

## Les tendances d'impact environnemental/sociétal portées par les next gen dans les entreprises familiales: Une étude exploratoire

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# **TO WHAT EXTENT DOES THE PRESENCE OF MILLENNIALS IN FAMILY OFFICES GOVERNANCE REINFORCE STEWARDSHIP BEHAVIORS, AND HOW DO THEY FACILITATE AN INCREASE IN IMPACT INVESTMENTS?**

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## List of abbreviations

<b>AUM</b>	Assets under management
<b>CSRD</b>	Corporate sustainability reporting directive
<b>ESG</b>	Environmental, social and governance
<b>FO</b>	Family office
<b>GDPR</b>	General data protection regulation
<b>G2 / G3</b>	Second generation / Third generation
<b>KPIs</b>	Key Performance indicators
<b>MFO</b>	Multi-family office
<b>NGO</b>	Non-governmental organization
<b>SEW</b>	Socioemotional wealth
<b>SFO</b>	Single-family office

# 1. Introduction

Impact investing is a fairly recent concept in the investment world. It gained popularity after the 2008 financial crisis, when people began to lose trust in the traditional financial sector (Agrawal & Hockerts, 2019). Even today, there is no clear agreement on how to define it or on which asset classes it includes (González et al., 2025). At its core, it means making investments with the clear intention of creating positive social and environmental outcomes while also earning a financial return (PwC, 2023). Even without a fixed theory, impact investing is clearly connected to the idea of sustainable development (Shome et al., 2023).

Over the years, impact investing has grown beyond charitable donations and socially responsible investment (SRI) funds. It can be seen both as a way of thinking about investing and, in some cases, as a separate asset class (Brandenburg, 2010). It covers many different areas, such as renewable energy, financial services (excluding microfinance), healthcare, microfinance, food and agriculture, infrastructure, and housing (González et al., 2025).

A recent study by Hand et al. (2024) shows that the sector is still growing, with a global market size estimated at USD 1.571 trillion. However, as research on the topic increases, Shome et al. (2023) note that only a small number of studies have tried to explain the intentions and specific characteristics of impact investors. Family offices are part of this landscape, making up about 2% of all entities involved in impact investing (Hand et al., 2024).

Understanding the intentions of the next generation of investors is therefore essential to anticipate future market trends. A survey by the Morgan Stanley Institute for Sustainable Investing revealed that 97% of millennials in Europe expressed interest in sustainable investing. More and more researchers consider this generation to be more aware of their responsibility towards the environment. As they are set to inherit significant family wealth through what is referred to as the Great Wealth Transfer, they are expected to shape the future of investing by prioritising ESG and impact strategies (James & Scott, 2020). However, as Formánková et al. (2019) point out, few studies explore the specific investment practices of millennials or their link with corporate social responsibility more broadly.

This raises the question of whether, when millennials take governance roles within family offices, they exert any influence on shaping impact investing strategies. To address this question, the analysis draws on the stewardship theory framework, which assumes that leaders acting as stewards prioritise organisational over personal goals and foster long-term value creation (Davis et al., 1997; Neubaum et al., 2016).

Millennials are often distinguished from previous generations by their sense of global connectivity and collective responsibility, which leads them to value not only financial performance but also the social and environmental effects of their investments (Formánková et al., 2019). This raises the question of whether, when millennials assume governance roles within family offices, they influence the orientation toward impact investing and, if so, through which mechanisms linked to stewardship behaviors.

This leads to the main research question: “To what extent does the presence of millennials in family office governance reinforce stewardship behaviors and how do they facilitate an increase in impact investments?”

To address this question, a qualitative multiple-case study approach was adopted. Nine semi-structured interviews were conducted with millennial and senior family members, executives, and external experts from Belgian family offices. A deductive coding scheme based on three dimensions (family office governance, stewardship behaviors, and impact investing) was used to analyse the data. Secondary sources were also mobilised to complement the primary data and support triangulation.



The first part of this thesis presents the literature review, which sets the theoretical background and clarifies what is already known on the topic. The second part details the research methodology. The third part presents the results with an in-depth analysis of each family office and a cross-case analysis. This is followed by a discussion that links the findings to the theoretical framework and highlights the study's limitations. The final section concludes with the main findings, contributions, and implications for both theory and practice, as well as ideas for future research.

## 2. Literature Review

### 2.1. Family businesses

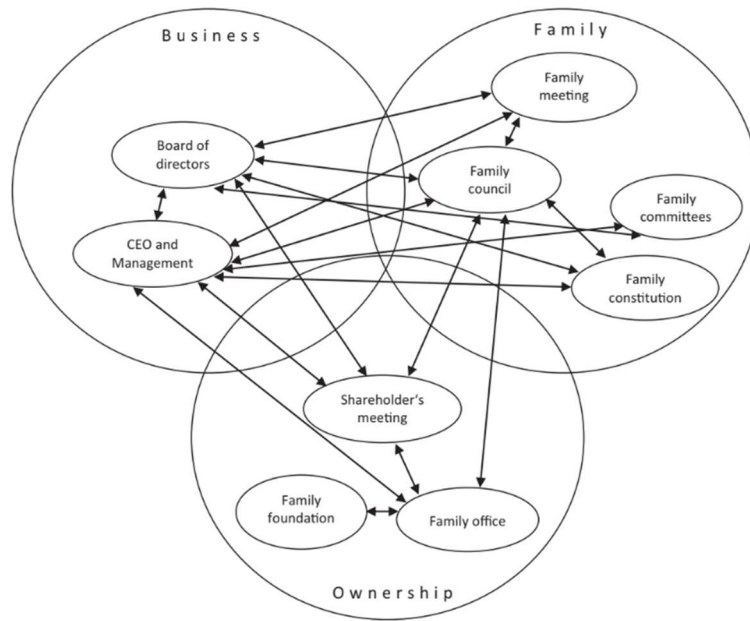
#### 2.1.1. Economic role of family businesses

Family firms dominate the business landscape in Europe, making up the vast majority of business organizations. They represent 61% of businesses in the Netherlands and over 80% in Spain, Italy, and France. As such, family businesses are major drivers of economic growth, employment, and social development, contributing to 50% of the European Union's GDP (Minichilli et al, 2021). There is a wide variety of definitions in the literature, but for this thesis, we will use the following definitions to define a family business: "A business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families" (De Massis et al., 2008).

#### 2.1.2. Governance structure

In family businesses, long-term success relies not only on business performance but also on how the family operates and interacts with the firm. To manage their roles effectively, families benefit from having a clear structure that increases both efficiency and effectiveness. Adequate governance is therefore essential for both the business and the family to ensure stability and preserve wealth (Suess, 2014). The governance in a family business is "a system of processes and structures put in place at the highest level of the business, family, and ownership to make the best possible decisions regarding the direction of the business and assurance of accountability and control" (Gallo & Kenyon-Rouvinez, 2005). According to Thakur and Sinha (2023), family governance plays a central role in family businesses, aligning the interests of different stakeholders. Increasingly adopted, it helps address internal and external challenges to ensure the company's sustainability.

In 1996, Tagiuri and Davis introduced the Three-Circle Model to explain the unique dynamics of family businesses and their stakeholders. This model identifies three interconnected systems: family, ownership, and business. It provides a framework for understanding the roles and expectations of all individuals involved in the company, facilitating the implementation of a governance system that accommodates diverse interests. Suess (2014) used those three categories to classify the different governance mechanisms and shows in which ways these could be interconnected. There are many forms of family governance, from family councils and meetings to family offices. These structures facilitate the management of intra-family relationships and the connection between family and business. They play a key role in such essential aspects as succession, conflict resolution, decision-making, wealth management, and family cohesion and communication. With the right governance in place, family businesses can better reconcile family interests and corporate strategies to ensure long-term growth and succession (Thakur et al., 2023).



**Figure 1.** The Three-circle Model of Family Business (Tagiuri et al., 1996)

### 2.1.3. Long-term orientation

Long-term orientation (LTO) is an essential characteristic of family businesses, directly influencing their strategic choices. Faced with complex decisions, this approach enables them to evaluate and prioritize alternatives, taking into account both family and stakeholder interests (Memili et al., 2017).

Haag et al. (2023) state that these firms, because they frequently place emphasis on non-financial objectives, make their longevity hold significant relevance for society as a whole. Those non-financial goals can vary from long-term sustainability, stakeholder well-being, and local economic development. A strong long-term vision helps to strike a balance between continuity and sustainability, while strengthening the company's image and reputation. It also encourages strategies designed to last for generations (Memili et al., 2017).

### 2.1.4. Wealth accumulation

As the business grows, so does the family's wealth, and over time, the need to manage the intergenerational transfer of this wealth becomes increasingly important. To address this challenge, families often turn to structures that enable economies of scale, most notably the family office. These entities not only centralize financial management but also integrate financial and non-financial objectives (Kenyon-Rouvinez & Park, 2019), helping to preserve family cohesion and ensure alignment across generations (Rivo-López et al., 2020). As wealth management institutions, family offices naturally support a long-term orientation by facilitating continuity and strategic alignment over time.

## 2.2. Family offices

### 2.2.1. Definition

Estimating the number of family offices is particularly difficult due to the lack of a clear definition and their private nature. As Kenyon-Rouvinez and Park (2019) point out, many are not legally registered or

operate under other legal forms such as investment firms or trusts. In addition, some entities claim to be family offices when they are not and vice versa. These factors may explain why estimates vary so much. They also lead to a lack of consistency in definition among researchers.

Most definitions of family offices converge around the idea that they are organizations dedicated to managing the private wealth and financial affairs of affluent families. This typically includes services such as investment management, tax planning, estate structuring, and personal advisory (Rosplock & Hauser, 2014; Wessel et al., 2014). However, some authors extend this definition. For instance, Rivo-Lopez et al. (2017) emphasize the intergenerational nature of the capital involved and the central role of the family. Decker et al. (2013) highlight the administrative and advisory complexity of the role, highlighting the importance of multi-generational management. In contrast, Zellweger and Kammerlander (2015) focus more narrowly on the legal structure, defining the family office as a distinct entity moderating between the family and its assets.

For this thesis, the definition proposed by Rosplock et al. (2014) is adopted, which considers a family office as an organization primarily dedicated to managing the wealth and financial affairs of one or multiple families. This broad definition imposes few restrictions while maintaining a clear focus on the family dimension.

## 2.2.2. Governance tools

Beyond the variations in definitions, differences also arise regarding the minimum net wealth required to justify the creation of a family office. Establishing a family office is generally considered viable when the family's net worth exceeds \$100 million (Kenyon-Rouvinez et al., 2019), although some place the threshold higher or lower depending on the context. This distinction not only affects the structural configuration of family offices but also has implications for the long-term sustainability of family enterprises. As noted by Welsh et al. (2013), the wealth accumulation facilitated by family offices can enhance the capital available for reinvestment into the core family business, thereby contributing to its growth and resilience.

In this sense, family offices are not only financial management tools but also play a strategic governance role in preserving and transmitting wealth across generations (Rivo-López et al., 2017). However, each family office's structure is unique because it needs to adapt to the specific needs of the family it serves. The focus will stay on the two main types of family offices: Single Family Offices (SFOs) and Multi-Family Offices (MFOs).

### 2.2.2.1 *Single-family offices*

Zellweger and Kammerlander (2015) define SFOs as “a legal and organizational entity owned by a single owner family that manages, among other things, the wealth of one family on a long-term basis”. Families usually opt for this option because they want their wealth to be professionally managed, they fear the next generation may not be ready to take over, or they wish to restrict access to the family's wealth (Welsh et al., 2013). SFOs are specifically adapted to the needs of one family and aligned with their objectives regarding wealth management (Kenyon-Rouvinez & Park, 2020). In addition to investment services, they may also provide counselling on tax and legal matters, ensure compliance with applicable regulations, and deliver performance reports to support strategic decision-making (Block et al., 2023). In summary, SFOs help families reach their long-term goals by offering personalized financial and non-financial services that also support the protection and smooth transfer of wealth from one generation to the next (Liechtenstein et al., 2008).

#### 2.2.2.2 Multi-family offices

By contrast, MFOs do not focus on a single family, which leads to significant differences in structure and service. MFOs serve at least two families and operate by sharing financial and human resources. This model allows families to access a wide range of services while keeping costs lower (Kenyon-Rouvinez & Park, 2020). It also enables MFOs to recruit more advisors and offer broader expertise, which may not be possible in smaller SFOs (Wessel et al., 2014). As a result, some MFOs accept clients with lower levels of investable assets, sometimes starting around \$5 to \$10 million (Kenyon-Rouvinez & Park, 2020). Moreover, families working with the same MFO can also build connections and sometimes choose to invest together (Wessel et al., 2014).

#### 2.2.3. Beyond wealth management

However, beyond the preservation of wealth, family offices also advise families. As Rivo-López et al. (2021) emphasize, family offices serve broader purposes such as preserving the family legacy, fostering cohesion, promoting philanthropy, and educating the next generation by making them key instruments for transmitting wealth across generations. This diversification responds to the growing interest of families in non-financial goals. Thanks to their flexible structures, entirely dedicated to the family's needs, they offer the possibility to pursue multiple objectives. Even though the core objective remains the preservation of financial wealth, families might also seek to preserve their socioemotional wealth (SEW) as a motivation to set a family office (Kenyon-Rouvinez & Park, 2020). Non-financial assets such as control of the business, family identity, heritage, and emotional attachment (Gómez-Mejía et al., 2007). Unlike non-family businesses, which generally focus on financial performance, family businesses often place the preservation of SEW at the center of their decisions, even if this implies accepting lower financial returns. Aguilera et al. (2007) emphasize that some organizational actors are driven by moral motivations. They will seek to engage in CSR and impact-driven strategies that go beyond personal or financial interests. This can notably take the form of impact investing, which allows families to combine wealth preservation with the pursuit of their values.

### 2.3. Theoretical framework: stewardship theory

To understand how individuals influence the investment orientation of family offices, this thesis is based on the stewardship theory as the main theoretical framework. The stewardship theory is particularly relevant in the context of family businesses, where executives are often family members sharing a strong commitment to the corporate mission. Effective family governance, such as family offices, fosters stewardship behaviors, strengthens relationships, and promotes shared values (Suess, 2014). Furthermore, stewardship theory seems particularly suited to contexts in which organizational actors pursue dual objectives that combine financial returns with social returns. Bacq et al. (2016) show that stewardship-oriented decision-makers are more likely to pursue mixed objectives rather than focus on a single goal. This reinforces the relevance of this framework for analyzing impact investing strategies in family offices.

#### 2.3.1. Principles of Stewardship theory

According to stewardship theory (Davis et al., 1997), an individual within an organization, referred to as a steward, is mostly motivated to prioritize the organization's best interests over personal gains. The steward obtains greater utility from contributing to collective objectives than from pursuing self-serving goals. This perspective suggests that by achieving the organization's mission, personal needs will also be fulfilled. As a result, stewards view their goals as inherently aligned with those of the organization and its owners. It is defined as the degree to which an individual willingly subordinates their interests

to protect the long-term well-being of others. Such behaviors can be observed across all levels of the organization, regardless of formal authority. They are driven by two key psychological mechanisms: a personal valuation of actions that benefit others over time (a long-term perspective) and an emotional connection with the individuals affected by one's decisions. They induce a sense of responsibility that leads to a management practice that affects beneficiaries like the organization and others in a positive way (Hernandez, 2012).

Neubaum et al. (2016) argue that when stewardship values are widely shared across an organization, they can create a strong stewardship climate. Such a climate is more frequently observed in family firms and is illustrated by a collective commitment among others. Recent research emphasizes the importance of cultivating a stewardship climate to ensure millennial successors remain committed to the family business. Rznika and Kaihatu (2021) found that a strong stewardship climate fosters millennials' trust and socioemotional wealth, which in turn increases their intention to remain in the family business. These results highlight how stewardship behaviors strengthen intergenerational commitment, allowing a shift toward governance centered on collective well-being and long-term legacy.

In this thesis, stewardship will be examined through the lens of Neubaum et al.'s (2016) six dimensions of stewardship climate, which provide a structured framework to analyze how stewardship is manifested within family firms. According to Neubaum et al. (2016), stewardship climate is a multidimensional construct composed of six interdependent dimensions, each reflecting a key aspect of prosocial and long-term oriented behavior. Intrinsic motivation captures the extent to which individuals are driven by internal satisfaction rather than extrinsic rewards. Organizational identification occurs when members perceive the organization as an extension of themselves and internalize its success as their own. Use of personal power refers to influence based on trust, expertise, and interpersonal relationships rather than formal authority. Collectivism reflects the prioritization of group goals and the shared responsibility for achieving positive outcomes. Low power distance characterizes environments where interactions are egalitarian and decision-making is less hierarchical. Finally, involvement orientation refers to a governance approach that encourages participation and engagement in organizational decision-making. Together, these six dimensions form the basis for identifying and analyzing stewardship behaviors in family firms.

Neubaum et al. (2016) focus on the micro-level behaviors and perceptions that define stewardship within organizations. In contrast, Ali et al. (2025) complement this perspective with a macro-level view, examining how stewardship evolves within family governance across generations. Building on this perspective, they introduce the *"Stewardship transition framework"*, which conceptualizes stewardship as a dynamic process that evolves with changes in family and business priorities. The framework describes how family firms may transition from family-driven stewardship, grounded in the emotional commitment of family members, to forms of stewardship increasingly supported by external governance structures and professional partners. These transitions illustrate how stewardship can be maintained across generations, even as governance becomes more formalized and external actors play a greater role.

### 2.3.2. Agency theory

This view contrasts with agency theory, which assumes that individuals are rational actors who seek to maximize their self-interest. Rather than sacrificing for the greater good, they focus on optimizing personal gains (Madison et al., 2015). As a result, governance mechanisms are put in place to align the interests of agents and principals. Hernandez (2012) also argues that stewardship theory suggests that such control mechanisms may not only be unnecessary but could even be counterproductive. Unless they enhance steward behaviour, which would facilitate the alignment of interests and allow firm performance to increase (Madison et al., 2015).

### 2.3.3. Influence through shared purpose

Davis et al. (1997) argue that in stewardship-oriented environments, leaders rely less on formal authority but instead will influence through personal forms of power. Therefore, individuals gain influence by promoting collective goals and representing shared values. In such contexts, individuals could exercise meaningful influence by aligning their investment preferences, such as impact investing, with the long-term mission of the organization. Within this stewardship framework, it is essential to understand how influence is exercised in practice. In particular, the question arises as to how individuals, and especially millennials, help to influence strategic decisions in family governance. This influence is often expressed through their values and through the generational differences that distinguish them from their predecessors.

### 2.3.4. Millennials characteristics

Several studies have examined the differences between older generations (baby boomers and Generation X) and millennials in terms of investment behaviors. In this paper, we adopt the definition provided by Cirillo et al. (2022), considering millennials as individuals born between 1977 and 2001. Luu et al. (2023) hypothesized that both education and early-life experiences shape how millennial managers conduct business. This hypothesis builds on previous research suggesting that formative experiences influence decision-making and risk-taking behavior. Millennials grew up in a world marked by terrorism, climate change, rapid technological advancements, and the Great Recession (Ricci & Sautter, 2021), factors that have shaped their attitudes and behaviors as both managers and investors. These generational traits lead to evolving governance needs. Bammens et al. (2007) highlight that the board's advisory and control needs evolve across generations. The founder generally needs advice to grow the business. This need decreases with the second generation, thanks to a more stable period, but rises again in the third generation due to internal disagreements. However, the need for control steadily increases due to rising task conflicts and declining intentional trust. In this context, a person can gain influence by acting as a mediator or bringing external perspectives.

Cirillo et al. (2022) show that millennials can have a real influence if supported by a leader who understands and shares their values. Their modern mindset and strong interest in ESG allow them to push their ideas forward. This view is challenged by Park (2024), who explains that newer generations are sometimes more emotionally detached from the business, which increases CSR decoupling (the gap between what is communicated and what is done). This is often linked to the costs of implementing such actions. But this outcome depends more on the individual's socioemotional attachment than on their generation alone.

While stewardship theory focuses on how individuals align their personal goals with the long-term mission of the organization, socioemotional wealth (SEW) theory highlights the emotional factors that drive strategic choices in family firms. Combining these perspectives shows how stewardship behaviors naturally support the preservation of SEW, providing a framework for understanding what motivates impact investment decisions in family offices.

