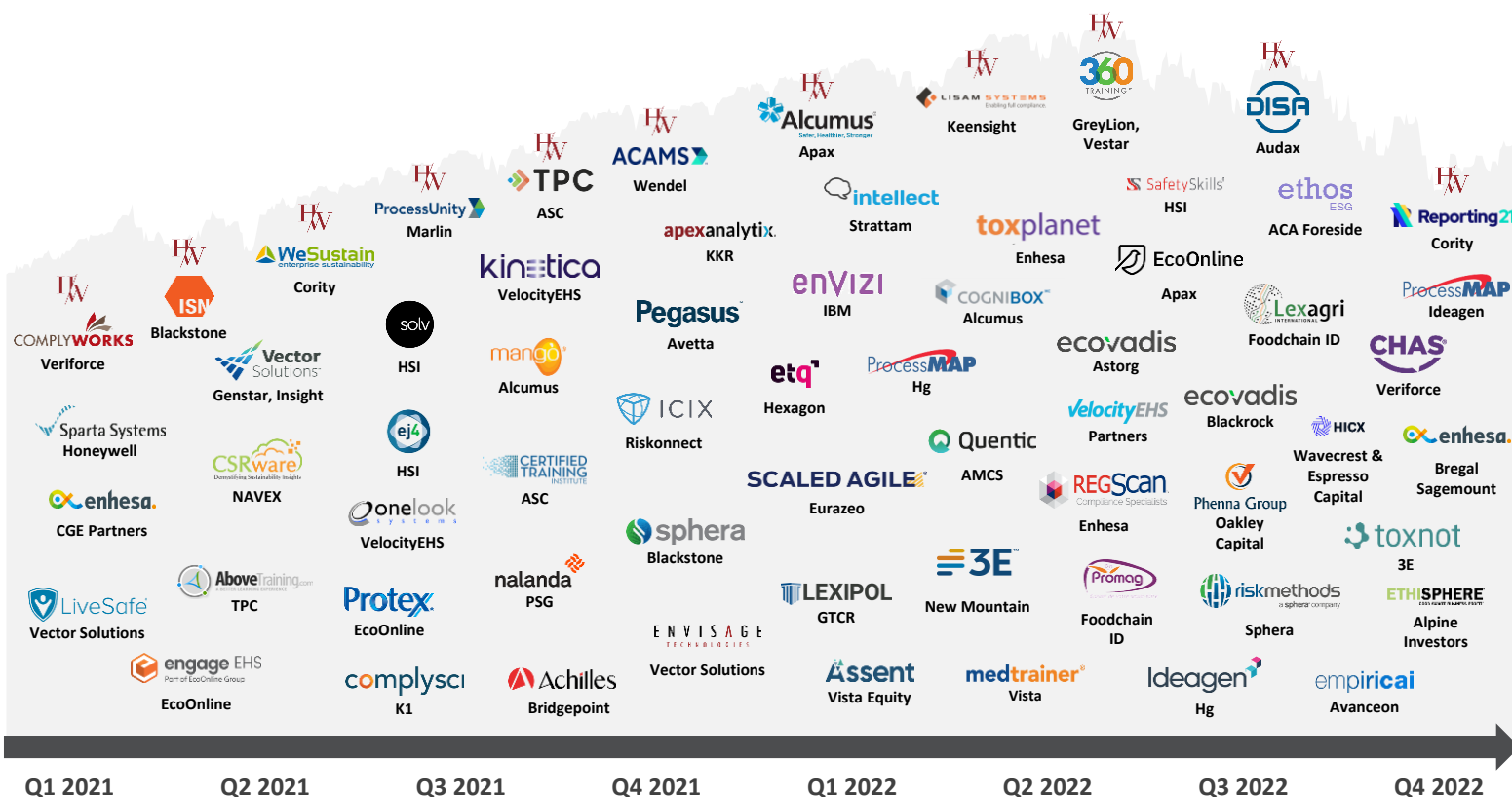


Additional Innovators in the Space

 New Mountain Website 3E is a provider of EHS compliance and information management services intended to empower companies to reduce risk	 Berkshire Partners Website FoodChainID is a provider of food quality and sustainability testing solutions enabling manufacturers to remain in compliance with quality standards and regulations	 GRO Capital Website iPoint is a provider of product compliance and sustainability software assisting companies to manage, track, and report the use of materials and ESG impacts across the supply chain	 Long Ridge Website Oritain is a provider of forensic science-based technology enabling customers to identify different levels of chemical