## 2.4. Sustainable investments

### 2.4.1. SEW as a driver to impact investing

According to the perspective of Socioemotional Wealth (SEW), family businesses do not only pursue economic goals. They also aim to preserve their image, heritage, identity, and the continuity of their dynasty. As a result, they make strategic decisions that protect their SEW, even if this sometimes leads to lower financial performance (Berrone et al., 2010). This behavior is particularly evident in family



businesses that are willing to accept higher risks or lower returns if it helps preserve their legacy and values (Gómez-Mejía et al., 2007). This statement is confirmed by Sun et al. (2023), who show that SEW strongly motivates the adoption of sustainable practices aligned with ESG (environmental, social, and governance) criteria, especially in large publicly listed family firms. This adoption can be driven by internal motivations (such as values and emotional attachment) or external ones (such as reputation and legitimacy). For their part, Ernst et al (2022) explain that SEW is a key factor that drives certain families to adopt a normative motivation in terms of sustainability: they act out of a sense of morality, over and above economic interests. Their study shows that owner families are often prepared to commit themselves to the common good, even if this does not generate any direct benefit. On the other hand, when these same families also run the business, this motivation can be reduced by fear of financial risk.

## 2.4.2. Millennials shaping investment strategies

### 2.4.2.1. Millennials and investments

The shift toward sustainable investments has also been influenced, in part, by millennials. As this generation begins to take over financial and managerial positions, they are redefining traditional investment strategies. Unlike previous generations, millennials bring their values into their economic decisions, influencing their investment preferences (Barzuza et al., 2021). A key observation is that millennials are more likely to integrate their personal values and beliefs into their investment decisions, whereas older generations tend to separate personal values from professional investment strategies. Luu et al. (2023) provide empirical evidence supporting this, finding that "mutual funds managed by millennials exhibit higher ESG scores compared to those managed by other generations." Surveys indicate that 63% of millennials consider societal improvement more important than financial gain in business operations (Luu et al., 2023). This perspective directly influences their investment strategies, leading them to allocate a higher proportion of their portfolios to ESG-oriented funds that prioritize sustainability. A report conducted by Morgan Stanley Institute for Sustainable Investing (2024) highlighted that 97% of millennials in Europe are interested in sustainable investments.

Research suggests that family firms with a strong stewardship culture encourage long-term, collective decision-making aligned with the family's values (Eddleston et al., 2011). Building on this cultural foundation, younger generations, including millennials, often develop a sense of responsibility toward both the family legacy and broader societal outcomes. As Welsh et al. (2013) highlight, the stewardship mindset can influence successive generations to prioritize entrepreneurial activities and investment strategies that create not only financial value but also social impact.

Millennials' emphasis on sustainability can therefore be seen as an expression of stewardship behavior. Unlike agency-driven leaders focused on short-term performance, they, as stewards, are intrinsically motivated by a sense of duty, trust, and purpose (Hernandez, 2012). Their decision-making tends to favor strategies that ensure the long-term survival and legitimacy of the organization, even if it implies lower short-term financial returns.

### 2.4.2.2. From sustainable investing to impact investing

These values align strongly with sustainable investments, which refer to "the practice of making investments in companies or funds that aim to achieve market-rate financial returns while considering positive social and/or environmental impact" (Morgan Stanley Institute for Sustainable Investing, 2024). Within this broad concept, Socially Responsible Investment (SRI) is often considered a general umbrella term encompassing the interests of various stakeholders—including institutional investors, banks, governments, development finance institutions, socially responsible mutual funds and



foundations—and typically refers to investments directed toward activities and organizations that generate positive social and environmental impact (Agrawal & Hockerts, 2019).

In its 2022 report, the Global Sustainable Investment Alliance identified seven core strategies under the sustainable investing label: Corporate engagement and shareholder action, ESG integration, Negative/exclusionary screening, Norms-based screening, sustainability-themed investing, Positive/best-in-class screening, and impact investing.

However, among these approaches, impact investing stands out as the one most directly aligned with the stewardship theory. Unlike ESG integration, which primarily seeks to mitigate risks, impact investing is explicitly driven by an intention to generate measurable social and environmental outcomes alongside financial returns (Global Sustainable Investment Alliance, 2022). As such, impact investing represents the most advanced form of stewardship behavior, where financial capital is mobilized not only for value creation but also for societal transformation. This positioning is particularly relevant in the context of family governance, where the pursuit of socioemotional wealth (SEW) and intergenerational legacy reinforces a commitment to impact beyond profit (Gomez-Mejia et al., 2007; Cruz et al., 2021).

#### *2.4.2.3. Impact investing and family offices*

The Global Impact Investing Network (GIIN) defines impact investing as “investments made with the intention of generating a positive, measurable social and environmental impact, while ensuring a financial return”. Impact investing is playing an increasingly important role in the world of finance, driven by growing demand from investors. Today, more than 3,907 organizations manage a total of \$1,571 billion in assets dedicated to impact investing. The majority of these funds are held by organizations located in developed countries, with 45% based in Western, Northern, and Southern Europe and 34% in North America (Hand et al., 2024). Barber et al (2020) show that investors engage in this approach out of a desire for intentionality, seeking to combine economic return with positive impact. Many even accept lower financial returns in exchange for a measurable impact.

This growing interest in impact investing is also clearly visible within family offices. According to HSBC (2024), nearly 70% of European family offices now adopt an outcome-focused impact investing approach. This reflects a broader shift in mindset, reinforced by PwC (2024), which reports that impact investments have, since 2022, overtaken more traditional investments in terms of volume among family offices. One of the key drivers of this trend is the next generation, whose influence continues to grow. Their greater sensitivity to societal and environmental challenges is shaping the strategic direction of family offices. This change is especially observed in Europe, where this type of investment has increased significantly in recent years.

## 2.5. Identified gaps

Despite growing attention to stewardship and sustainable investing in family enterprises, several gaps remain in the literature.

First, classical stewardship theory (Davis et al., 1997; Neubaum et al., 2016) has traditionally presented stewardship as a stable and universal model, closely linked to family business governance. However, recent research challenges this static view. For instance, Ali et al. (2025) reconceptualize stewardship as a dynamic construct shaped by evolving family goals and intergenerational complexities. Despite this evolution, little empirical research has explored how stewardship behaviors are expressed by millennial family members during generational transitions. The entry of millennials into governance roles within business-owning families thus remains under-theorized.

Second, there is growing evidence that millennials are more inclined toward sustainability and social responsibility (Luu et al., 2023; Morgan Stanley Institute for Sustainable Investing, 2024). Many see themselves as stewards not only of private capital but also of the common good (Sklaier, 2023). Nevertheless, there is no empirical consensus on how these values translate into actual investment behavior, particularly within the governance of family offices.

Third, although impact investing is expanding rapidly and wealthy families are increasingly involved (Brown et al., 2019; PwC, 2024), the role of family office structures in this evolution remains poorly understood. Specifically, there is a lack of insight into how millennials are integrated into family office governance and how their presence influences strategic investment decisions.

As such, examining family offices as spaces where millennial stewardship behaviors are expressed and where impact investment strategies are negotiated represents an interesting research avenue. This leads to the following research question: “To what extent does the presence of millennials in family office governance reinforce stewardship behaviors and foster the adoption of impact investment strategies?”

### 3. Methodology

This third section outlines the methodology applied to answer the research question: “To what extent does the presence of millennials in family office governance reinforce stewardship behaviors and how do they facilitate an increase in impact investing?” An in-depth review of the academic literature helped establish the current state of knowledge on this topic and identify key research gaps that led to the formulation of the question.

The academic literature was primarily sourced through databases such as ULiège Library, Cairn.info and Google Scholar. To deepen the understanding of several conceptual frameworks, such as stewardship theory, AI-assisted tools were used to support the literature search. Specifically, Litmaps and Research Rabbit enabled a more efficient identification of recent and related publications. Additionally, ChatGPT was occasionally used responsibly and ethically to clarify complex theoretical concepts and improve the comprehension of dense academic material.

#### 3.1. Research Design

This study adopts a multiple case study method to analyse the behaviour of millennials within family offices and to assess whether their “stewardship” posture steers them towards impact investing. As Creswell (2013) notes, this approach focuses on “developing an in-depth description and analysis of multiple cases” (p. 104). This research design draws its data from interviews and secondary data sources to provide contextualised insight into a real-life phenomenon.

The setting of this research will take place in the Belgian family office landscape, as such structures hold considerable importance for the Belgian economy (Depuydt, 2024). Many of them are well into their second generation and invest large sums in Belgian companies, preferring to work with people who know the local market well rather than with external players. As they grow, these family offices often become SFOs and reinvest both to perpetuate their family business and to support the national economy (PwC, 2023). The phenomenon is growing rapidly: 25% of these structures were created after 2022. The sector encompasses a diversity of models, including both SFOs and MFOs (Depuydt, 2024).

In parallel, the impact investing market in Belgium shows significant growth potential. Estimates indicate that its total assets under management could more than double, reaching over €30 billion within the next three to five years. Family offices could become an important part of this ecosystem, as they often have direct control over their assets and short decision-making processes, which facilitate faster and more flexible investment decisions (Impact Finance Belgium, 2022).

#### 3.2. Case Selection

It is difficult to assess the exact number of family offices in Belgium, as they do not benefit from an official legal status (Depuydt, 2024). Moreover, some wealth management structures label themselves as family offices for marketing purposes without meeting the actual criteria, which contributes to the opacity and complexity of the sector. As highlighted by several researchers, this type of organisation remains extremely private, limiting access to reliable data and direct contacts.

To identify relevant cases for this study, we relied on a list of 73 Belgian family offices compiled by *De Tijd* (Depuydt, 2024). Each listed structure met a minimum threshold of €20 million in equity and was founded or controlled by a single wealthy entrepreneur or business-owning family. From this list, only family offices that were actively engaged in impact investing or explicitly identified sustainability as a key priority were selected.

We contacted the structures for which public information was available through official websites, press articles, or LinkedIn profiles. A standardised email was sent to each potential contact (Appendix A). In parallel, we approached indirect actors likely to be connected to family offices, such as private bankers, consultants, or advisors in sustainable finance.

Given the confidential nature of the field and the low response rate, we applied a self-selection and snowball sampling strategy. Only the individuals who agreed to participate were interviewed, and each was asked at the end of the conversation to recommend additional relevant contacts.

### 3.3. Data Collection

Data were collected through nine semi-structured interviews conducted online via Microsoft Teams between May and July 2025, each lasting approximately 45 minutes. All interviews were audio-recorded with consent, transcribed, and anonymized per the GDPR. Data was stored securely and used exclusively for academic research purposes. The automatic transcripts were subsequently reviewed and manually corrected due to the presence of numerous errors. In line with the principles of intelligent verbatim (McMullin, 2021), filler words, repetitions, and grammatical mistakes were edited or removed when necessary to improve readability, while preserving the original meaning. Interviews were conducted in either French or English, depending on the participant's preference. For consistency, all interviews originally conducted in French were translated into English during the transcription process. The translation has been done to preserve the original meaning. All interviews can be found in Appendices C to K.

The interview guide (Appendix B) was divided into the following themes: context and governance, intergenerational differences, stewardship, and impact investing. The guide was adapted for each respondent based on their role, generation, and affiliation (internal/external). The guide was developed using the step-by-step approach by Rondeau et al. (2023), ensuring alignment with the research question. During the interviews, flexible oral probes were used following Robinson's (2023) recommendations to explore key ideas in more depth.

In each family office, the aim was to conduct two interviews: one with a millennial family member and one with a senior or external actor, in order to enable triangulation and better capture intergenerational dynamics. One case included three interviews, another consisted of two interviews, and the last case was represented by a single interview due to limited access.

Given the high level of confidentiality that characterizes the family office ecosystem, it proved challenging to secure access to multiple informants in every case. To complement these insights and broaden the analytical perspective, three external experts were included: a former director of a Belgian-Luxembourg multi-family office, a senior advisor in private banking specialized in FOs, and an expert on family business governance. Their contributions helped shed light on broader trends within the Belgian family office landscape.

In addition to the primary data collected through semi-structured interviews, this study also draws on secondary data sources. These include official websites, annual reports, publicly available online information, email exchanges with participants, and organizational charts. These documents serve two complementary purposes. First, they were used to build a detailed profile of each case (Section 4.1), particularly to identify the family offices' stated values, governance structure, and investment positioning. Second, they provided contextual insights that supported triangulation and helped justify certain interpretations in the cross-case analysis (Section 4.2). Although not coded directly, these sources enriched the analysis and contributed to the depth of the findings.

	Type	Sector of the FB	AUM	ETPs	Interviews	Investments type
Family office A	MFO	Industrial manufacturing	more than EUR 250 million	~ 6	3 (A1, A2, A3)	Direct equity, real estate
Family office B	SFO	Agri-food industry	between EUR 100 million and EUR 1,000 million	~ 4	2 (B1, B2)	Direct equity
Family office C	SFO	Dairy trading and agri-food	Around EUR 300 million	~ 11	1 (C1)	Direct equity, funds, listed equity

**Table 1.** Overview of the selected family offices

Participant A1	Member of the founding family of FO A (third generation), born in 1979. Active board member. Part of the millennial generation.
Participant A2	Member of the founding family of FO A (second generation), born in 1951. CEO of the Executive Committee (COMEX) and the Board of Directors.
Participant A3	External investment manager at FO A, born in 1990. Part of the millennial generation.
Participant B1	Member of the founding family of FO B (third generation), born in 2000. Part of the family's next generation, not yet active in the family office, but participates in annual family information sessions. Part of the millennial generation.
Participant B2	Member of the founding family of FO B (second generation), born in 1967. CEO of the Executive Committee (COMEX) and the Board of Directors.
Participant C1	Member of the founding family of FO C (third generation), born in 1978. Chair of the board of directors. Part of the millennial generation.
Participant D1	Executive at a Belgian banking group, responsible for supporting clients with significant private wealth. He is the point of contact for family office structures and interacts with different models (single-family office, multi-family office, shared family office). His role covers strategic and wealth management aspects.
Participant D2	Former financial analyst in a Luxembourg multi-family office supervising the assets of around twenty families. He has also held management positions, covering project analysis, client reporting, and operational monitoring.
Participant D3	Certified auditor for over thirty years at an international audit firm. He regularly works with family businesses and contributed to the creation, in 2011, of a centre of expertise dedicated to family business governance.

**Tableau 2.** Profile of the interview participants

### 3.4. Data Analysis

All interviews were imported into QDA Miner and analysed using a deductive coding approach. The coding scheme was structured around three main categories, each designed to capture a distinct dimension of family office functioning: governance, stewardship behaviors, and investment orientation.

The first category, family office governance, regrouped all information related to the structure and internal organisation of the FO. It identified the roles held by different generations, including millennials and senior members. It also recorded the processes used to integrate new generations into decision-making. This included both formal mechanisms, such as dedicated family governance bodies, and informal ones, such as regular information sessions. A specific subcategory, control mechanisms,

captured all procedures put in place to monitor and guide FO activities. This category provided a complete overview of the organisation, enabling a deeper understanding of its governance model.

The second category, stewardship behaviors, was based on the six dimensions defined by Neubaum et al. (2016). Intrinsic motivation referred to statements where participants expressed their professional or personal motivations, either linked to the FO or to broader values. Organisational identification described moments showing a strong alignment between the participant and the FO, often reflected in inclusive language and a shared vision. Personal influence recorded how participants expressed, communicated, and implemented their ideas or decisions within the FO. Collectivism captured the importance given to teamwork and collaborative decision-making in daily operations. Low power distance focused on intergenerational relationships and the degree of hierarchy in the FO, particularly the openness of senior members to receive inputs from younger generations. Involvement orientation assessed the degree of active participation of interviewees in FO activities, from formal governance roles to project contributions.

The third category, impact investing, examined how FOs integrate socially responsible and impact-oriented strategies into their investment approach. It analysed the way each FO defines impact investing as well as the motivations driving this strategy. It also reviewed the operationalisation of impact investing through investment policies, decision-making criteria, and portfolio allocation. Concrete examples mentioned during interviews were included to illustrate how these strategies are applied in practice.

This coding framework provided a clear and consistent analytical base to explore the links between FO governance, millennial involvement, the expression of stewardship behaviors, and the orientation toward impact investments.

Then, the analysis unfolded in three stages. First, a within-case analysis was conducted to build a detailed profile for each family office. These profiles included the origins of the family office with its family tree, its identity, governance structure, millennial involvement, and investment approach. Second, a cross-case analysis was performed by examining the interviews through the three main coding categories (Family office governance, stewardship behaviors, and impact investing), allowing for a comparison between family offices. Third, insights from external participants were integrated throughout the analysis to contextualize the findings and provide a broader perspective.

Categories	Subcategories
Family office governance	Structure Roles Generational integration Control mechanisms
Stewardship behaviors	Intrinsic motivation Organizational identification Use of personal power Collectivism Low power distance Involvement orientation
Impact investing	Definition Motivations Operationalization Examples

**Table 3.** Categories and subcategories used for the coding framework

Artificial intelligence was also employed at later stages of the research process to support data processing and analysis. Microsoft Teams' automatic transcription feature was used to generate the first draft of interview transcripts, which were then carefully reviewed and corrected manually to ensure accuracy. In parallel, ChatGPT was used thoughtfully and ethically as a research assistant to refine the interview guide, help structure, and correct spelling and grammatical errors. Importantly, AI was never used to generate findings, but rather to improve the coherence of the writing process, in full respect of academic integrity.

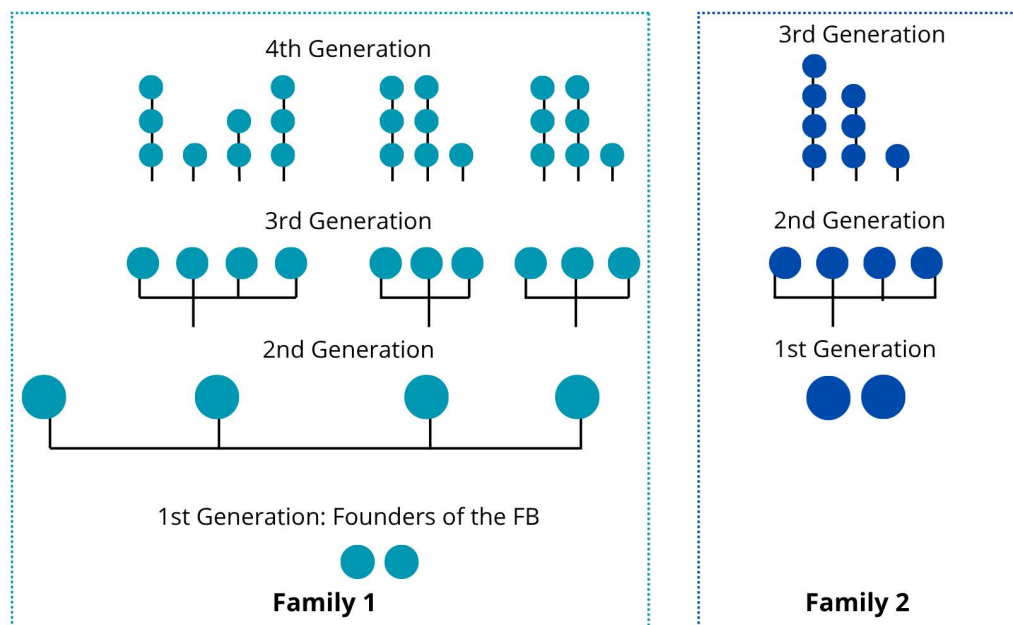
## 4. Results

### 4.1. Profiles of the family offices

#### 4.1.1. Family office A

##### 4.1.1.1. Origins

Family Office A is a family investment vehicle originating from the German-speaking region of Belgium. The initial family business was founded in 1950 and remains active in the synthetic foam industry. Over the years, the company evolved into an international industrial group employing around 1,700 people. In the late 1990s, after the departure of one second-generation family member from the shareholding structure, the remaining three branches consolidated their assets under a new holding entity, which later evolved into the current family office. In 2004, a second family joined the structure as an equity partner to support diversification. The two families are not perfectly aligned in terms of generational timing: the second generation of Family 1 corresponds to the first generation of Family 2. An overview of the family tree and the generational branches is presented below.



**Figure 2.** Family tree of family office A

##### 4.1.1.2. Identity

When asked whether the structure qualifies as a family office, the participants expressed nuanced views. The two family members interviewed described it primarily as a family holding, emphasizing that it does not offer the full range of administrative or lifestyle services typically associated with traditional family offices. In practice, the structure focuses on investment management and maintaining a stable shareholding base. However, the external investment manager considered that the entity meets the criteria of a family office and even of a multi-family office, as it manages the assets of two distinct families. Based on the definition adopted in this thesis, Family Office A is therefore considered a family office.



#### *4.1.1.3. Governance*

The governance structure of Family Office A combines formal corporate mechanisms with dedicated family platforms:

- A Board of Directors composed of eight members, including three independent directors;
- An Executive Committee (COMEX) composed of seven members: three family representatives and four external professionals, including investment managers;
- A Family Forum, which gathers all family branches once a year for a one-to two-day meeting, focusing on non-investment topics such as philanthropy and the future involvement of the next generation;
- A training program for the fourth generation, which already engages teenagers in a structured three-year educational cycle.

Three family members sit on both the board and the executive committee. One belongs to the second generation of Family 1 (Participant A2), one to the second generation of Family 2, and the third (Participant A1) is part of the third generation of Family 1.

#### *4.1.1.4. Millennials*

Based on the definition of millennials adopted from Cirillo et al. (2022), Family Office A counts 14 millennial family members, born between 1977 and 2001, who are active in the shareholding structures of their respective branches. In addition, the family identifies 33 members as part of the “next generation,” a term used internally to refer to individuals who are not yet fully active in governance or ownership roles. This group includes family members born between 2002 and 2025.

Within the millennial cohort, Participant A1 is the only actively involved member, holding a seat on both the Executive Committee (COMEX) and the Board of Directors. The board also includes two additional millennial family members, although their contribution is limited to board participation rather than operational involvement.

#### *4.1.1.5. Investment approach*

The family office adopts a long-term partnership approach, with investments primarily located in Belgium, Germany, France, Luxembourg, and the Netherlands. It mainly invests in private equity. The structure plays an active investor role by taking minority stakes in companies while being strongly involved in board governance and strategic decision-making. This posture reflects a clear willingness to support companies over the long term, beyond simply providing capital.

The investment strategy is built around four main pillars: sustainable construction and housing; environment, climate, and sustainable energy; mobility; and finally, health and demographics. These areas are reinforced by three transversal dimensions: industry, technology, and the circular economy. A fifth pillar, called “opportunities,” allows the structure to support projects outside these main themes, particularly when they present strategic or relational relevance.

Five core values guide the structure’s decisions, as stated on its website. These values also emerged clearly during the different interviews with members of the family office.

Partnership is the first value. The structure places great importance on close collaboration with the companies it invests in. It ensures active participation in board discussions and decision-making, in a spirit of mutual trust. As Participant A1 (G3) puts it:

*"We're in contact with management, we attend meetings, we sit on boards. It's really a full investment manager role."*

Reliability represents the second value. It is expressed through long-term engagement and a desire for stability. This was one of the reasons that motivated an external investment manager to join the family office:

*"I was rather convinced that a long-term investor creates more value in a broader sense and that it's simply healthier, really."*

Entrepreneurship is the third core value. It is reflected in investments made in companies mainly led by entrepreneurs. As Participant A2 (G2) emphasizes:

*"We really want to invest in management teams that are high-performing and ambitious but also have a strong sense of societal and social responsibility."*

Governance constitutes the fourth value. It is considered a key priority, and the family office pays close attention to governance principles in its portfolio companies, as one of the investment managers explains:

*"...on the 'G' side, governance, we always check if there are independent board members. We also look at whether interests are aligned between all shareholders and the management team. For example, do they have a share ownership or incentive plan?"*

Finally, sustainability represents the fifth value promoted by the family office. The objective is to find a balance between financial performance and environmental and social concerns, notably by supporting companies in the development of their sustainability strategies. As Participant A1 (G3) describes:

*"We always keep ESG topics on the agenda [...] we're now doing an internal review to assess where our portfolio companies currently stand, where we want to go further, where we should conduct carbon footprint assessments or double materiality analyses, for example."*

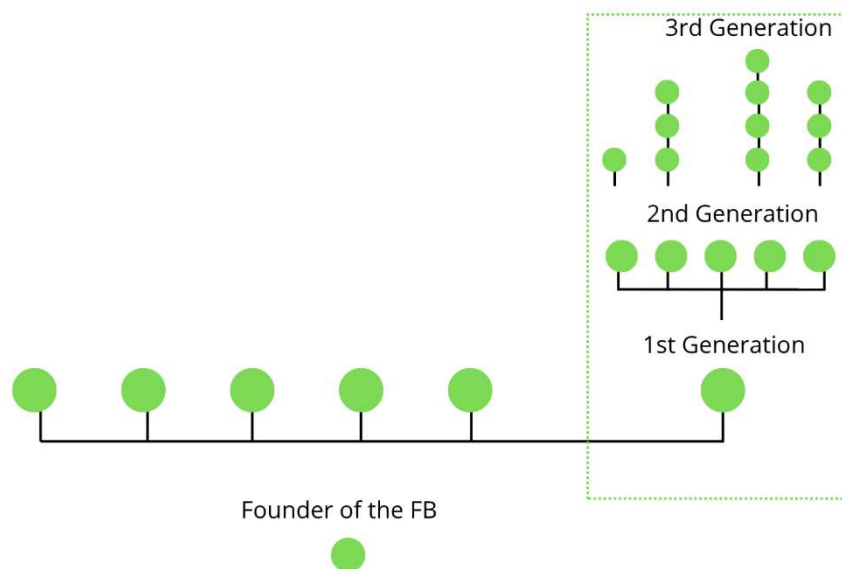
## 4.1.2. Family office B

### 4.1.2.1. Origins

Family Office B is a family investment structure based in the Flemish region of Belgium, serving a single family. The original family business was created in the 1940s and grew into a significant international company before being sold in 1979. The profits of the sale were distributed among the six first-generation family members (G1).

Afterwards, one of these six members founded a new family business, which was also sold later. Following this second sale, that family member decided to establish a family office to manage and preserve the wealth generated from both businesses. He is therefore considered the first generation (G1) of the family office.

This single-family office (SFO) is primarily designed to safeguard the family's patrimony and ensure its long-term growth through diversification, focusing more on wealth preservation than on creating new operational businesses.



**Figure 3.** Family tree of family office B

#### 4.1.2.2. Identity

The CEO (Participant B2) explicitly identifies the structure as a family office and consistently uses this terminology to describe it. This designation is also clearly stated on the family office's official website. Unlike a traditional investment vehicle focused solely on wealth management, the office offers a broader range of services, including administrative and legal support.

Moreover, the family office plays an additional supportive role for the next generation, going beyond purely financial functions. As Participant B1 described: "Our Family Office is a bit twofold... It's both the financial aspect and also, like, the... I would call it an emotional aspect, in a way. ... a supportive aspect, where the office also helps us, as the next generation, to guide us through life. So if we have any particular question, on buying a house or whatever, we can also come to the Family Office to ask our questions... So it's more than only investments."

#### 4.1.2.3. Governance

Today, the family office is managed by the second generation (G2), with one G2 member serving as CEO (Participant B2). The core management team also includes three fully employed independent professionals responsible for day-to-day operations and investment monitoring.

The current governance spans two active generations. G2 retains primary decision-making authority, while the third generation (G3) is gradually integrated through participation in family meetings. At this stage, next-generation members do not yet hold operational or formal investment roles, but they are gradually entering the process of wealth transmission.

#### 4.1.2.4. Millennials

The family office counts nine millennial family members according to the adopted definition, all of whom belong to the third generation (G3). The two remaining G3 members are considered part of Generation Z. None of the next-generation members are currently active in the family office.

#### *4.1.2.5. Investment approach*

Family Office B's investment philosophy is centered on wealth preservation, with a strong long-term orientation primarily operationalized through investments in private equity. As stated by the CEO, the SFO is "not there for wealth generation or wealth creation" but rather aims to "make investments that are sure to be there tomorrow" (Participant B2). In that sense, the family office considers itself a responsible and thoughtful investor, more focused on providing long-term support than seeking financial activism. As explained, "We're not activist investors... we often take board seats. We're there to help [companies] grow, not just to monitor or control" (Participant B2). Relationships with investee companies are built on trust, alignment of interests, and proximity to management.

The office's practices reflect a consistent application of four deeply embedded values. First, discretion and independence are key principles: the family office operates autonomously from financial institutions and maintains strict confidentiality in its investment activities. This principle also shapes internal dynamics, where the CEO stresses the importance of building trust with family members through complete transparency: "I cannot get the trust that I get if I were not transparent, 100% honest" (Participant B2).

Second, the investment approach is marked by experience and reliability. Decisions are never benchmark-driven or guided by sector allocations, but instead rely on longstanding expertise and a disciplined, selective investment logic. The family office adopts a patient capital mindset, intending to remain invested over time: "We are an investor for the long term. We act as patient capital and that's what we want to do" (Participant B2).

Third, the family office acts responsibly and thoughtfully by consistently integrating environmental and social concerns into its investment decisions. Although the family does not explicitly label itself an impact investor, it consciously avoids sectors perceived as harmful and assesses each opportunity through an ESG lens: "It's unwise to profit from the world and to generate income or wealth to the detriment of the world or society or the environment" (Participant B2).

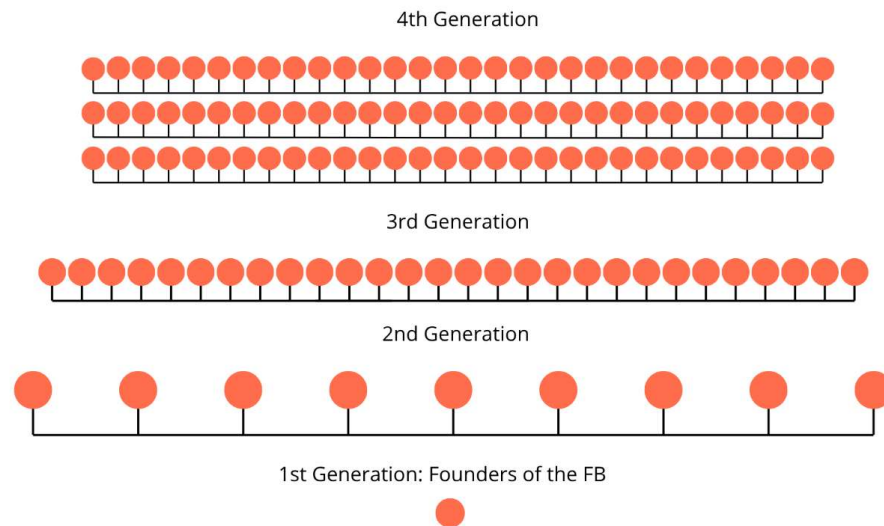
Finally, the family office strives to remain trustworthy and authentic by ensuring that all investment decisions are aligned with the family's core values and intergenerational expectations. As stated by the CEO, "We always take into account the values of the family. For example, we don't invest in weapons, and if we do palm oil, we look into ESG compliance very carefully" (Participant B2). This attentiveness to ethical concerns raised by the younger generation reinforces stewardship behaviors and ensures that capital allocation reflects not only financial prudence but also moral responsibility.

### **4.1.3. Family office C**

#### *4.1.3.1. Origins*

Family Office C is a single-family office located in the Flemish region of Belgium. The family traces the origin of its wealth to a trading company active in raw materials for the food industry, founded in the 1950s. Over time, the company expanded significantly and became an international leader in the dairy sector. In 1971, the second generation (G2) established an investment structure, reinvesting profits into external companies alongside the continued operation of the legacy business.

Following the sale of the operating company in 2012, the family fully shifted its focus to the investment vehicle, which now operates as a diversified holding company. The family office invests across the entire equity spectrum, from early-stage start-ups to listed companies. Its strategy includes direct investments in medium-sized unlisted firms, investments in venture capital and private equity funds, as well as a globally diversified portfolio of listed equities.



**Figure 4.** Family tree of family office C

#### 4.1.3.2. Identity

Although the structure does not define itself as a family office, it meets the criteria of a single-family office as defined in this study. The non-investment aspects remain the responsibility of each individual family branch. Indeed, family office C focuses exclusively on managing investments and does not offer legal or tax services to family members. Nonetheless, given our broad definition, which centers on the management of family wealth, we consider it a single-family office.

#### 4.1.3.3. Governance

Family Office C has a formal and professionalized governance structure, which balances family ownership and external professionals. The third generation (G3) is currently the active shareholder generation, with 28 members, of which around 15 are actively involved in the structure. The company is managed by a board of directors composed of 9 members: 5 of them are family members, including Participant C1 as chairman, and the other 4 are non-family members, including the CEO. The CEO leads a team of about 11 people on the operational side. Only one family member is still present in the operational part of the business, acting as legal counsel.

The family office also has an STAK (Stichting Administratiekantoor), a legal foundation commonly used to separate economic ownership from voting rights. The STAK helps organize ownership and ensures alignment among shareholders. It has its own board composed of 5 family members.

#### 4.1.3.4. Millennials

The family office counts sixteen millennial family members under the adopted definition, with ten from the third generation and six from the fourth generation. Most G4 members belong to Generation Z. Some G3 millennials are active in the family office, but no next-generation members currently hold active roles.

#### 4.1.3.5. Investment approach

Family Office C's investment strategy is built around a long-term horizon, which leads to the strategic integration of ESG considerations. This approach aims to ensure ethical investing, create long-term value, and effectively manage risk over time.

The family office focuses its investments on three core sectors. The first is technology, with a wide range of initiatives related to digital transformation and innovative business models that aim to generate positive societal impact. The second is food, where the family seeks to invest in sustainable solutions that address the challenge of feeding a growing global population. The third is healthcare, with a focus on improving both access to care and the quality of treatment delivery.

The investment activities are structured into three main categories. Direct investments represent a significant part of the portfolio and include both majority and minority stakes in companies often led by other entrepreneurial families. The family takes an active role in governance, usually through board participation, and applies a multigenerational approach, in line with its long-term vision. Fund investments focus on vehicles with a strong track record. The family favors sector-specific or geography-specific funds that apply the highest ethical standards and provide opportunities for knowledge exchange. Liquid investments consist of a globally diversified portfolio of listed equities. Although these investments do not involve board participation, the family remains engaged through regular interaction with management teams and asset managers.

The investment strategy is guided by a strong set of values, including respect, honesty, transparency, humility, and hard work. These principles are not only central to internal decision-making but also shape external partnerships. As Participant C1 explains, "We want to do things in the right way, with humility and in line with our values, how we treat people, how we manage our investments, and how we behave in general".

## 4.2. Analysis of the interviews

This section presents the results of the qualitative analysis conducted on the nine interviews. The analysis follows the coding framework described in the methodology, structured around three main categories: family office governance, stewardship behaviors, and impact investing. Each category is examined in detail, drawing on evidence from the interviews to illustrate patterns, differences, and similarities across cases.

### 4.2.1. Family office governance

Governance models across the three family offices reflect diverse strategic choices in managing transgenerational complexity (Ali et al., 2025). Their structures vary not only in terms of professionalization but also in the degree to which they formally integrate the next generation and establish control mechanisms.

#### 4.2.1.1. Family office A

In terms of structure, FO A combines family leadership with professional governance. The COMEX includes four members, three of whom are external, and the Board of Directors consists of eight members, including three externals. This hybrid configuration reflects a clear intent to professionalize, as reinforced by formalized meetings and long-term planning.

"I've really internalized the idea of good governance. I believe it's a *sine qua non*, a foundational condition, for a shareholding structure to function well, for a board of directors to be effective, and for collaboration between shareholders and management to be fruitful." (Participant A2)

Regarding generational integration, G2 remains in charge through key positions (chairman, CEO), but G3 is increasingly involved, with three members holding seats on the board and one serving as General Secretary of the COMEX. Additionally, some are active on the boards of portfolio companies. G3 members involved in governance all belong to the millennial cohort. A three-year educational process is also in place for G4, starting around age 16, involving progressive exposure to governance meetings and investment education.

As for control mechanisms, FO A relies on formalized rules, including a comprehensive family charter regulating governance access, evaluation criteria, and eligibility requirements. The inclusion of external professionals also reinforces accountability and neutrality.

“We have very clear rules for everything related to working in the company or entering the governance track, including the required training, how evaluations are done, and so on.” (Participant A1)

#### 4.2.1.2. Family office B

The governance structure of FO B differs significantly, as its objective is not to grow the family wealth over generations but rather to preserve it in the short to medium term. The transition from a simple investment company to a fully established family office with advisory services led to the inclusion of three external advisors. The only family member currently involved (B2) has expressed a desire to step down and transfer leadership to an external CEO.

“I don't see myself doing this for a very long time. Actually, I want an external person to take over my role. [...] for the next generation, I am either a father or an uncle. And it's a difficult position to be in. And so I guess it's better if there were an external person who takes over my role.” (participant B2)

Regarding generational integration, no member of G3 is currently active in the family office. The current CEO explains the investment approach and activities to the next generation, but there is no structured onboarding process. In addition, there is no long-term goal to maintain the FO beyond G2.

*“It is not extremely important that the family stays together. Or the wealth of the family stays together. [...] We want it to be ownership by choice. So nobody is obliged to remain with the family office.”* (Participant B2)

In terms of control mechanisms, the governance is fully externalized, with a board composed entirely of non-family members. Clear exit protocols have been established, allowing family members to withdraw up to 10% per year over a ten-year period. This structure ensures that succession is based on interest and willingness and not obligation.

#### 4.2.1.3. Family office 3

FO C combines family leadership with strong external governance, similarly to FO A. The Board consists of nine members, four of whom are external, and the management team includes 11 professionals led by an external CEO, a practice in place for over two decades.

The family's third generation (G3) currently holds leadership positions and board seats, while G2 has stepped back from operational roles. The integration of G4 is desired but not yet formalized, and participants acknowledge that more effort is needed to engage the younger generation. However, explaining the structure and functioning of the FO to G4 is particularly challenging, given the large number and diversity of entities linked to the family office. This level of complexity exceeds what would typically be encountered in a single operating company, making it more difficult for the next generation to fully understand the whole structure.



G4 is perceived as promising but still considered too young to be actively involved. Their integration remains informal for now, but several actions are already in place, such as dedicated annual sessions, shareholder meetings, and access to an annual report from the age of 18.

*“We also do an extra session just for generation 4, so they can ask questions at their own level. It’s maybe easier for them.”* (Participant C1)

Control is ensured through established governance rules and professional leadership. The family charter defines the procedures for family involvement, including formal application and evaluation processes for joining the governance of the FO.

*“We already had an external CEO at that time. So the family and the CEO agreed to open a procedure for family members to present themselves and have interviews with the independent board members.”* (Participant C1)

While the three family offices adopt different governance structures, a common trend toward externalization and professionalization can be observed. However, the degree of generational integration and the underlying strategic intentions diverge significantly, especially concerning long-term objectives.

#### 4.2.2. Stewardship behaviors

This section explores how millennials within family offices enact stewardship behaviors, drawing on the six behavioural dimensions proposed by Neubaum et al. (2016).

##### 4.2.2.1. Organizational identification

In FO A, several millennials demonstrate a strong sense of identification with the family office. They perceive it not only as a financial structure dedicated to wealth management, but as a central element of their family heritage and personal identity. For the most active members, this identification translates into concrete involvement, both in governance bodies and in more operational aspects. Their commitment isn’t limited to simple expectations; they invest significant time and effort into understanding, shaping, and contributing to the FO’s activities.

*“I got more and more involved, first in family governance and then in the operational content. I spent a lot of time doing a kind of observation internship at the family business, I accompanied different board meetings... And step by step, I became very familiar with the family office A. In 2017, we really wanted and needed to build a proper team. It felt natural for me to take the step.”* (Participant A1)

The creation of the family charter is another concrete illustration of their willingness to contribute directly to the FO’s future. This initiative, carried out over several years, was driven by the younger generation, who wanted to take ownership of the process rather than leaving it entirely to external experts. Such projects reinforce their sense of belonging and strengthen intergenerational collaboration. Language use also reflects this identification: participant A1 consistently refers to the FO’s actions using “we” instead of “the family office,” indicating a full integration of the structure into her own identity and way of speaking.