attributes in foods and verify their origin	 Parker Gale Website Source Intelligence is a provider of a cloud-based supply chain management SaaS platform assisting businesses with proactively addressing their compliance and transparency needs
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Robust Private Market Activity Amid Public Volatility

Notable Investor and Strategic Activity

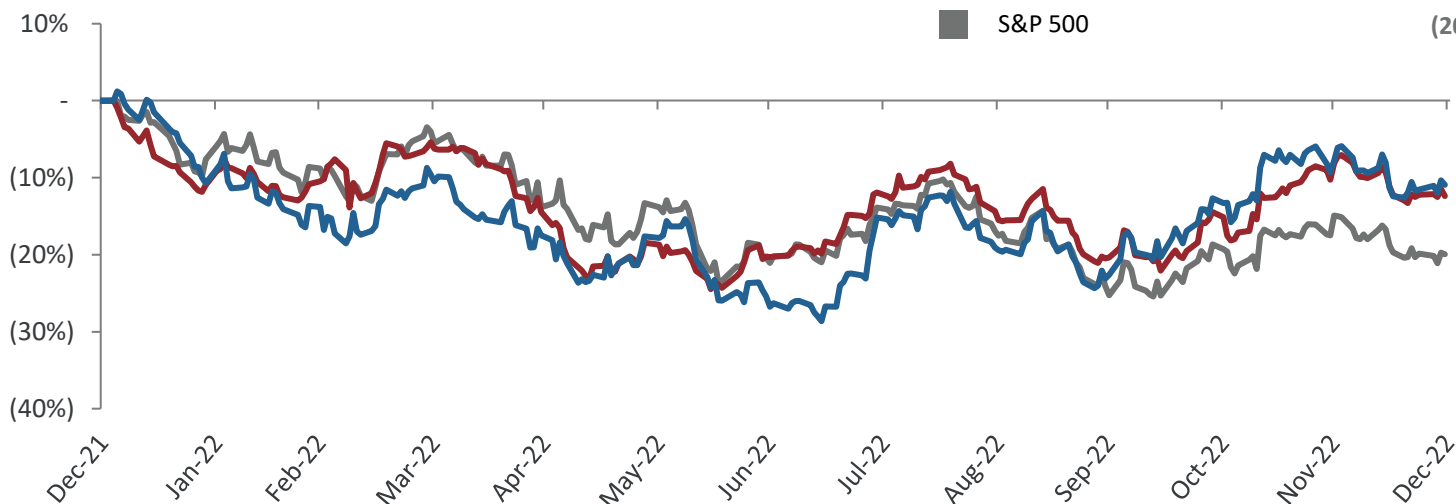


Relative Public Equity Performance

Indexed Stock Price Performance

1-Year (%)

As of Dec. 31, 2022
Index = 100

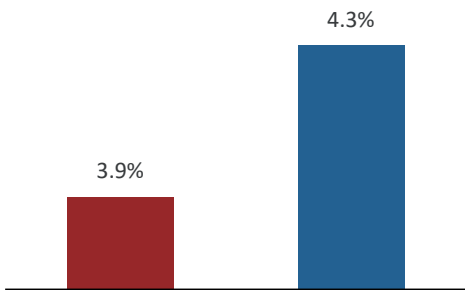


Note: Shading represents S&P 500 market performance since Q1 2021
Source: CapIQ

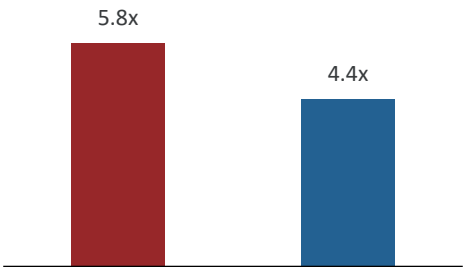
Public Company Valuations & Operating Update