This pattern can also be observed in FO C, where Participant C1 frequently uses collective terms when referring to the FO. Her identification is reinforced by the alignment between her personal ethics and the FO’s values, particularly in terms of investment philosophy and the way people are treated. Here, the family office is not only a professional responsibility but also a platform to promote her values. Even though this was not the career trajectory she initially anticipated, her alignment with the FO’s values has strengthened her attachment over time. The fact that she associates her own reputation with the FO’s behaviour, particularly in investment decisions, reflects a deep sense of shared responsibility.



By contrast, in FO B, millennials display a weaker sense of identification with the FO. Participant B1 speaks of it with greater distance and shows no strong interest in its activities or strategic direction. While invitations from G2 to discuss sensitive topics are extended, participation is on a voluntary basis and not framed as a duty or responsibility. This choice-based engagement limits opportunities for millennials to develop a sense of belonging or responsibility toward the FO.

“We do gather, but that’s more based on personal initiative than for the office itself.” (Participant B1)  
“For me, for example, I don’t see myself. I’m not that into investing, private equity. It’s just something that doesn’t generally interest me, so I don’t see myself taking a role.” (Participant B1)

From an external perspective, Participant D2 observes that millennials’ identification often depends on the perceived alignment between the FO’s mission and their own personal values. The lack of automatic identification is not necessarily due to disinterest, but rather to a need for meaning and coherence between the FO’s actions and their ethics. This explains why some members will not engage unless they see the FO pursuing a vision that resonates with them.

“What is the purpose? Why are we still investing when we’re already extremely wealthy? What is the meaning of the wealth, the vision for the wealth? What values do we want to pass on?” (Participant D2)

However, this is not a universal pattern. Some members, including younger generations, may identify with the FO primarily for reasons linked to social status or the financial benefits it brings, rather than shared values or purpose. In these cases, the family name and its associated prestige become a central part of personal identity. The potential loss of this status, for example, in the event of selling the family company, can be perceived almost as an existential threat:

“Yes, but we have a well-known name in Wallonia. If we sell our company, what will become of us?” (Participant D2)

But identification with the organisation also depends on how the meaning of “having a role” in the family office has evolved. As noted by Participant D3, the next generation’s long-term intention is often to maintain some form of involvement with the family organisation. However, the nature of these roles has changed. It can mean being a committed shareholder with significant engagement, but it can also mean holding a more distant position with limited day-to-day involvement. In some cases, younger members seek to prove themselves outside the family sphere before taking on responsibilities within it.

“You can be a doctor, an artist, or have another profession unrelated to the business, but still be a very good shareholder, be a non-executive board member, almost independent in your way of thinking, and have a recognised role in family governance.” (Participant D3)

Participant D3 also points to regional differences in Belgium. Dutch-speaking families are often more demanding than their French-speaking counterparts and may buy out siblings who are not active in the business. In the past, particularly in Flemish companies, holding a shareholder position almost always required an executive role. This is now shifting toward a more modern approach, where engagement is measured less by operational presence and more by the ability to contribute constructively to family governance.

#### *4.2.2.2. Intrinsic motivation*

In FO A, Participant A1 expressed several strong intrinsic motivations for taking on a significant role within the family office. The main trigger, as she explains, was becoming a mother, which instilled in her a sense of responsibility toward the next generation. She is the one overseeing the onboarding of new generations and has played a key role in formalizing their integration. “We’ve something, and that comes with a duty to take care of it. [...] That’s something that really

motivates me, embracing that responsibility and doing my best so it can be passed on to the next generation.” (Participant A1)

Another important motivation is the social dimension linked to managing human capital. She emphasizes that financial motivations are secondary, a trait she associates with her personality. Her sense of responsibility extends to the people employed in the companies in which the family invests. She is driven by job creation, supporting families, and ensuring that employees thrive in their careers. “I’m someone who’s curious, who loves discovering new ideas and new projects. I’m always really excited to see the human stories behind everything. I love listening to the teams, whether it’s a startup working on some crazy new invention or a 200-year-old company renovating trains.” (Participant A1)

Participant A2 points out that motivations within the millennial generation of her family vary widely. Some, like Participant A1, are highly engaged, while others remain more passive. A few adopt a more opportunistic stance, driven primarily by financial concerns and the desire to maintain a certain lifestyle:

“I do sometimes get extremely frustrated by the lack of interest, like when, at the general assembly, certain young people only ‘wake up’ when we start talking about dividends... that really annoys me.” (Participant A2). This sentiment is echoed by Participant A3:

“In the younger generation, some people are motivated, involved, and interested. And others simply trust the process [...]. But it’s the same in the older generation, honestly. I’ve never been struck by a major difference between generations. You can often see more variation within each generation.” (Participant A3)

In FO C, motivation is also present, particularly among the most engaged G3 members. Participant C1 highlights a different pathway from Participant A1: for her, joining the FO was more of a challenge and an opportunity seized in the moment. Her primary motivation lies in remaining true to her values in the way she works:

“We also want to do it (investments) in a nice way, respecting our values, which is very important for us, in our daily life, in how we treat people, how we treat our investments, how we behave. And when you see that this is reflected, then you’re happy. It’s more about seeing how you influence things or how you achieve results; that’s what makes you happy.” (Participant C1)

A common trait with Participant A1 is that financial returns are not the primary motivation; they come second. Financial performance is rather a means to secure opportunities for the next generation and to be viewed as a trustworthy contributor to the family legacy.

“For me, the biggest success would be if the fourth generation has their own life, that they are happy in their life, and that they are happy shareholders. But their main identity shouldn’t be ‘shareholder.’ It should be about having all the opportunities in life.” (Participant C1)

Participant C1 also reflects on intergenerational differences, acknowledging how these shape perspectives and involvement.

In contrast, FO B exhibits a markedly different dynamic. Millennials in G3 express little or no interest in engaging with the family office. When asked whether she would consider a more active role, Participant B1 expresses limited interest, which reflects a broader lack of motivation among her generational peers:

“Most of us of my generation don’t have an economic background. And those that do have not really shown any interest so far. Me neither.” (Participant B1)

Interestingly, Participant B1 still describes herself as ambitious and someone who gives 100% when she commits to something. This may suggest that the issue may not lie in a lack of drive per se, but rather in a disconnect between her personal goals and the perceived role of the family office.

According to Participant D2, millennials tend to ask deeper, more meaningful questions about the purpose of continuing the family office. They challenge the idea of simply accumulating wealth for its own sake, showing a stronger desire to prioritise personal well-being over endless work. Participant D3 explains that the older generation, particularly the baby boomers, tended to put work above personal life. Regardless of responsibilities or job type, working extremely hard was considered essential. Generation X largely followed this same approach. Millennials, however, operate very differently, seeking a balance between professional and personal life, a balance often paired with a quest for meaning, as Participant D2 highlights:

“I’m just taking care of myself. Mom, Dad, you didn’t take care of yourselves. You worked like crazy. I take the time to ask myself the right questions about what makes sense for me.” (Participant D2)

Beyond personal balance, many millennials express a willingness to transform investment practices and make a positive difference in the world:

“That is their goal for impact: to change the world and to do better, to go for the better. It’s not only reducing... well, it’s reducing the negative impact of our way of living, let’s say, and of companies and industries, but it’s going beyond that: how to make change as an investor.” (Participant D1)

#### *4.2.2.3. Involvement orientation*

In FO A, millennials who are engaged in governance display a strong involvement orientation, actively contributing to both the strategic and operational dimensions of the family office. Their engagement goes beyond what might typically be expected, with participation extending to the governance of portfolio companies and involvement in operational projects. This long-term commitment is also reflected in their explicit intention to ensure the FO is passed on to future generations, underlining a vision that transcends short-term responsibilities.

In FO C, involvement is also visible, though expressed in different forms. One millennial plays an active role within the management team, while another, Participant C1, serves as chairwoman of the board. Several other millennials contribute at different levels, whether through the board of directors or via the STAK. However, given that the operational team is composed almost entirely of external professionals, their day-to-day presence in operations is less pronounced and their influence is often more visible at the governance level than in daily management.

By contrast, in FO B, millennials show no inclination toward involvement. There is little motivation to engage with the FO and no structured role for them in either governance or operations.

From an external perspective, Participant D1 reports observations consistent with what can be seen in FO A and FO C: in some family offices, the next generation is welcomed and actively encouraged to share their perspectives. However, Participant D2 offers a more nuanced view, noting that integration of younger generations can still be slow and selective in certain contexts. In some cases, individuals only discover the scale of the family’s wealth in their forties, long after key governance decisions have been established by the older generation. This delayed exposure can be tied to a perception that the wealth is “owned” by those who created it and that younger members have not earned the right to manage it. As Participant D2 puts it:

“It’s often the man, unfortunately, who is at the head of the family wealth. Involving his children, even his grandchildren, is extremely complicated. Because at the end of the day, it’s his money. And emotionally, it’s complicated to accept that this money will go to the various families (children or grandchildren) who may not have made the same sacrifices or efforts.”

#### *4.2.2.4. Use of personal power*

The degree to which millennials influence governance and investment strategies differs significantly across the three family offices. Their impact is shaped not only by their formal involvement in decision-making structures but also by the willingness of senior generations to engage with their ideas and values.

In FO A, millennials tend to exercise their power primarily through collaboration and the exchange of ideas, within a governance framework that actively encourages participation. Participant A1 emphasized that everyone is allowed to speak up if they have something to contribute and that this openness is deeply embedded in the FO's governance model. However, she notes that taking advantage of this opportunity is ultimately a personal choice and can vary greatly between individuals. Being the daughter of the FO's founder, she recognizes that her position might make it easier for her to step forward compared to other family members who are less connected to the business or more introverted:

"If you spoke to my cousin, who's more introverted and further removed from the business [...], well, she might say, 'Honestly, sharing my opinion and speaking up... not really my thing.' To be totally transparent, the framework is there, and everyone is given the opportunity to speak. But if some choose not to do so, that's their decision." (Participant A1)

In her own experience, speaking up comes naturally, and she feels comfortable expressing her perspective openly. This confidence is reinforced by the FO's strong culture of transparency and direct communication, which she sees as essential for building trust and encouraging participation across generations. She explains that this atmosphere has allowed her to take an active role not only in governance matters but also in operational aspects, creating an environment where her voice genuinely counts.

The influence of G3 millennials in FO A is already tangible. Their presence on the COMEX, the board of directors, and within the governance of portfolio companies provides them with direct avenues to contribute to strategic decisions. This involvement is actively supported by G2, who encourage them to participate and experiment.

"We said, 'Actually, we'd like to do it ourselves.' And he said, 'OK, we can try that. It might take longer, it might be less professional [...].' In the end, if we're being honest, it took us five years [...]. But for us, the process was very meaningful [...] and he supported us throughout." (Participant A1, about writing the family charter)

The family's efforts to educate the next generation further reinforce this influence, creating structured opportunities for learning, dialogue, and meaningful exchange.

In FO B, millennials currently have few opportunities to exercise personal power, as they are absent from governance bodies and formal decision-making arenas. Their interventions are mostly indirect and occur on a case-by-case basis, such as when they question certain investment choices for ethical reasons. For example, when concerns were raised about an investment in a palm oil company, discussions were initiated to address these issues. While such moments can influence specific decisions, they remain isolated and do not translate into a sustained or structural role in shaping the FO's strategic direction.

Overall, millennials in FO B exert no direct influence on governance or investment decisions. G3 members are not involved in formal structures, and although they may occasionally exert indirect influence by questioning specific investment choices, the overall lack of motivation within this generation limits their opportunities to shape strategic direction.

"There was a palm oil producer that we invested in, it's a Belgian company. And so we really got questions from the next gens: why are you investing in palm oil? And so we invited them to join us, to go and visit the company and to talk about their concerns." (Participant B2)

In FO C, Participant C1's personal power is most evident in the leadership role she assumed as chairwoman. This position provided her with both the authority and the platform to implement her own vision and way of working. One of her most notable contributions was the creation of a clear, long-term investment strategy in 2020 to structure the FO's activities more effectively. She also sought to make these objectives tangible for all stakeholders by introducing a concise but powerful communication tool:

"We also have a one-page document that shows our values, what we want to do, what we want to achieve, and how. Every year it comes back. Repetition helps people understand, because it's not easy to explain what an investment company does and how to measure it." (Participant C1)

Her influence in FO C extends beyond her current role as chairwoman of the board of directors and began earlier, when she was still an investment manager within the FO:

"We actually revisited our strategy in 2020, which was a big exercise. It started in management with me, and then it was approved by the board of directors." (Participant C1)

Another family member holds a legal advisory role, which provides limited influence within the executive team. Additionally, the influence of G4 remains minimal for now, as the oldest members of this generation are not yet actively involved in governance or investment activities.

These cases illustrate how personal power can be expressed in different ways depending on governance structures, generational readiness, and opportunities provided. Yet, as external perspectives highlight, such influence can only materialise if millennials are genuinely given the space to be heard and to take part in decision-making. According to Participant D1, younger generations are increasingly finding ways to secure that space:

"I do see that they have their voice. The organization is set up to listen to the next generation, to the younger generation. [...] They're really trusting them to be ready to take the lead. Yes, more and more." (Participant D1)

This is not always the case, as in some contexts, no space is given to them to speak up. In such situations, conflict may be necessary to ensure their views are considered:

"I have even seen new generations refuse certain projects in board meetings because they were not sustainable enough. [...] I have seen family businesses where the new generation only agreed to join the company on the condition that sustainability was integrated into the group's or the company's strategy." (Participant D3)

#### *4.2.2.5. Low power distance*

In FO A, the relationship between G2 and G3 appears collaborative and forward-looking. While G2 members continue to hold key leadership roles, they actively integrate and support G3 whenever the latter shows a willingness to take the initiative.

"We've been lucky to have a very open older generation. Take my father, for example. [...] he had a kind of natural authority. But he's also someone who listens a lot and is very open to other people's opinions." (Participant A1)

Although Participant A2 is described as very open, not all family members are equally aligned in terms of values and involvement, which can occasionally create slight tensions. According to Participant A2, these differences are often explained by the way individuals were raised and the specific family branch they come from. As one investment manager at FO A observes:

“No, not necessarily. No, the generations are still pretty much aligned, aren't they? So I don't feel like I have to change my message to convince different generations.” (Participant A3)

Overall, this dynamic reflects a high level of intergenerational trust and a shared commitment to the continuity of the family office. The existence of a family charter and a framework for honest discussion further contributes to transparency and fairness, helping to reduce potential friction.

Generational differences are also visible in the way investments are approached:

“Maybe we are more used to an investment approach, whereas the former generation was more entrepreneurial. They still wanted to be in the company, to know the people. My generation is more like: ‘OK, it’s an investment, we have a team that takes care of it, we don’t need to be involved in that company.’ That’s the difference, I think.” (Participant C1)

In FO C, intergenerational interaction is less prominent, as G2 has stepped back from leadership positions and G4 is not yet actively involved. Nonetheless, there is a visible climate of trust between G2 and G3, illustrated by the decision to allow Participant C1 to take over as chairwoman of the board after her father, despite having a different management style:

“When I joined the board, my father immediately left everything to me.” (Participant C1)

An important aspect of FO C’s culture, as described by Participant C1, is the principle of showing equal respect to everyone, regardless of their role or status. This attitude applies not only to board members and executives but also to all employees, including cleaning personnel. Treating everyone with the same courtesy and consideration is seen as an essential characteristic for working there.

The relationship with G4 remains largely that of parents and children rather than equals. G3 is not yet ready to delegate substantial responsibility to them, and integration is happening gradually, although without a formalized process. While there is no active push to prepare them for imminent involvement, annual shareholder meetings and G4-specific sessions indicate a genuine effort to bridge the generational gap.

By contrast, FO B adopts a fundamentally different stance. There is no structured process for intergenerational succession, and G3 members show little interest in joining the family office. The emphasis is on “ownership by choice,” allowing them to withdraw in the future without pressure. Given that the future internal relationships will be between cousins rather than siblings, Participant B2 intends to step down as CEO to avoid holding the dual role of both family member (father or uncle) and executive. This approach, however, also limits opportunities for knowledge transfer between the two generations regarding family office matters.

Across these cases, external perspectives underline that such dynamics are not always smooth. Tensions can emerge from a clear desire among younger members to distinguish themselves from the previous generation:

“Mom and dad did it this way with their advisors. The day I get the money, I’ll do it completely differently.” (Participant D2)

The challenge becomes even greater when there is resistance from the senior generation:

“The older generations think that, because they are the patriarch, they must be listened to. In the younger generations, this is not always the case.” (Participant D3)

In several cases, the coexistence of multiple generations within the family office and the family business is seen as a challenge. In some structures, members of the baby boomer generation remain highly involved, sometimes as shareholders or board chairs, which can make it harder to pass responsibilities to younger generations. This leads to situations where three or even four generations work together at the same time.

#### 4.2.2.6. Collectivism

In FO A, collaboration (or “partnership” as it is more often referred to within the family) is deeply rooted in the organization’s culture and history. Participant A1 explains that this mindset has been present across generations, from her grandfather’s recognition that the success of a company depends on the whole team, to her father’s openness to internal and external expertise. Today, this collaborative spirit is reflected at multiple levels: within the management team, where seven members work in close coordination; in governance, with the inclusion of independent board members who bring valuable expertise and perspective; in relationships with company management teams, where capital is shared, communication is transparent and their operational reality is acknowledged; and in co-investments with other partners, often other families, where strategic alignment is prioritized.

“It’s not always easier to have several people at the table, each with different priorities. But we’ve always been very well aligned with our partners. [...] Even my grandfather operated that way. He was very aware that the success of a company depends on the whole team, not just on one charismatic founder.” (Participant A1)

Collaboration is considered one of FO A’s three core values, alongside sustainability and entrepreneurship/innovation. While it is seen as a source of opportunity, A1 also notes that failed ventures are often the result of misaligned partnerships rather than flaws in the business model itself, highlighting the importance of trust and shared vision.

In FO B, collaboration is also valued on a personal level by millennials, though it is expressed more in individual work preferences than through structured FO practices. Participant B1 describes herself as a “people person” who actively sought a job involving teamwork and finds it essential to work together to achieve results.

“For me, it’s really important to work together with people to get results.” (Participant B1)

In FO C, collaboration is equally central, both among shareholders and with external partners. At the shareholder level, Participant C1 underlines the constant need to discuss and decide together, as shareholders embody the company’s reputation and must maintain long-term trust. Partnerships with other families also play a significant role, with some dating back decades, such as one co-investment that began in 1947 and is now maintained by both families’ third generations. Collaboration is also a guiding principle in relationships with employees, where mutual respect is non-negotiable regardless of hierarchy.

“Everyone is a person and deserves the same respect, whether it’s the cleaning lady or the CEO. We eat lunch together with everyone. [...] If I have a visitor and he doesn’t say hi to the cleaning lady when passing in the hallway, it tells me something about that person.” (Participant C1)

From an external viewpoint, Participant D3 observes that the collaborative mindset in new generations often translates into a strong need for networking. Unlike the past, when a single *pater familias* could rely on his relationships with clients or stakeholders, younger generations actively seek peer-to-peer exchanges, partnerships, and opportunities to learn from each other. This evolution reflects a shift from individual authority to collective intelligence.

#### 4.2.3. Impact investing

This final section explores how impact investing is understood, operationalized, and prioritized within the three family offices and to what extent millennials contribute to this strategic orientation.



#### 4.2.3.1. Definition

First of all, it is important to mention that none of the family offices interviewed explicitly define themselves as impact investors. While impact-related objectives may be embedded in their strategies, often as part of their values, they do not constitute the core focus of their investment approach. Across the cases, the definition of impact investing remains generally vague and highly personal.

In FO A, although they do not explicitly claim to be engaging in impact investing, they compare their approach to that of structures that do, noting similarities in certain investments. Participant A1 explained that, after discussing with a company with a fully impact-driven mission, she realised that their goals and approach were not far from those of FO A.

One of their values is sustainability, which raises internal debates:

“There’s a big discussion there: do we create more impact by investing in companies that are already highly sustainable or by investing in more traditional businesses that still need to transition, for example, to energy efficiency or stronger ESG practices? In that second case, we can have a lot of influence, especially on governance.” (Participant A1)

Job creation is also considered a form of impact by some FO A members:

“As for impact: we really want to invest in management teams that are high-performing and ambitious but also have a strong sense of societal and social responsibility. We like companies that create a lot of jobs.” (Participant A2)

However, the absence of larger standardized criteria makes this definition flexible:

“There’s not really a clear plan, because the criteria themselves aren’t always clear either. In general, there’s no standard guideline like there is in finance, where you’d say: ‘You have to look at EBITDA,’ for instance. So it depends; it also depends on regulations, like the CSRD, what criteria are the most important?” (Participant A3)

In FO B, impact is not their core mission either, but it is still considered an essential criterion in their investments. As explained by the CEO, Participant B2, they want to invest in businesses that will endure over time. Given their position of wealth, the FO sees it as a responsibility to give back to communities rather than simply benefiting from profits. This translates into avoiding investments that could harm the environment or society. Participant B1 adds that impact investing often involves an emotional attachment to the investment, which in some cases can compensate for lower financial returns.

In FO C, impact is linked to their long-term investment horizon (typically over 20 years). This perspective forces them to consider the environment in which the company will operate in the future and the impact it will have over time. For an investment to remain viable over such a period, it must behave responsibly and create sustainable value. As Participant C1 summarizes:

“If people ask me, ‘Do you do impact investing?’ I say no, but we do something. We just do it in a different way, let’s put it that way.” (Participant C1)

#### 4.2.3.2. Operationalization

The operationalization of impact investing strategies varies significantly across the family offices studied.

In FO A, the process begins at the people level: the first step is to ensure that the company’s human resources policies align with their criteria and will enable the creation of jobs. As minority investors, they focus on partnering with people they can trust and work well with, ranging from sector experts to well-known investors. FO C follows a similar approach, favouring Belgian companies and, in particular, family businesses. Since they mostly invest through minority stakes, they pay close attention to the



identity of the other shareholders they will work with, as well as the quality of the management team. These need to be trustworthy partners, given their long-term focus and desire to remain partners for decades. As Participant C1 explains:

“Our last investment, I think we took two years to understand what the other shareholder wanted, what the company did, and whether we liked each other or not. Because if you want to be partners for 20 years, you need to know.”

Beyond the people dimension, FO A also emphasises that the business project of the companies they invest in must have a purpose. The business model should bring improvement or provide a meaningful solution. FO B applies a similar principle, ensuring that companies create something relevant and generate a positive impact.

On ESG criteria, FO A stands out for having formalised sustainability policies, including circularity and excluding certain industries. Their active participation on boards allows them to keep ESG topics high on the agenda. Participant A2 stresses that environmental aspects are part of their DNA and that they transmit these principles to the companies in which they invest. As Participant A1 notes:

“We ask about them, not to become bureaucrats demanding endless reporting, but we’re now doing an internal review to assess where our portfolio companies currently stand, where we want to go further, where we should conduct carbon footprint assessments or double materiality analyses, for example.”

FO B and FO C also ensure that companies do not have a negative environmental impact, but their ESG criteria are less formalised. FO C, for instance, concentrates its direct investments on two sectors it understands particularly well (agri-food and life sciences) to benefit from deep expertise and a thorough understanding of the value chain. Participant B2 illustrates their approach with the example of excluding the weapons industry:

“Well, we don't invest in weapons because this is what we decided to do. But if you see now, a lot of investors are giving up on that principle because they say, well, yeah, but we need weapons. Well, no, we decided we don't, so we're not going to do that, so we're not gonna invest. And others may do that. I don't care, but not us.”

In all three cases, these criteria are systematically applied to investment decisions, though exceptions may occur for strategic or networking reasons, as FO A occasionally does.

From an external perspective, Participant D1 (from the banking sector) draws a clear distinction between responsible investing and impact investing. In her view, very few Belgian family offices engage in fully developed impact investing. She argues that it is essential to work with professionals to develop a concrete impact strategy, build an impact framework, and integrate it across all assets. External experts not only enable precise measurement but also help move beyond simply reducing negative impacts, aiming instead to fundamentally transform investment practices. By contrast, in responsible investing, selection criteria are often set by the family itself according to its own framework, which Participant D1 considers less robust and structured.

Participant D2 adds that, until a few years ago, impact investing typically represented around 15% of families' portfolios, rarely more. These investments took two forms: direct, through the family's own projects or investments, allowing for immediate impact, or indirect, via specialised funds selecting the projects. In his view, while this portion of the portfolio was smaller in financial terms, it carried the most emotional value for families.

#### *4.2.3.3. Drivers of impact investing within family offices*

This section examines how impact investing was introduced within the studied family offices. It identifies the key actors who initiated it and the circumstances that facilitated its emergence into existing investment practices.

## Family office A

In FO A, sustainability is a value that has always been rooted in the history of the family business. Participant A1 recalled that her grandfather, who founded the company in 1950, was a very curious and visionary person. When synthetic foams appeared, he started by importing household products but quickly moved on to producing synthetic foams himself. In the 1970s, the company was able to adapt rapidly to meet demand. Due to the major oil crisis, home insulation became widespread and every homeowner began to insulate their houses. The family business launched an insulation solution that, at the time, seemed to be only an economical choice. In retrospect, it was also a sustainable alternative to the consumption of petroleum.

A decade later, with the discovery of a hole in the ozone layer, the company had to adapt once again. It completely changed the composition of its products to eliminate a controversial agent used in its foams. As Participant A2 explained, it was a real challenge to develop innovative solutions that later turned out to be toxic and harmful to the environment. These experiences built confidence in the family's ability to find alternative, more sustainable solutions when faced with environmental challenges.

Today, the family business faces criticism related to its use of plastics. Yet, as Participant A1 points out, they have synthetic foam solutions that "actually have a very positive impact, for example, by making vehicles lighter, improving insulation, or protecting goods during transport. That contributes to the overall product life cycle in a positive way."

The sustainability approach is not limited to their products but extends to the entire organisation. For example, they produce a significant portion of their energy, recycle all internal waste, and have planted trees around their facilities to provide summer shade and avoid the need for air conditioning. They are constantly seeking to improve, with a clear aim to incorporate recycled materials into their production. It is something they are proud of and not afraid to claim. Participant A2 confirms that within the family business, she has always lived by these principles, promoted them, and invested in that area. For her, "it's been there for a very, very long time... you could say it's practically in our veins... and indeed, in the family company, we do a lot. It's a very green environment, pleasant as a workplace."

Sustainability has always been a core mission of the family and has never been perceived as an imposed agenda. Within the family business, it is treated as a necessity for attracting and retaining talent, fostering employee engagement, innovating in materials, and improving energy management. This commitment is seen as stemming both from the family's values and from the operational realities of the business. "We simply can't afford not to be sustainable, and it wasn't just our generation that made it happen," said Participant A1.

These values do not come solely from Family 1 but also from Family 2. Their family was the first organic farmers in Belgium and initiated a large-scale project based on the circular economy, bringing forward fundamentally sustainable initiatives.

In the family office itself, Participant A2 gives credit to the next generation for driving the formalisation of sustainability as a strategic priority. They placed it at the heart of the strategy, making it a core part of the FO's identity. Participant A3 observed that a major difference between the two generations lies in the type of investments they are interested in. The older generation tends to prefer more classical investments, focusing on financial returns rather than on creating impact. These are usually mature companies with lower risks, where the objective is to help them improve sustainability by pushing ESG topics onto the agenda. Participant A2, for example, prefers companies from hard industries over soft industries, due to his background.

In contrast, the new generation shows a greater tendency to invest in companies that are already sustainable. These are often start-ups helping other companies transition toward more sustainable business models or businesses in the digital sector.

Differences in these approaches to sustainable investment can spark discussions—not within the family itself, but with independent board members. Concerns have been raised, such as whether the family office is “pushing it too far,” particularly in light of its industrial background. Yet this does not discourage the largest shareholder branches. On the contrary, the importance of sustainability continues to grow with the arrival of the next generation.

Other millennials, who now have access to the shareholder forum, consider sustainability to be the central theme. Their expectations are broader and include resource management in the widest sense, notably through the integration of circularity. The goal is no longer to grow capital purely to increase returns. Participant A1 believes that the FO will need to move in the direction of the incoming generation and adapt to them. Some topics that were previously closed to debate are being reopened and re-evaluated in light of the current situation. As A1 summarised:

“We really don’t have a choice anymore... we have to adapt, and I think sustainability will evolve with the generations.”

### Family office B

In FO B, the concern for greater impact investing did not originate from the family business but rather from the family members themselves. As Participant B2 explains, sustainability, ESG, and impact investing were not well-known topics 20 to 30 years ago. However, as the world evolved, the consequences of this way of doing business became increasingly evident.

“You look around and you know that the world is not becoming a better place. And so that raised concerns and changed the opinion within society. And we need to respond to that, and it’s our choice.” (Participant B2)

One of the drivers for the older generation seems to be linked to their role as parents. They want to leave a better world for their children, which requires rethinking their way of investing. Participant B1 emphasises that the previous generation is becoming increasingly educated on the topic. The change, however, is more abrupt for them because it is not the way they learned to operate. This is where the influence of their children comes into play, convincing them of the importance of the topic and the major role climate and broader social issues play in their lives.

The remarks made by Participant A3 regarding the difference in types of investments between generations can also be applied to this family office. One example is an investment made by the older generation in the palm oil industry, a sector known for its negative environmental impact, which displeased the younger generation. They raised questions about why to invest in something that is not sustainable at its core. Generation 2 justified their choice by arguing that the palm oil industry is necessary, particularly as a main cooking oil in many countries. Therefore, it is better to invest in companies that produce it in an environmentally responsible way and for whom ESG matters are a priority. They target companies that are fully aware their business is not the most sustainable and actively work to make it as sustainable as possible.

Regarding this particular investment, Participant B1 was initially indecisive. An exchange between the two generations, including a site visit and discussions about the younger generation’s concerns, helped reach common ground. B1 realised that alternatives are not always better, for example, soy, which can have an even worse environmental impact than palm oil. She stresses the importance of fully understanding the nature of an investment and looking carefully into each company’s practices.

Participant B1 also points out differences within her millennial generation. She observes that those without an economic background tend to be uncompromising about the importance of impact investing and ESG criteria, treating them as an absolute priority. By contrast, those with an economic background think twice before making a decision. She attributes this to the fact that, through their

studies, they have gained a stronger understanding of how investments work and therefore have different financial ambitions. Economic studies tend to develop a more return-focused mindset. As a result, when the question of investing outside of impact investing arises, she is not 100% opposed. She highlights that choosing impact investing means being ready to sacrifice part of the financial gain and accepting that returns are not the main priority. However, this lack of purely financial return is often compensated for by an emotional dimension. She maintains that ESG remains very important and that her ideal approach is to combine both.

“But if I can combine both, then I would prefer that. And I will always try to get enough content or context to know whether it’s really, really bad for the environment or for people. If so, then I would back off.” (Participant B1)

The consensus remains that a majority of the family office pushes towards impact investing. Participant B2 notes that no one firmly opposes such investments, though the degree of involvement varies, from highly engaged members to others who are less concerned and even a minority who are indifferent.

### Family office C

In FO C, sustainability emerges primarily from the long-term partnership between the family office and its portfolio companies. However, it is often approached more unconsciously, driven by the goal of ensuring that these companies will remain profitable for decades to come. They do not necessarily invest in firms that are already strong on ESG criteria, but rather in more mature businesses. Similar to FO A, they use their influence as board directors to shape the topics discussed. With the introduction of the CSRD, for example, they have been reminding companies of the importance and usefulness of this reporting requirement.

Participant C1 notes that some millennials from her own generation or the one below attach greater importance to sustainability. They do more than just ask questions. Sometimes they share reports or articles they’ve read, suggest actions to take, or recommend training. Their feedback is critical but constructive, helping the family office consider new ideas and adapt to changes. They may also question certain investment choices or request additional information about the practices implemented. However, she also emphasises that opinions within the family office are quite mixed. Not everyone is equally involved with sustainability. Even if they do not always take action, progress is being made. The FO has, for example, introduced an annual report measuring their impact using criteria they have developed themselves, and they have implemented concrete actions within the companies.

C1 admits she is surprised that the next generation does not attach as much importance to the topic as she had expected. Some raise questions, but it is far from universal.

“As a company, it’s not always easy. You hear one voice that is very much in favor of integrating sustainability and another that says, ‘I don’t believe in it.’ So it’s about finding the middle ground, deciding what we believe in.” (Participant C1)

From the perspective of external participants, the drivers of impact investing do not necessarily come from a single generation. For example, Participant D1 says it varies greatly and depends heavily on each family. She explains that some family offices have had a strong will to be impact-driven since the current generation and even the one before. However, when previous generations have already established this orientation, millennials tend to continue in the same direction and do not go back.

She also points out that the impact sector has not performed as well as expected and that financial returns are not high. This creates some hesitation for families with a total focus on impact investing, as it is still difficult for some to accept cutting into their performance and not having the best of both worlds.

Participant D3 also confirms this variation. He gives the example of Belgian sugar producers. With the growing concerns about excessive sugar consumption and its direct link to obesity, some companies have had to rethink their business model and their impact. One company, for example, decided one or two generations ago to stop producing sugar and shift towards healthier products.

According to him, the influence of millennials is stronger when the previous generation is not particularly sensitive to sustainability. Older generations may agree to some sustainable actions, but often these are one-off measures, like installing solar panels, without a real long-term strategy. The gap is clear when choosing between a very profitable project with little sustainability and a very sustainable project with lower returns. In some families, the next generation has only agreed to join the business if sustainability is placed at the heart of the company strategy. They have also refused certain projects in board meetings because they were not sustainable enough, which has sometimes led to clashes with older generations who wanted to move forward because of the profitability. For instance, if a family business sells products harmful to health, the climate, or that are more delicate by nature, change is more likely to be driven by millennials. In contrast, previous generations would have continued as before.

“ So yes, for families that have already made the transition, it happened more naturally. For those that hadn’t started a transformation, it is often the new generations who bring new ideas and ways of thinking.” (Participant D3)

#### *4.2.3.4. Illustrative cases of impact investing in the studied family offices*

During the interviews, participants were asked to describe one or more impact investments made by their family office. Additional information was gathered by reviewing the investments presented on their respective websites.

##### *Family Office A*

One example mentioned was an investment in a German company specialising in refurbishing trains and railcars. The company had been on the verge of closure, which would have resulted in the loss of around 600 jobs. FO A, alongside other investors, stepped in, and the business now employs nearly 500 people again. Beyond job preservation, the business model has a strong circularity dimension, as it transforms old railcars into modernised ones, contributing to sustainable mobility through rail transport.

Another project concerns accessible housing. Participant A2 serves as chair of a Belgian AIS and is directly involved in the initiative alongside public authorities. They created an ownership arrangement split between 25% for the family office, 25% for other investors, and 50% for the German-speaking Region of Belgium. The initiative currently counts about 30 housing units and continues to expand. The goal is not profit-driven, although certain regulations require dividend distribution.

A third example is an investment in a Belgian consultancy firm helping companies improve their energy efficiency. This includes encouraging reduced energy consumption or, at least, a shift towards renewable energy sources, thereby contributing to a greener energy market.

##### *Family Office B*

For FO B, the palm oil investment already detailed in the *Drivers* section remains the main illustrative example. No additional public details of their investments were available online.

## Family Office C

One historical example is the renovation of a building in Brussels in the late 1980s–1990s. This was carried out in collaboration with other families and with both public and private funding. The project involved not only the renovation and leasing of the building but also the integration of social activities. While the financial returns weren't very high, the initiative significantly revitalised the surrounding area.

A more recent investment concerns a technology company that developed a communication platform ensuring the proper functioning of offshore wind turbines. This tool allows for direct operational actions, contributing to the reliability and efficiency of renewable energy infrastructure.

Another example is their investment in a fund focused on impact in the agrifood sector. It supports technological solutions aiming to create more sustainable and regenerative food systems. Each investment is assessed against six key indicators (GHG emissions, biodiversity, water use, health, social aspects, and impact intelligence) and progress is tracked through a structured evaluation and monitoring process.

## 5. Discussion

### 5.1. Introduction of the discussion

After outlining the extent of millennial involvement in family office governance, their behaviors, and their influence on impact investing, this fifth section discusses these findings. To do so, the results are compared with the existing literature to address the research question: *“To what extent does the presence of millennials in family office governance reinforce stewardship behaviors and how do they facilitate an increase in impact investing?”*

As a reminder, a steward is defined as an individual who is primarily motivated by organisational rather than personal gains (Davis et al., 1997). When such stewardship behaviors are shared within an organisation, they contribute to creating a stewardship climate, which Neubaum et al. (2016) define as a multidimensional construct composed of six interdependent dimensions. In the context of family businesses, such a climate can foster millennials’ trust and socioemotional wealth (Riznika & Kaihatu, 2021). In turn, Ernst et al. (2022) explain that SEW can motivate families towards sustainability, acting out of a sense of morality over purely economic interests. This study seeks to explore whether such motivations can translate into impact investing within family offices.

This discussion is divided into four parts, each linking the findings to the theoretical framework. The first concludes the stewardship behaviors of millennials and the overall stewardship climate within the family office. The second examines governance as a driver of stewardship. The third focuses on socioemotional wealth (SEW) and its influence on stewardship behaviors. Finally, the fourth explores how these elements shape the emergence or absence of impact investing in the studied family offices.

### 5.2. Stewardship behaviors

The data collected indicate that the presence of millennials in the governance of the family offices studied contributes to strengthening a stewardship climate as defined by Neubaum et al. (2016). The six dimensions of this climate are present to varying degrees in each family office, with differences in how strongly they are expressed and in the extent to which they are embodied by individual millennials.

#### 5.2.1. Organizational identification & intrinsic motivation

Millennials show stronger organisational identification when they are actively engaged in the governance structure of the family office, as seen in FO A and FO C. Participant A1 and C1 identify themselves with the organisation’s values and view them as aligned with their own, using language that conveys belonging rather than distance. In contrast, Participant B, with no active role in governance, values the family as an important part of her life but does not extend this attachment to the family office itself.

The intention to transmit wealth to future generations is present across all cases. In FO A and FO C, this intention has been embedded in the family’s approach for generations and is consciously maintained by millennials with the desire to continue for the next generations. In FO B, while the desire to transfer wealth exists, it is not necessarily tied to preserving the family office structure.

This difference is reflected in the mechanisms for integrating the next generation and the degree of formalisation. FO B has no formal integration structure, which provides few opportunities for identification to develop. FO C has a more developed, though still partial, structure that creates some engagement and reflection among the next generation. FO A, with a fully formalised integration



process, has fostered a much stronger sense of identification, with millennials already taking an active role in the family forum and making their voices heard.

This strong organisational identification also appears to foster intrinsic motivation. In FO A and FO C, Participants A1 and C1 are not primarily driven by financial incentives, but by a strong sense of responsibility towards others, particularly the next generation. Their positions allow them to put these motivations into practice, combining personal values with concrete actions. As Hernandez (2012) observes, stewards' intrinsic motivation leads them to invest greater effort in serving the organization, which, in turn, aligns their actions with the objective of the principles, in this case, the family office. In this sense, the responsibilities they assume may require more work, yet also make it easier for them to fulfil these motivations. Similarly, Neubaum et al. (2016) highlight that stewards are more motivated when they perceive their work as meaningful and their tasks as significant, whereas tangible rewards such as money have little positive effect on their motivation.

This dynamic reflects Davis et al.'s (2010) view that "a good steward in a family business is a decision maker who is a caretaker of a family's assets, who desires to pass a healthier and stronger business to future generations." In such cases, stewardship behaviors are reinforced by a climate in which members see the organisation as an extension of themselves (Neubaum et al., 2016), as observed in FO A and FO C. However, as Participant D2 noted, some millennials are unable to perceive the family office as part of their own identity. This lack of identification can lead individuals to question the organisation's purpose and functioning, which in turn reduces their willingness to engage and their motivation to contribute to its long-term success. Hernandez (2012) argues that stewards are intrinsically motivated by a desire to see their organisation succeed, but sometimes, the dominant attitude is disinterest. In FO B, this is exemplified by Participant B1, a millennial whose personal motivations do not align with the family office's mission, resulting in limited organisational identification and minimal engagement. This suggests that, without alignment between individual values and organisational purpose, millennials may not adopt stewardship behaviors, regardless of their generational belonging.

### 5.2.3. Use of power & collectivism

Another common point between FO A and FO C is the opportunity given to millennials to voice their opinions and take action on investment strategies. This influence is further reinforced by a strong collaborative culture, made possible by the openness of the senior generations, which facilitates intergenerational collaboration in governance. These perceptions are supported by Participant D1, who observes that more and more family offices are "set up to listen to the next generation" and trust them to take the lead. In addition, both FOs share core values such as transparency, dialogue, and partnership. The latter is exemplified in FO A through co-investments and even a joint venture with another family.