Public Company Operating and Valuation Metrics

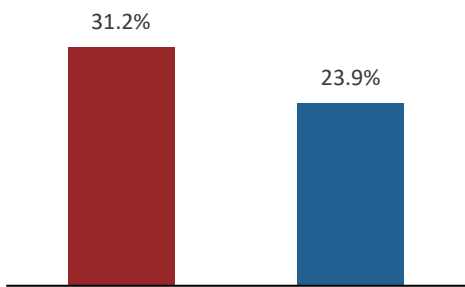
LTM Revenue Growth



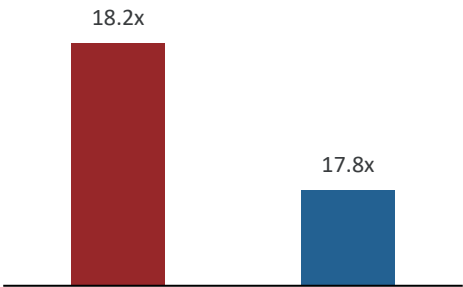
Median EV / LTM Revenue



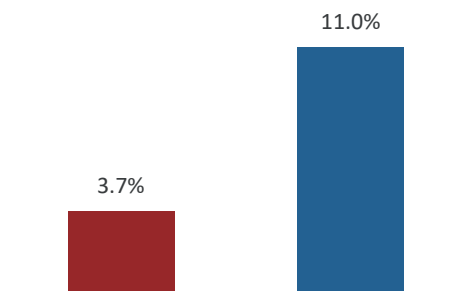
LTM EBITDA Margin



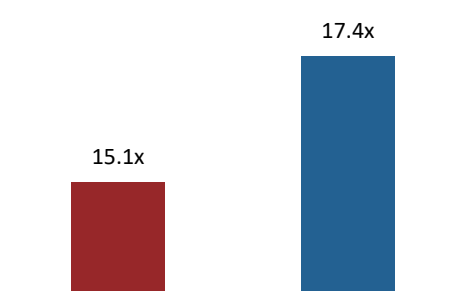
EV / LTM EBITDA



NTM Revenue Growth



EV / NTM EBITDA



Compliance Technology – Diversified



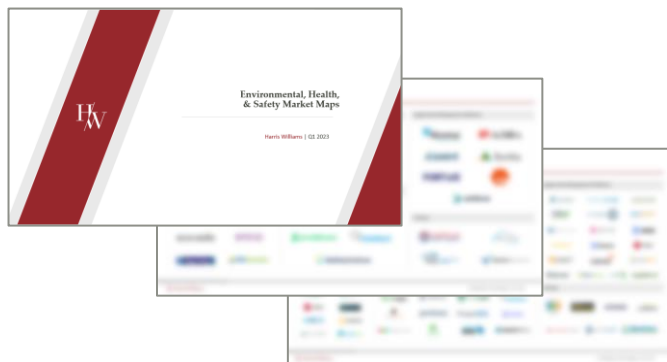
Compliance Technology – Industrials



Additional Information

Harris Williams – Sector Experience

EHS & SCRM MARKET MAPS



Contact any of the names below for access

SELECTED COMPLIANCE TECH EXPERIENCE



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Harris Williams – At A Glance

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DEEP INDUSTRY EXPERIENCE



Aerospace, Defense
& Government Services



Business
Services



Consumer



Energy, Power
& Infrastructure



Healthcare &
Life Sciences



Industrials



Technology



Transportation
& Logistics

70% Revenue from repeat clients

83% Managing directors promoted from within the firm

30+ Year history



Sources and Disclosures

Sources

1. PitchBook
2. S&P Capital IQ
3. Mergermarket

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