However, a difference lies in the proportion of millennials holding real influence. In FO A, active participation from several millennials, whether in operational roles or decision-making bodies, is more prominent. In FO C, despite a few millennials being active on the boards, the influence is largely concentrated in the hands of Participant C1, as evidenced during the restructuring of the strategy led under her direction.

By contrast, FO B once again stands out for the absence of millennials within its governance structures, which limits their influence to occasional interventions rather than ongoing involvement. In structures with a weak stewardship climate, whether due to differing orientations between generations, as in FO B, or to a reluctance to allow the next generation greater control, occasional opposition may be the only way for younger members to make an impact. Participant D3 notes that, indeed, the younger generations can sometimes only influence decisions by firmly opposing certain projects, with tensions



often arising around sustainability issues, as was the case in FO B when contesting an investment in a palm oil company.

Nevertheless, like the other family offices, FO B values collaboration and exchanges. However, when it comes to millennials, this is evident only on an individual level, as with Participant B1, rather than embedded in an organizational approach. Participant D3 also observes that the younger generation has a stronger need for networking than previous generations, reflecting their desire for sharing and exchange.

FO A and FO C demonstrate that millennial influence is facilitated within a collectivist framework combining collaboration and intergenerational support. However, this influence varies in degree and depends on additional factors. FO B, on the other hand, illustrates that without formal access to decision-making, impact remains limited, even when collaborative values are present. In the most extreme cases, younger generations may have to resort to confrontation to make their voices heard.

From a theoretical perspective, these findings align with the concept of a stewardship climate as defined by Neubaum et al. (2016), where influence relies less on institutional authority and more on personal power, built on trust, reciprocity, and the exchange of information. FO A and FO C illustrate this dynamic through open dialogue and mutual trust between millennials and previous generations. This environment encourages a collectivist climate in which responsibilities for organisational success are shared (Hernandez, 2012). By contrast, FO B shows that when personal power cannot be exercised consistently, even the presence of collaborative values is insufficient to sustain a true stewardship climate.

### 5.2.5. Low power distance & involvement orientation

The distribution of power and the scope for involvement vary significantly across the family offices. In FO A, low power distance allows millennials direct access to decision-making bodies and active participation in both strategic and operational projects. This enables them to align their actions with shared objectives, an observation that also extends to the next generation. FO C shares FO A's openness to dialogue and participation. However, unlike FO A, involvement opportunities are limited to a few millennials, and the power distance with the next generation remains relatively high.

FO B, by contrast, stands out for its more pronounced hierarchy and complete absence of involvement orientation. This is reinforced by Participant B2's unwillingness to combine the dual role of CEO and family member, coupled with a lack of long-term strategic vision for the family office. In other contexts, as noted by Participant D3, power distance can also be amplified when a patriarch believes his view is always correct and ignores the input of the younger generation. This dynamic, while not observed in FO B, illustrates another way in which such attitudes can frustrate next gens and slow down involvement orientation.

These dynamics show that the extent of millennial engagement depends heavily on the degree of separation in decision-making authority. A framework of trust and structured guidance strengthens next-generation involvement. It is important to note that, in the family offices observed, low power distance operates differently than in family businesses, as family members are often prioritised for key positions unless a different choice is made. This is especially true where ownership is complete or majority-held.

On this basis, the way power is distributed between generations becomes decisive. FO A implies a low power distance model that fosters equal treatment between generations and promotes egalitarian

processes and interactions (Neubaum, 2016). FO C partially mirrors this between G2 and G3 and occasionally within G3 itself, but not with G4. In this case, leadership is still tied to hierarchical rank, which conflicts with Hernandez's (2012) view that, in a stewardship climate, leadership does not equate with hierarchical position. FO B shows a similar pattern to FO C between the current and future generations. Additionally, a stewardship climate marked by low power distance tends to foster a culture of involvement orientation. Such an environment enables millennials to progressively take on greater responsibilities and reach their potential, as seen in FO A and, to a lesser extent, FO C (Hernandez, 2012).

### 5.3. Governance as a driver of stewardship

The results of this study confirm that governance plays a decisive role in the effective implementation of stewardship behaviors among millennials. When it is designed to actively involve them in decision-making processes, it opens up opportunities for participation. This allows them to exert influence and fully communicate their opinions.

For millennials to adopt stewardship behaviors, several conditions must be met. Without a clear governance structure, it is difficult to develop organizational identification, intrinsic motivation, or a genuine orientation toward involvement. On the other hand, when governance promotes collaboration, intergenerational trust, and transparency, millennials can not only become part of a climate of stewardship, but also help to strengthen it. Structures characterized by these elements facilitate the expression of the six dimensions of stewardship climate identified by Neubaum et al. (2016).

In such a context, we observe, to varying degrees depending on the context, stronger organizational identification and intrinsic motivation and a marked orientation toward involvement. It is therefore not the mere presence of millennials that generates a stewardship climate, but rather how governance is designed to give them an active and legitimate role in decision-making. In doing so, it establishes organizational conditions that allow millennials' stewardship behaviors to emerge and be implemented in day-to-day operations.

Millennials can thus translate their values and beliefs into concrete strategic directions. This is consistent with the literature, which shows that they are more likely to integrate their personal beliefs into their economic choices, notably by favoring investments aligned with sustainability and impact criteria (Barzuza et al., 2021; Luu et al., 2023). When governance supports their participation and gives them access to decision-making bodies, these preferences can directly shape investment strategy. This, in turn, strengthens the alignment between individual interests and collective objectives, as observed in the cases studied.

Conversely, centralized or closed governance limits this ability to influence. Even in the presence of steward behavior, the absence of integration mechanisms reduces its scope. The findings suggest that such organizational barriers can diminish the potential contribution of millennials and restrict their long-term engagement.

Governance, therefore, acts as either a catalyst or a brake. When it promotes collaboration, intergenerational trust, and transparency, it creates an environment where stewardship behaviors can truly thrive. Under these conditions, millennials' deep motivations are more likely to translate into impact-oriented investment choices. This approach not only strengthens the balance between economic performance and the emotional connection of family members to the family office.

## 5.4. Socioemotional wealth as motivation

The findings also showed that when a stewardship climate is in place, socioemotional wealth acts as an additional source of motivation. In the cases studied, millennials who identify strongly with the family office are more likely to adopt a long-term vision. This orientation towards durability may lead to smaller immediate financial gains, reinforcing their commitment to the continuity of the family office. In some cases, this is also reflected in a willingness to pass the organisation on to future generations, thereby preserving the family legacy (Gómez-Mejía et al., 2007). In doing so, they also seek to transmit the core values defined within each FO, viewing them as essential elements to be passed on to the next generation.

To preserve their SEW, they may also be willing to place financial returns lower on their list of priorities. This aligns with Berrone et al. (2010), who show that families may make strategic decisions that protect their SEW even when this results in lower financial performance. This behaviour is consistent with Sun et al. (2023), who show that SEW can motivate the adoption of sustainable practices aligned with ESG criteria, driven by emotional attachment. But also, in some cases, by the desire to protect the family's reputation. FO C illustrates this dynamic:

“Our reputation is very important for us as an investment company. How [shareholders] behave and how they see the company, how they give us long-term trust to continue what we are doing, is very important.” (Participant C1)

However, the results also highlight the moderating effect of governance on the expression of SEW. While SEW is present in all three FOs, its ability to shape strategic decisions depends on the actual involvement of millennials in governance. In FO B, the absence of millennials in decision-making roles limits the translation of SEW into concrete stewardship behaviors. Thus, SEW acts as a driver of motivation, but its influence on behaviour is strongly shaped by the organisational context. This connection is particularly relevant when examining how these behaviors translate into impact investing strategies, where both governance and SEW interact to guide investment choices.

## 5.5. The logic of impact investing

The orientation toward impact investing in family offices emerges from the combination of inclusive governance and strong socioemotional wealth. When millennials are allowed to influence strategies within decision-making bodies and when they are driven by the preservation of the family legacy, their investment decisions tend to incorporate non-financial objectives. These objectives are characterised by generating positive societal impact, whether social or environmental. This observation aligns with the literature, which defines impact investing as the practice of pursuing both financial returns and a measurable positive social and/or environmental impact (Morgan Stanley Institute for Sustainable Investing, 2024).

In the family offices studied, this approach is reflected in investments that are consistent with family values and responsible innovation, as well as in ventures that themselves aim to have a positive impact on the environment. Millennials appear here as a driver of strategic transformation through their sensitivity to sustainability issues, as highlighted in the literature (Barzuza et al., 2021; Luu et al., 2023). These investment choices materialise when the governance structure is aligned with their principles, particularly through collaboration and transparency, and when SEW is oriented toward a broader contribution to society (Ernst et al., 2022). This enables the family office to move beyond a purely financial logic.

## 5.6. Limitations

However, several limitations of this research should be acknowledged.

First, the Belgian family office landscape remains difficult to fully capture. Due to their highly private nature and discretion, it is challenging to determine whether the sample studied is representative. This study is based on only three family offices and three external participants, which does not allow for generalization of findings. Moreover, the selection of cases was not random but driven by accessibility and willingness to participate, introducing a potential selection bias. The scope of the research is limited to Belgium, which may restrict the applicability of the conclusions to other geographical or cultural contexts. The heterogeneity of family office structures and operating models also makes direct comparisons more complex.

Data collection was conducted at a single point in time, providing a snapshot of stewardship climate and impact investing practices. However, intergenerational dynamics evolve slowly, and some effects related to the arrival of millennials may not yet be visible. Repeating this study in a few years, when the next generation is more actively involved in governance and investment decisions, could provide valuable insights.

Finally, the data relies on semi-structured interviews, which are subject to social desirability bias, as respondents may seek to present their organization and practices in a favorable light (Saunders et al., 2009). Some participants were unwilling to share detailed information on the nature of their investments and the criteria used to select them, limiting the depth of analysis in certain areas. The study focuses primarily on qualitative insights without incorporating quantitative financial data, which limits the ability to measure the actual scale or performance of impact investments. The interpretation of stewardship behaviors and impact investing practices is influenced by the researcher's subjective coding and thematic analysis, which may introduce researcher bias.

The reliance on self-reported information means that certain practices or internal dynamics may remain unobserved or inaccurately portrayed. The relatively short interview duration may have limited the depth of exploration of certain themes. Some interviews were conducted online rather than in person, which may have reduced opportunities to observe non-verbal cues or build rapport for more open responses.

## 6. Conclusion

### 6.1. Main findings

This study set out to explore how the presence of millennials in family office governance reinforces stewardship behaviors and facilitates an increase in impact investments. The question was particularly relevant in the context of the expected wealth transfer and the growing interest of younger generations in sustainability.

Through a case study analysis, the findings show that the presence of millennials in governance strengthens certain stewardship behaviors. The most visible are intrinsic motivation, organisational identification, and collectivism. These behaviors are not automatic. They are mostly shaped by their level of integration of millennials in governance structures. When space is created for them to express their motivations and values and when they are given a clear role, their influence becomes stronger.

The results also show that stewardship behaviors are reinforced when the governance climate is based on shared values, openness between generations, and low hierarchical distance. In such contexts, millennials' stewardship orientation becomes more visible. Their impact is not limited to the internal governance of the family office. It extends to investment choices.

The analysis highlights that socioemotional wealth plays a mediating role. Families that place SEW at the centre of their strategy are more likely to translate their values into impact investing. In these cases, millennials act as carriers of stewardship. They ensure the continuity of the family legacy while also reinforcing a long-term orientation toward sustainability.

This research, therefore, provides evidence that millennials in governance can accelerate the transition of family offices toward impact investing. Their influence is strongest when governance structures create space for intergenerational dialogue and recognise the importance of values. It also grows when financial performance is balanced with the preservation of socioemotional wealth.

### 6.2 Contributions

From a theoretical perspective, this study enriches the literature on millennials by showing their ability to act as drivers of stewardship. It highlights the relevance of stewardship theory for family office governance. It also helps clarify the investment strategies of family offices toward impact investing and the influence of millennials in shaping these choices. In addition, it highlights the role of socioemotional wealth as a mediator that translates family values into impact investing practices. This study offers a comparative analysis of Belgian family offices, providing insights into intergenerational relations and governance systems.

### 6.3 Implications

From a practical perspective, family offices should recognise the importance of integrating millennials into governance structures. Doing so can strengthen stewardship climates based on shared values, openness between generations, and low hierarchical distance. This, in turn, facilitates the shift toward impact investing, ensuring that financial capital serves not only value creation but also societal transformation. Preserving SEW within this process is crucial to sustaining family identity and maintaining a long-term orientation.

Family offices can promote this integration through next-gen programmes, designed to increase the involvement of younger members and reinforce their identification with the organisation. To go further in their impact investment strategies, family offices can also develop more precise investment criteria.

This may include the adoption of measurable KPIs over time, allowing them to assess and monitor impact more accurately.

## 6.4. Recommendations for future research

Future studies could examine the topic from different angles. During the interviews, it was noted that even within a single generation, there can be significant differences of opinion. While generational characteristics offer useful generalisations, they do not apply to everyone. It would therefore be valuable to explore other influencing factors, such as personal values, education, or the type of business in which the family is involved.

A longitudinal approach could provide deeper insight into the actual influence of millennials on investment decisions over time. Combining this with quantitative or financial data would help validate and strengthen the perceptions gathered in this study.

Finally, a similar study could be conducted to assess the role of Generation Z in accelerating the adoption of impact investing practices.

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## Appendix A: Template contact email

Dear Sir or Madam,

My name is Léa Zune and I am currently pursuing a Master's degree in Business Engineering at the University of Liège, Belgium. As part of my master's thesis, I am conducting research on the role of family offices in the transition toward impact investing.

To gather relevant insights, I would like to interview various stakeholders involved in family offices, whether they are family members, advisors or executives. Would you be available for a conversation to discuss this possibility? Alternatively, if you know someone within your network who might be willing to share their experience, I would be very grateful if you could put us in touch.

Interviews are conducted confidentially and anonymously and if preferred, a non-disclosure agreement can be signed to formalize this commitment.

I would be happy to arrange a call at your convenience.

Thank you very much for your time and consideration.

Best regards,  
Léa Zune

# Appendix B: Template interview guide

## Introduction

- Presentation of the research thesis
- Guarantee of confidentiality and anonymity
- There are no right or wrong answers
- Would you agree to have this conversation recorded?

## Personal Background in the Family Office

- Could you please introduce yourself?
  - What are your daily responsibilities?
- Do you consider [Name of the structure] to be a family office? Why?
- Why did you join [Name of the structure]?
  - Were you mentored by a family member or by an external advisor?

## Next Generation

- How many members of your generation are there in the family? Who is involved in the family office? (Based on the genealogical tree)
- How did you personally join the family office? What about your siblings, cousins...?
  - What are your respective roles?
  - Are some of you more active than others?

## Stewardship Behaviors

- How would you describe your mindset or motivations? Are you driven by the family legacy?
- How would you define collaboration? Is teamwork important to you? How does this manifest in practice?
  - Was this culture already in place when you arrived or has it evolved over time?
- Do you have a seat on the board of directors? Does anyone from your generation?
  - If yes → How do you communicate your opinions and perspectives?
  - If no → Are you sometimes allowed to attend as an observer?

## Impact Investing

- Regarding impact investing, what are the criteria that need to be met? Are these criteria applied to every deal?
- Who first introduced the concept of impact investing?
  - If older generations → Do you align with this principle and continue to support it? Why? Has the approach evolved over time? If so, how?
  - If millennials → Why did you introduce this concept? How was it received by other members? Did it require negotiation or was it a smooth process?
- Can you share a concrete example of an impact investment made by your family office?
  - Did everyone support the decision or was there some opposition?
  - What was the outcome or impact?

## Closing

- Thank you very much for taking the time to share your insights.
- Is there anything important that we haven't discussed and that you would like to add?
- Would you be open to connecting me with other individuals from your family office or from another family office, who could offer a different perspective?
- End the recording

## Appendix C: Interview transcript participant A1

### Interviewer

My first question is: could you start by telling me who you are? Could you introduce yourself?

### Participant A1

My name is Participant A1, I'm 46 years old. I was originally trained as a physiotherapist and psychomotor therapist. I'm part of the third generation of the family office, which traces its origins back to the industrial company, the family business. Which is still our largest holding today. It really represents our roots and remains our priority, if I may put it that way. I wear several hats. As I mentioned, I belong to the family shareholders, third generation. I also serve as a board member of the family office A, representing our branch among the four family shareholders. I represent the family office A on the board of directors of the family business, where I've held the position of vice-chair for about three years now.

I also have a more executive role: since 2017, I've been part of the executive team at the family office A, officially with the title of General Secretary. But in reality, my role is more similar to that of an investment manager, with a strong focus on the family business, which is my main priority, as well as managing shareholder relations and family governance, especially communication within the family. Previously, I also represented the family office A in several other companies we invested in. That has changed slightly over the past six months because the team has grown. Now I focus primarily on the family business and our shareholder structure.

### Interviewer

Quite a comprehensive role! So would you consider family office A as a family office and if so, why?

### Participant A1

That's a good question! It always comes down to how you define a family office. I'm part of a very interesting network called the Family Business Network or FBN. There, we have a subgroup called the Family Office Circle. We're about fifteen people around the table and each of us has their own definition. So sometimes we say we have a holding company, sometimes a family holding and sometimes an entrepreneurial holding. We're not a classic family office in the sense that we don't provide administrative or legal services to individual family members. We're not merely managers of private family wealth. Instead, we're an investment vehicle with three or four core missions. The first is to ensure a well-structured ownership of the family business. I may not have mentioned it yet, but the family business today is a company with around 1,700 FTEs, several international subsidiaries and annual revenues of around €350 million. For us, having a well-structured shareholder base is key. That's why the family office A is the majority shareholder of the family business, not a group of individual persons or families. This means that, whether you look at it from the top or bottom of the organizational chart, the family office A itself has four shareholders, each structured as its own entity. So, this first mission is more like a holding role than a traditional family office function. Secondly, we have a diversification objective. Yes, we are there to manage the family wealth over the long term, make it grow and develop it. In that sense, you could say we are a family office. We have an external team. Our team includes both family members and non-family professionals, so we are professionalized to some extent. Then, we also have a liquidity function, meaning that under our shareholder agreements and family charter, we guarantee a stable dividend, even in times of crisis. So we also manage a stock portfolio to maintain this liquidity buffer. We invest in some funds for diversification and have a real estate development project, though that one is more historical. Everything related to administrative or legal services for family members, that's not something we do.

**Interviewer**

And among yourselves, what terminology do you use most often to describe the structure?

**Participant A1**

We usually refer to it as a holding company, a family holding or sometimes an entrepreneurial and family-owned holding.

**Interviewer**

And why did you decide to become so actively involved in the family office A, especially given your background in healthcare?

**Participant A1**

Well, you should know that the second generation, my father and my aunts, quite early on put formal governance structures in place. Even for a second-generation sibling-owned business, they structured it very well. They had a board of directors with independent members and professional external management for the operating company. They also recognized the need to prepare the next generation for a role in governance. So they started organizing family forums very early on within our branch. From the age of 16, I was already attending more professional-style meetings, where my father explained what was happening at the family business, the role of the family office A and so on. Then from 2005 onwards, they expanded those meetings to include all family shareholders, meaning my father's two sisters and his brother, along with their children. And I became quite passionate about it at that time. I wasn't working then because I had young children and I had decided to stay home during those early years. So I had more time and interest to devote to it. Becoming a mother also made me feel the responsibility to pass things on to the next generation. So I got more and more involved, first in family governance and then in the operational content. I spent a lot of time doing a kind of observation internship at the family business, I accompanied different board meetings... And step by step, I became very familiar with the family office A. In 2017, we really wanted and needed, to build a proper team. It felt natural for me to take the step. For two years, I continued working in my other profession in parallel, I had a psychomotricity practice. But it became too difficult to do both jobs at once, because they are very different worlds.

**Interviewer**

And you mentioned that you're part of the third generation. I see from the family tree that there are ten members of your generation in the family 1. But the family 2 also joined at some point, right?

**Participant A1**

Yes, if you look at it, there are actually two family trees. You'll see that my grandparents, the founders, had four children. One of the sons from the second generation decided to separate his business activities and developed the family business in the United States. It's a long story, but eventually, it was agreed that he would take full ownership of the U.S. operations. That was in the early 2000s, around the time when the family office A also needed a refinancing partner. That's when family 2 joined us. There's a bit of a generational gap, since X (G1 from family 2) is between my father and me in terms of age. In his family, he's considered generation one, so to speak. In our generation, there are 10 of us from the family 1 side and 4 from the family 2, so 14 in total within that generational tier, even if there's a slight offset between the two families. The first layer of shareholders consisted of four individuals: my father, his two sisters and X. It's a partnership between siblings and a trusted external partner. Then the next generation gradually got more involved and started taking on greater responsibilities. Today, we refer to ourselves as "partner families", we really like that terminology, because it reflects how we function and understand each other. We're no longer just family 1 and each of us, in turn, has our own branch. So I think "partner families" is a term that works well, regardless of the level at which you use it.

**Interviewer**

Yes, it's true that over the years this will only grow and expand further. I also noticed that not everyone in your generation is actively involved. Roughly how many are?

**Participant A1**

Operationally, just me. In terms of governance, our board of directors at the family office A is composed of representatives from each shareholder branch. Each person essentially represents their own branch or company and two of my cousins also serve as board members. So, in total, we're three from my generation involved in governance. Beyond that, some members of our generation are involved in our portfolio companies. For instance, X's son is quite active, he represents the family office A on the boards of four companies.

**Interviewer**

And what are the different roles that each of you hold in terms of governance?

**Participant A1**

On the executive side, which we call our COMEX or executive committee, we work on a daily basis managing the participations. We represent the family office A as a shareholder-investor in these companies. We're in contact with management, we attend meetings, we sit on boards. It's really a full investment manager role. As for the board of directors at the family office A, it meets four to five times a year. Board members receive all the necessary materials in advance. They prepare and participate in these meetings, so it's about five days of work per year or a bit more if you count the prep time. Then you have roles like X's son, for example, who represents the family office A at a company that makes hemp blocks, because he has expertise in that area and can bring added value. Then there's the ownership layer, where everyone is involved in some way. We have two fixed, rather professionalized annual meetings: the shareholder forum in October and the annual general meeting, which is paired with an information session, often including a site visit or a manager presentation. And underneath that, we already have a training program for the next generation, generation four. Currently, it targets eight young people in a three-year cycle, between the ages of 16 and 19. This will continue over time. Once we have a new group in the right age range, we start again. So they're already somewhat involved too.

**Interviewer**

And for the members of your generation, was it the same process as for you? Were they gradually involved?

**Participant A1**

We have very clear rules for everything related to working in the company or entering the governance track, including the required training, how evaluations are done and so on. We actually discourage careers in the operational side of the portfolio companies. But within the family office A team, so far, no one else has come forward to join the operational side. That could change, though, we're currently revising our family charter and we're completely reviewing the criteria for selection, evaluation and skills. As for board membership, each family decides who represents them on the board. Representation is based on roughly 20% capital ownership blocks, so some branches have one seat and one has two.

**Interviewer**

OK, understood. Now let's move on to your personal motivations. What drives you to be involved with the family office A?

**Participant A1**



As I mentioned earlier, what motivates me the most is the long-term view and the responsibility toward future generations. We've inherited something and that comes with a duty to take care of it. Granted, that's a big word, because to be fully transparent, we're not the ones managing the companies directly. That's the management's role. But we are responsible for choosing the right management teams, supporting them, staying informed, putting the right governance structures in place and making the connection between the long-term vision of the shareholders and the practical needs of the business. That's something that really motivates me, embracing that responsibility and doing my best so it can be passed on to the next generation. Also, responsibility toward the people working in our companies, that's a very personal motivation for me. As you've probably noticed, financial motivations come second for me. It's just part of my personality. And although I now work in a very financial, numbers-oriented environment, that's not what drives me. Of course, this also means we have to create long-term value, generation after generation. If we want the next generation to manage something of equal value, then theoretically, we have to triple the company's size every generation, assuming each generation has about three children. There's also a social dimension to this. At every family meeting, whether the forum or the general assembly, we present a key figure: "How many people work in our companies?" That matters to us. It creates jobs, supports families, hopefully allows people to have fulfilling careers. So yes, it's a form of social motivation. But let's be clear, we're not an NGO. I'm still realistic about all of this. Those are my motivations. I'm someone who's curious, who loves discovering new ideas and new projects. I'm always really excited to see the human stories behind everything. I love listening to the teams, whether it's a startup working on some crazy new invention or a 200-year-old company renovating trains. It's super exciting, diverse and enjoyable. And thanks to the family office A, we have the leverage to help bring these projects to life, so yes, we do have an impact and I really enjoy that.

**Interviewer**

Regarding collaboration, is that something you actively practice? Is teamwork really important in how the family office A is managed?

**Participant A1**

Yes, at all levels, I'd say. At the management team level, for instance. At the very beginning, diversification alongside the family business was my father's initiative, so it started out as a bit of a "one-man show." But he always sought out partners and people around him. He included his sisters from the start. Then things evolved. As soon as the family 2 joined, X and my father formed a tandem. Then an external person joined them and then I joined too. Now we're a team of seven, it's really great. We have many meetings to coordinate ourselves, so yes, it's a very collaborative approach. Of course, each of us has our own responsibilities, but we try to support each other and help out across different projects. Then, at the governance level, we have independent board members, that's also a form of collaboration. They commit to our project and support us with their expertise, their perspective and precisely their independence. Collaboration with company management teams is also extremely important, on many levels. We include them in the capital structure, we aim for open exchanges, strong communication. We really try to understand their reality and their lived experience as managers. Then there's collaboration with co-investors. That's something we've done a lot. At the family business, we've always had co-investors. We opened the capital quite early on, always maintaining majority control, of course and that's served us well. It's not always easier to have several people at the table, each with different priorities. But we've always been very well aligned with our partners. Yes, collaboration is important, although in our vocabulary, we prefer the term partnership.

**Interviewer**

Alright, "partnership," understood. So would you say it has always been part of your approach or has it become easier over time?

**Participant A1**

It's always been there. Even my grandfather operated that way. He was very aware that the success of a company depends on the whole team, not just on one charismatic founder. Even if he was the one driving the vision at first, of course. My father was also always very open to expertise, both internal and external. Seeking input from outside, forming alliances... At the family business, for instance, we expanded through joint ventures. When it came to internationalization, we never did it alone. We built relationships with clients and then started local production. That's collaboration. Some of those partnerships worked really well and are still going strong today. Others failed. And that's what's interesting: failure is often due to collaboration issues, not necessarily to the business itself or the product's success. It happens when one of the two partners is no longer aligned or when a partner lacks transparency or no longer shares the same interests or vision. So collaboration, which we refer to as partnership, is one of our top three core values, along with sustainability and entrepreneurship/innovation.

#### **Interviewer**

Precisely, we'll come back to this idea of sustainability in just a moment. But first, one last question on this topic. You're the only one from your generation on the executive committee, how does that work for you? How do you share your opinions and perspectives?

#### **Participant A1**

Just like everyone else. Within the executive committee, we have weekly meetings every Monday for short updates. Then every two weeks, we have a full team meeting, we usually spend almost the whole day on it. We go over broader topics, internal matters or anything concerning the family office A in general and we review all our investments. So I share everything that's going on. For example, I'll say: "This week, at the family business, this or that is happening." That creates debate and input from the rest of the team, which includes both external members and family shareholders, so it leads to very diverse discussions. I also structure communication with the shareholders via a digital platform called "Trusted Family", maybe you've heard of it. It's like a kind of Facebook for family businesses. Then we have more formal communication touchpoints throughout the year, like the shareholder forum and the general assembly. For these, we communicate in a very structured way through a comprehensive report. Several sections of that report are written by me, then reviewed within the executive committee and submitted to the board. It's the board that decides whether to submit the report to the shareholders. As for how I express myself, very openly. We're very direct in how we speak and one of our core values, which will soon be officially part of our revised family charter, is transparency. We share a lot of information and speak quite openly, but always within the right framework. Expressing my opinion has never been an issue.

#### **Interviewer**

Has intergenerational communication ever posed any challenges?

#### **Participant A1**

No, not really and that's largely because we've been lucky to have a very open older generation. Take my father, for example. He's a bit of a special case, he's part of the second generation but acts more like the *pater familias*, if you will. He was the eldest son and really took over the leadership from his father, significantly growing the company. So he had a kind of natural authority. But he's also someone who listens a lot and is very open to other people's opinions. To give a concrete example, back in 2006, during the second family forum (at that time, the family 2 children were still quite young), we started discussing the idea of writing a family charter because we had heard about the concept. My father said, "Yes, that's a great idea. I'm already in contact with some associations. We'll bring in an expert to help us draft the charter." But we, the younger generation, still in our early twenties, said, "Actually, we'd like to do it ourselves." And he said, "OK, we can try that. It might take longer, it might be less professional..." In the end, if we're being honest, it took us five years to complete. We had lots of weekend retreats and long discussions. But for us, the process was very meaningful at the time and he

supported us throughout. So no, it wasn't a case of a patriarch saying, "Enough with the fun, here's how we're doing the charter and that's that." Not at all. Everyone always had the chance to express themselves. That said, maybe it's easier for me to say that. He's my father and I'm someone who finds it easy to speak up. If you spoke to my cousin, who's more introverted and further removed from the business (and in our family history, her mother was also a bit more distant than my father and she herself is not involved in governance, it's her brother who represents them), well, she might say, "Honestly, sharing my opinion and speaking up... not really my thing." To be totally transparent, the framework is there, everyone is given the opportunity to speak. But if some choose not to do so, that's their decision. That's how I see it.

**Interviewer**

Perfect, thank you. So let's return to one of your core values: sustainability. How is that reflected in your investment strategy? And if it resonates with you, is the concept of impact investing something that is used?

**Participant A1**

It often comes down to definitions. We don't explicitly say that we do "impact investing." But when you look at how private equity firms or direct investment companies define impact, many of our investments actually meet a lot of those criteria. We have fairly clear selection criteria. Today, the family business is still our largest holding, roughly speaking, it still represents about three-quarters of the portfolio. Then we have direct investments in companies, there are 27 of them. The fact that we allocate capital to 27 business projects, for me, that's already creating impact. But our selection criteria operate on multiple levels.

First, at the people level, we look closely at the management team we'd be working with. What are the company's human resources policies? That's the first thing we look at when we evaluate a new opportunity. Then we have selection criteria related to the business project, the product or service must have a purpose. You could say every company has a purpose, but for us it means improving something, providing a solution. We also have sustainability criteria: sustainability policies, circularity and so on. There's a big discussion there: do we create more impact by investing in companies that are already highly sustainable or by investing in more traditional businesses that still need to transition, for example, to energy efficiency or stronger ESG practices? In that second case, we can have a lot of influence, especially on governance.

We're very close to these 27 companies and to the family business of course, because we're quite active on the boards, even when we're only minority shareholders. And we always keep ESG topics on the agenda. We ask about them, not to become bureaucrats demanding endless reporting, but we're now doing an internal review to assess where our portfolio companies currently stand, where we want to go further, where we should conduct carbon footprint assessments or double materiality analyses, for example. So yes, we do practice impact. Can we call ourselves an "impact investor"? I don't know, it depends on how you define the term. Recently I spoke with someone from another family office, they do roughly what we do, but with a fully impact-driven mission. And honestly, when I look at their goals and their approach, it's not that far from ours.

**Interviewer**

Yes, I've found the definitions are quite vague. It's often described as investments that have a positive impact on their environment, so it's still rather subjective.

**Participant A1**

Exactly. So is job creation or job preservation considered impact? For me, yes. Let me give you an example. One of our largest direct investments today is a German company that refurbishes trains and railcars. About ten years ago, they employed 600 people and were part of a large group. Originally, 200 years ago, it was a family business. Then it was sold to a big group, I think it was based in Canada and

that group planned to shut the site down. That would have meant 600 people in the region losing their jobs. So we, along with other investors, stepped in and invested. We redeveloped the company. Today they have nearly 500 employees again. It's a great company that's doing really well and it's aligned with key themes. There's circularity, we take old railcars and turn them into new ones. It's aligned with sustainable mobility. It's a 200-year-old business. It's regional. It provides 500 jobs. So for me, that's impact. And if we hadn't invested? It would've been shut down.

**Interviewer**

And for the criteria you mentioned, are they systematically applied to every investment or does it depend?

**Participant A1**

That's our initial screening grid, so yes, we apply it right from the selection stage for new investments. It already eliminates opportunities that don't fit those criteria. Then, during the ongoing follow-up, we use them as development criteria. Of course, we can make exceptions, but only for good reasons.

For example, we invested in a wealth management firm in Flanders, kind of like a private bank or investment company. At first glance, it didn't really match our thematic focus. But we did it for strategic reasons, for the network, the expertise and the connection to other Flemish families. Otherwise, we really try to ensure that all our investments align with our themes and criteria.

**Interviewer**

And how did the notion of sustainability emerge? Is it a recent value or has it been present for a long time?

**Participant A1**

In my view, sustainability has always been present, though depending on the themes of the time. You have to know that my grandfather created the company in 1950, initially as a distributor of household products, importing "Vileda" cleaning products into Belgium, those little yellow sponges that still exist today. At the time, synthetic plastic materials were new. Gradually, as he was a very visionary and curious person, we began producing our own synthetic foams. Today, when we hear all the "plastic-bashing," it can sometimes be difficult to understand. We have synthetic foam solutions that actually have a very positive impact, for example, by making vehicles lighter, improving insulation or protecting goods during transport. That contributes to the overall product life cycle in a positive way. So sustainability in the product has always been a core theme.

In the 1970s, when there was a major oil crisis, everyone started insulating their buildings. We came forward with insulation solutions, which were quite new at the time. Initially it was for economic reasons, but in retrospect, it was also sustainable. We faced another big crisis in the 1980s, the ozone layer hole. As foam producers, we were using a blowing agent, similar to the one used in hairsprays back then. So we had to completely rethink and redevelop our processes.

Today, we produce a large portion of our energy ourselves. We recycle all our internal waste. So yes, we are highly sustainable. Of course, there's still more to do, we need to go further in incorporating recycled materials. But sustainability is truly in our DNA and we're not afraid to say so. Even as producers of plastic materials, we consider ourselves highly sustainable.

And I don't think it's our generation that brought that in, my grandfather's generation was already very aware of these things. My father and his sister too. And the family 2, absolutely.

If you Google "family 2," you'll find a major project in the region. They were the first organic farmers in Belgium. They launched a regional circular economy project that includes a hotel, golf course, bakery and restaurant, fundamentally sustainable initiatives. So no, I can't say that we're the ones who introduced sustainability. And we also have to acknowledge that this comes from the companies

themselves. At the family business, we *have* to ask these questions, for talent retention, for employee engagement, for reformulating our materials and improving energy management. We simply can't afford not to be sustainable and it wasn't just our generation that made it happen.

**Interviewer**

And today, would you say your generation still aligns with those principles? Or do you see a desire for change or new directions?

**Participant A1**

It's actually the opposite. Now we're seeing the next generation getting involved. This year, four of them will join the forum, they've completed their training cycle and are old enough to enter the shareholder forum. And for them, of course, this is the central theme. It's your generation, it goes beyond just sustainability. It's about resource management. It's no longer about growth for growth's sake, it's about circularity. But it feels natural now. We really don't have a choice anymore. We're not operating in a mindset of maximizing wealth with a pure financial logic focused solely on performance and returns. We have very clear exclusion criteria for investments and yes, these can lead to debates nowadays.

For example, we've excluded anything related to armaments. But we're realizing that when we invest in tech start-ups, some of them are developing projects involving micro-motors used in military tanks. That has become a very different and more nuanced topic today. So yes, we have to adapt, I think sustainability will evolve with the generations. If you had told me five years ago that we'd reopen the topic of defense, especially in our branch, which had been very categorical and said, "Absolutely not", I wouldn't have believed it. Same goes for gaming. We also had decided not to invest in that sector. And now? It's being discussed again. Today, I'm thinking, there is an aspect of defense and another dimension too... so yes, the world is changing.

## Appendix D: Interview transcript participant A2

### Interviewer

First of all, could you please introduce yourself? Who are you and what is your role at the family office A, etc.?

### Participant A2

My name is Y. I was born in 1951, one year after the family business was founded in 1950. I studied economics at a university in Wallonia, which later led me to join the board of what is today the management faculty of that same university. Back then, it wasn't yet called a governance board but simply a board of directors. I became its chair and led the process of merging it into the university. That's my connection with the school, a truly rewarding experience. It also allowed me to reconnect with university friends who had become professors and so on. After my studies, I spent two years as a teaching assistant in political economy at the same university. Then I joined the family business, which was created and led by my father. I spent my entire professional career there. I quite quickly took on what we would now call the CEO role, back then it was called Managing Director, when I was 31. My father wanted to retire relatively early, at the age of 55. It was obviously a bit stressful at first, but extremely enriching, the opportunity to shape a company culture, a business spirit and so on, over the course of a long career.

After about 20 years as the operational head of a growing group with several sites and subsidiaries, I started appointing professional, non-family managers. I initially brought in an uncle as CFO and my brother managed the U.S. operations. At one point, we split the activities between the U.S. and Europe and my brother went his own way. After about ten years, my uncle also shifted paths. That's when I built a professional management team and I had an excellent collaboration with a CEO who held the role for about 20 years. I remained an active and involved chair, without stepping on anyone's toes. The roles were clearly defined and respected and it worked very well.

Once I was no longer managing the daily operations, I started diversifying my activities, mostly opportunistically. People would approach me: "Would you be interested in joining the capital of this company? They're looking for new shareholders to succeed the founder." So I did that, then a second investment, then another company and so on.

In 2003, after the split with the U.S., I needed an equity injection because we had bought out my brother's shares through a share buyback. That's when family 2 joined us. With X, we started developing a more structured approach to private equity or rather, business support. We adopted a long-term, patient investment philosophy.

Three years and a few months ago, I stepped down as chair of the family company. And about a year later, I also stepped away from managing the family office's day-to-day operations. X succeeded me in that role. That's a bit about my journey. I've always made sure, throughout my life, to also be involved in philanthropic or nonprofit activities outside of my professional responsibilities. It broadens your perspective and is also very refreshing.

### Interviewer

Why did you create this family office? Was it about supporting companies, taking advantage of opportunities or was there another motivation behind it?

### Participant A2

At first, it had a different name, it was simply a tool to pool the shares that my two sisters, my brother and I received as a gift from our parents. When my brother left, we then created the family office, which absorbed that first structure. That was in the late 1990s, so quite a while ago. Actually, there was

another rationale too. We wanted to separate non-core or non-operational assets from the family business and place them in a separate structure.

At the beginning, that meant housing non-operational real estate, stakes in other companies... There were also private residences, like my parents' home, which was still owned by the business, we removed it from the company structure. Eventually, we contributed our shares in the family company into the first structure to consolidate everything under a single holding, making it the group's umbrella entity.

**Interviewer**

Do you consider your structure to be a family office?

**Participant A2**

Not really, to be honest. I've never run a family office in the strict sense and I believe there are as many ways to run a family office as there are families. We never intended to do more than invest and maintain a stable shareholder base. So all the other roles that some family offices take on, like organizing vacations, managing children's education and so on, it can go much, much further... but we don't do any of that. That said, today and this has come with the next generation, it's Participant A1 who is now leading that aspect, namely the integration and education of the next generation.

**Interviewer**

And internally, what name do you use to refer to the structure? Do you have a specific term?

**Participant A2**

As for non-investment activities, that's everything that happens within the *family forum*. The family forum is a formal annual meeting that lasts a day and a half, sometimes two days. All family members come together, the shareholders are represented through the family branches. So currently, there are only four shareholders and those four branches are now composed of about a dozen individuals. Or perhaps more, I'd need to double-check the exact number. Things like initiatives for the younger generation, philanthropic activities, all of that happens within the forum. It really gives individuals a voice. But when it comes to business matters, decisions of the general assembly, for example, those are strictly made by the four shareholder branches.

**Interviewer**

If I'm not mistaken, you had two sisters, right?

**Participant A2**

Yes, I have a younger sister who is still very much with us and another sister, who was the third in line. I'm the eldest, my brother was second, the first sister third and the youngest is number four. The third passed away five years ago. She had the most children, four. The others each have three.

**Interviewer**

And were all the family members equally involved or were you the most active one?

**Participant A2**

No, I always made sure to be very transparent, to share all information, even when it wasn't asked for. One of my sisters really wasn't interested at all. The other was genuinely interested, but she wasn't a businesswoman. They always trusted me and things happened in great harmony. We helped each other when needed. When we had the split with my brother, it was also emotionally difficult for everyone. At one point, both brothers-in-law faced some challenges and we made arrangements, either through loans or allowing them to sell a few shares, to help them get organized. One of my sisters went through a divorce and had to move, buy a new home and so on and we always found solutions.

**Interviewer**

So there's really a strong spirit of mutual support among you.

**Participant A2**

Yes and that spirit continues today, though it's becoming more complex. There are more people around the table now, with very different interests, backgrounds and life experiences. In the fourth generation, there are already some who show real interest. In the third generation, we have three or four who are engaged in the business, either as board members or by following some of the portfolio companies more directly, like X and Y. That's how things are evolving.

**Interviewer**

And how would you describe your own motivations, your approach, your personal code of conduct, so to speak?

**Participant A2**

Ah, that's a good and tough question. Let me go back a bit. When I took on leadership or even before that, as a young executive, I only had five or six years before making a key decision... or maybe it was seven or eight. I was working in a company still heavily dominated by the founder, my parents, as a couple, saw the business as their personal asset. That was quite common back then.

So I had to bring order to things. That experience taught me some important principles, especially about managing both a family and a company. Being factual, being objective, avoiding emotional spillover from family into business decisions, those kinds of rules. And since my experience with my sisters was so positive, I told myself: we need to replicate this with the next generation. I've really internalized the idea of good governance. I believe it's a *sine qua non*, a foundational condition, for a shareholding structure to function well, for a board of directors to be effective and for collaboration between shareholders and management to be fruitful.

So that's how I'd describe myself. And from that mindset comes a sense of transparency, a degree of kindness, it's true. Some say I'm a bit naive, I've made mistakes, I've trusted too much. Others say I'm too humble. I'm not the flashy, "bling-bling" kind of leader. I don't like the word *charisma*, I don't think it has anything to do with proper management. In the end, I'm just a very normal person, at the service of my family and my business, trying to move things forward and most of all, to feel good about the people I work with. That's still a very important thing for me.

**Interviewer**

And how would you describe the two generations that follow you? Are there a few keywords or traits that, in your view, define each of them?

**Participant A2**

There are those who are involved, right? The one who is 100%, even 1,000% committed is *Participant A1*. I also have a nephew who's fairly engaged, but more out of personal interest, let's be honest. What was the phrase he used again? Ah yes: "We have our lifestyle," and he wants to make sure that his family can maintain a certain standard of living. He's my younger sister's son.

As for the children of my sister who passed away, the four of them, it's more difficult. Their parents had a pretty toxic relationship, full of constant tension and that left its mark. One of them is doing his best. He's a board member of the structure. He struggles a bit, even though he earned a bachelor's in international business. But there was never much motivation. So that branch of the family is more passive, they tend to just go with the flow. They lack confidence. So yes, it's a very, very diverse generation, in terms of personalities, lifestyles, aspirations, even cultural backgrounds. Dominique's children are more French, mine are more German, German-speaking and the other sister's children are



from yet another region. So we have very different profiles. Sometimes even the vocabulary doesn't carry the same meaning for each of them.

But it all goes well. That said, I do sometimes get extremely frustrated by the lack of interest, like when, at the general assembly, certain young people only "wake up" when we start talking about dividends... that really annoys me. I try not to show it.

**Interviewer**

And how would you define collaboration?

**Participant A2**

At what level? Between shareholders?

**Interviewer**

Yes, among shareholders, is there a real sense of teamwork? You mentioned that transparency is important...

**Participant A2**

Yes, so the way we collaborate... if we're talking about the family structure's executive committee or the board of directors: The board works well, especially because we have truly independent directors. We really try to operate like a well-run business, with everything that entails. At the board level, we're very mindful of conflicts of interest and very transparent when they exist. As for the executive committee or *comex*, it has evolved a lot in recent years. At first, it was just X and me. Then Cathy joined us. Then we brought in a chartered accountant for everything related to administration, finance, etc. Over the last two or three years, we've hired three investment managers. There was also another important member of the executive committee, not full-time, but crucial, highly skilled in stock investments and very well-connected in the regional business world, since he had previously led BANK X Corporate.

So today, the team is more structured. We have weekly meetings, relatively informal and a *comex* every two or three weeks. That's the actual decision-making body, where we decide what to submit to the board. Collaboration is really enjoyable. Everyone is very independent, we follow the mandates we're responsible for, we inform the others about what's going well... and especially about what's not going well. We brainstorm together when it comes to solving issues or dealing with challenges. It's great, very pleasant to work together.

**Interviewer**

Perfect, thank you. And regarding impact investing, I believe Participant A1 mentioned some criteria you apply? Could you tell me a bit more?

**Participant A2**

In the beginning, as I said, our investments were very opportunistic, we followed what came along and what appealed to us. Then we defined four main themes. Aside from the area of health and demographics, most of them are focused on green sustainability. There's mobility, especially soft mobility, rail in particular. There's also what we're doing in agriculture, chemistry, biology, etc. APO... I don't remember exactly what we call it. So yes, we have these four pillars, plus a fifth one we call opportunity. That one is for occasional, *ad hoc* deals that arise.

As for impact: we really want to invest in management teams that are high-performing and ambitious *but also* have a strong sense of societal and social responsibility. We like companies that create a lot of jobs. We have an industrial DNA, so we prefer the "hard" over the "soft". Environmental aspects, regulatory compliance, that's really in our DNA. And we pass it on or even implement it, within the companies we invest in. Except for the family business, where we are the majority shareholder, we are

*minority shareholders* in all the other companies. We partner with sector experts or recognized investors, people we can trust and work well with.

**Interviewer**

And who introduced the notion of sustainability into your investment choices?

**Participant A2**

When it comes to investments, it clearly came from the next generation. But within the family business itself, I've always lived by it, preached it and invested in that area. It's been there for a very, very, very long time... You could say it's practically in our veins. We have to acknowledge that we're processors of plastic materials, which makes it delicate. We used fluorinated gases, CFCs. We worked with substances that later turned out to be toxic or at least problematic. So when you start with something innovative and later realize it could have a negative impact... it leaves a mark.

It's part of my life. The anxiety, the fear of not being able to replace CFCs when they were set to be banned, with only six or seven years ahead after the Montreal Protocol, that stays with you. And the fact that we quickly and originally found other sustainable solutions, that gives you confidence. It reinforces your ability to make similar decisions in the future. And indeed, in the family company, we do a lot. It's a very green environment, pleasant as a workplace. There's no air conditioning, but we have tall trees that provide shade and so on.

**Interviewer**

So, you say the next generation brought this concept into the investment side, how did that manifest?

**Participant A2**

Yes, absolutely. What the next generation did, more than anything, was formalize it. They said: "This is really important. We're putting this front and center, it's part of our identity."

**Interviewer**

Were you aligned with that principle? How did it go? Were there tensions or disagreements?

**Participant A2**

Not really, not really. Within the board of the family business, where we also have independent directors, these topics do spark discussion. For example: "Aren't we maybe going a bit too far with this sustainability committee? Are we being holier than the Pope?" So yes, there are discussions, but no tensions, really. There was one independent board member who once told me: "You're a bit too *gold-plated* for an industrial company." He used to be the CEO of a major company in the petrochemical sector. A remarkable man, I learned a lot from him. But when it comes to the next generation and to certain individuals in that generation, especially from the larger shareholder branches, like mine and the family 2, it's genuinely important. And the family 2 are organic farmers. There's quite a bit we have in common, it goes beyond just being partners.

**Interviewer**

Could you give me a concrete example of an impact investment you've made? Participant A1 already mentioned one related to trains, if I'm not mistaken.

**Participant A2**

Yes, it's a company that was originally the invention of two men, one Belgian, one German. It dates back about 170 years, I believe. The company developed over time and was eventually integrated into a multinational group. That group had many factories around the world and decided to shut down the German site near the border. Some German friends of mine told me about it. They said, "There's a site manager who's truly exceptional and really wants to keep the operations going. All we need is capital to restart the activity." When I brought this idea to my partner and *Participant A1*, she was thrilled. She

said: “That’s fantastic! Rail transport, that’s exactly where we should be investing.” So we did it. Thankfully, we were able to save 500 jobs. The number had dropped to 350, but we’re now back up to 500. It’s a fantastic company that, with far fewer resources than groups like Alstom, Siemens or Bombardier at the time, manages to do truly innovative work in the rail sector.

Another more recent impact investment: Personally, I’m very sensitive to the issue of accessible housing for all layers of society. Among other roles, I chair a *social real estate agency (AIS)*, which acts as an intermediary between landlords and tenants with very limited income. It works well. There are AIS agencies all across Wallonia, they’re excellent tools. In the German-speaking community, we also have a public housing organization, but it’s still quite administrative and political.

Beyond intermediation, I became interested in private investment in social housing. Our family structure got involved directly, with the underlying idea of encouraging public authorities to support this type of initiative. We partnered with an impact-oriented investor, a social enterprise active in this field elsewhere in Belgium. Today, the ownership structure is: 25% them, 25% us and 50% the German-speaking community. We’re still in the early stages. We have around thirty housing units so far, but we’re continuing to build. Here, the objective is clearly low return. There is still a slight requirement for returns, since the other company, in Brussels, is a *SIR (regulated real estate investment company)* and is legally required to distribute dividends. But the returns remain very reasonable and we’re able to do the work. We’ll manage even better when construction costs return to more normal levels, which, at the moment, they haven’t.

#### **Interviewer**

And when it comes to all these impact investments, how do the less involved family members or those more focused on dividends, react? Are they interested or do they mostly stay on the sidelines?

#### **Participant A2**

No, they don’t really react, not by saying “wow, that’s great,” nor by saying, “no, I wouldn’t do that.” The same goes for philanthropy. They go along with it, but from a distance. They wouldn’t take the initiative themselves. Well... some people don’t do volunteer work, that’s just how their lives are. It’s different, that’s all.

## Appendix E: Interview transcript participant A3

### Interviewer

My first question is: could you introduce yourself? What is your role in the family structure?

### Participant A3

To briefly summarize what the family structure does: it's a multi-family office based in Belgium, but also active in the surrounding region, Belgium and neighboring countries, particularly quite active in Germany, for example. The family office has decided to invest its wealth directly into companies, what we call private equity, in businesses from the region. The idea is to stay close to these companies and also to the managers. That's exactly what I've always done before, though for different private equity funds.

So within the family office, my role is to identify private companies that are relevant for the family office A's strategy, depending on the themes, the size or the expected returns. I oversee the whole transaction process: from analysis/due diligence, covering all the company's dimensions, including financial, legal, human resources and ESG evaluation, to investment. I also stay involved during the entire holding period. We are more of a long-term investor, unlike classic investment funds, which are required to exit after 5 years. That's part of their statutes. Here, it's different, but if we ever decide to sell a company, I also support that sale process. During the holding period, we also support the company through board representation. So we have access to all the company information over the years and take part in decision-making with the other board members and management. These decisions may touch on any aspect of the company's life, including impact and sustainability.

### Interviewer

Perfect. And would you consider this structure to be a family office?

### Participant A3

Well, that's another debate, the eternal question of what qualifies as a family office. We've had many discussions about it. For me, it was the first time I worked for this type of investor, before, I always worked for investment funds. So at some point, I asked: "What is this structure exactly? Do you consider yourselves a family office or not?" Because people often said, "No, it's a family investment vehicle." Well, what's the difference with a family office then?

Apparently, there are also support services provided to shareholders beyond simply investing money. But to sum up, yes. Yes, it is a family office. To me, a family office is about managing the wealth of one or more families. Managing meaning: investing it across various asset classes. Here, they chose private equity as the main asset class.

### Interviewer

And how did you join this family office?

### Participant A3

There were several aspects, some more technical, others based on personal conviction. I had worked for various generalist private equity funds. At one point, I became less convinced by the traditional approach used by these kinds of investors. Over the long term, companies are often bought and sold, sometimes from one fund to another, even a second, third or fourth time, each time with more debt layered on. Or at least with leverage in general. You can very well generate good returns at the fund level. But in the long run, since there's always more debt being added and cost-cutting involved, there's always an investor in the chain who doesn't make a return or even takes a loss. So on the whole, the company itself hasn't really created value over time. And for the company, in the broader sense, that means there wasn't real value creation within the company. That convinced me that a long-term investor is more capable of creating value in the broader sense and that it's also simply healthier. That

was one point. The second point was about the verticals, the industries that create long-term value and have a positive impact on society. And so I found both aspects reflected in the family office, which aligned with my convictions as compared to traditional funds.

On the other side, there was also the human element, the team behind it. Actually, I knew the family quite well. Well, maybe that's a bit much, I *knew* them. They live on the same street where I grew up. So, small world, as always. They had a good reputation. I also had a great feeling with the other family I met during the interview and recruitment process, which was another positive point. And then there was the working setup, the fact that it allowed me to work in my region. Personally, I had wanted to come back for a while. I used to work all over Western Europe, Munich, Frankfurt... So that was a personal reason as well. So there you have it: the investment approach, the human element and team and the personal reasons related to working conditions.

**Interviewer**

And from your point of view, do you observe differences between generations?

**Participant A3**

There might be a difference in the type of companies they're interested in investing in. I think the previous generation is, but this is, I believe, somewhat classical, more inclined toward a certain investment category... You know, within sustainable investing, there are several categories, right? There are people who lean more toward philanthropic investing or really strong impact investing. And then others who are more traditional, purely financial investors, where impact isn't really a consideration. So, there are sometimes two categories: One category involves investing in sectors or companies that, by nature, are already in a sustainable activity, for example, a company that helps others transition to renewable energy or a company in the digital sector. So, by definition, those are already quite strong from an ESG standpoint, simply because of the sector they're in. That kind of investment tends to interest the younger generation more. And often, these are start-ups.

The previous generation was more interested in traditional, mature companies, also lower risk. The idea was to help those companies do better than the others, by pushing them to integrate ESG. Like, for instance, the main company of the family office that works in synthetic foam extrusion, plastic or a glass manufacturer. These are industries that consume a lot of energy. But they are also necessary sectors, we need glass for construction, etc. So, perhaps the potential is lower in terms of returns, but the risk is also lower. That's a difference I've noticed.

**Interviewer**

Okay and what's the level of involvement of the two generations?

**Participant A3**

That depends, you may need to clarify a bit. Obviously, there's an operational team that is actively involved and I'd say it's mostly one generation that's represented there. But in the shareholder group, you have several generations. By nature, a shareholder is less involved than the operational team.

**Interviewer**

So perhaps among the shareholders, since there are multiple generations, they're not all equally involved. But do the less involved still have a say? Or is it that if you're not involved, you're really *not* involved?

**Participant A3**

The generational difference, I'd say... doesn't really exist in that regard. In the younger generation, some people are motivated, involved and interested. And others simply trust the process and say: "Okay, it seems to be working, even if I might not fully understand it" or "I didn't have time to follow everything closely." But it's the same in the older generation, honestly. I've never been struck by a major difference

between generations. You can often see more variation *within* each generation. In a single generation, you can have someone deeply committed to sustainability and someone else who doesn't care about it at all. It probably depends more on personal values, how people were raised and their background.

**Interviewer**

Got it. And in your own way of working, your approach to interacting with different people, do you adapt your communication style depending on the generation? Or not necessarily?

**Participant A3**

No, not necessarily. No, the generations are quite aligned, actually. So, I don't feel like I need to adapt my messaging to convince different generations.

**Interviewer**

And if you had to describe the mindset and motivations of the two different generations, what would be some keywords you would use to characterize them?

**Participant A3**

One key characteristic for all shareholders is really the human aspect. Either the human side within the family office itself or the human element in the portfolio companies, so, the employees who are somehow dependent on the family office as a shareholder. But also "human" in the sense that if we bring value into the world, it has a positive impact. So, it's really at several levels. I don't really have a ready-made answer. Or maybe if you could reformulate your question a bit, I might be more creative.

**Interviewer**

It's more about whether there are any clear differences specific to one generation. Like: "For sure, they would do this." I know it's not always black and white, but if there aren't any striking differences, that's also a valid answer.

**Participant A3**

A little, yes, but that's kind of expected. The previous generation is perhaps more characterized by stronger family ties. But at their time, there were simply fewer people involved. And obviously, as generations continue, there are more people around the table. So the level of closeness between individuals is decreasing. That's why it becomes increasingly important for the family office to be professional, rather than purely family-driven, to maintain trust.

**Interviewer**

Right, so that's something that has evolved gradually as new generations joined?

**Participant A3**

Yes, yes.

**Interviewer**

And would you say that collaboration is important in the family office? Things like teamwork, communication, transparency?

**Participant A3**

Yes, that's definitely a very strong point in the family office. Everything is very transparent. And generally speaking, there's a culture of openness, if something isn't working, people are not afraid to say it or to share if they're feeling uncomfortable. That applies within the team, but I also feel it's true within the family and among shareholders.

However, one thing we've noticed and maybe this is worth pointing out, is that while transparency is always there, younger generations sometimes... I don't know if it's fear or simply that they're not yet

comfortable or they feel they're still "too young" to speak up or ask questions. Maybe because the older generation still, I wouldn't say has "power," but they hold a dominant position. They're still the ones speaking the most, holding the leadership roles, board presidents, CEOs, etc.

They're still the primary representatives of their respective family branches. In the end, there are only four main shareholders, but within each branch, there are many, many individual shareholders. So yes, I think we need to be mindful and find the right balance.

**Interviewer**

Let's move now to the topic of impact investing. When you're scouting or prospecting new companies, do you have clear criteria to follow, especially regarding ESG or sustainability?

**Participant A3**

Yes, we do have defined areas of interest, so in that sense, yes, there are clear criteria. For instance, those sectors include sustainable mobility, we've invested in rail transport, for example, renewable energy and bio-based construction materials. That's a way of defining priorities through industry focus.

As for clear ESG criteria that apply to all types of companies, yes, we do have some, but we could still improve them. To give you an example: on the "G" side, governance, we always check if there are independent board members. We also look at whether interests are aligned between all shareholders and the management team. For example, do they have a share ownership or incentive plan? That matters to ensure stability and avoid jeopardizing the company.

So yes, on governance, we do have criteria. I'd say we also have transparency-related expectations, not necessarily requiring a certain standard, but rather the ability to show us certain things. Like workplace accidents, they should be able to report them to us. That doesn't mean we require a specific figure, but they should at least know where they stand, ideally within the industry benchmark, even if we don't always know that benchmark ourselves.

So that's the kind of approach we try to take. We always ask: "Do you have an ESG strategy or a sustainability strategy?" We don't necessarily require strict thresholds, it's more like: "Have you started thinking about this or not?" So we evaluate where they stand in terms of ESG maturity.

**Interviewer**

And I imagine these criteria also evolve over the years? The expectations change?

**Participant A3**

Yes. Honestly, during the time we're invested... yes, there's work to be done at every step. There's not really a clear plan, because the criteria themselves aren't always clear either. In general, there's no standard guideline like there is in finance, where you'd say: "You have to look at EBITDA," for instance. So it depends, it also depends on regulations. Like the CSRD, which criteria are the most important? So yes, it evolves.

**Interviewer**

And do you feel that one generation pushes more than another to strengthen or tighten ESG criteria? Or not necessarily?

**Participant A3**

Not necessarily, no.

**Interviewer**

And maybe, if it's possible, could you share a concrete example of an impact investment made through the family office?

**Participant A3**

We invested in, I'll maybe take the most recent one. It's an investment in a Brussels-based company. It's a consulting firm that helps businesses optimize their energy efficiency. That means either consuming less or consuming through direct contracts with renewable energy producers. So for example, sourcing electricity directly from a wind farm. The idea is really to green the energy consumed by companies, which obviously contributes to optimizing the energy market in general and making it more sustainable.



## Appendix F: Interview transcript participant B1

### Interviewer

So I had a talk with your uncle, right ?

### Participant B1

Yeah, yeah, it's him.

### Interviewer

Perfect, maybe you can start by introducing yourself. What do you do?

### Participant B1

OK, so I'm part of Participant B2's family, he's a brother of my mother. I am 25 years old. I worked for two years as a strategy consultant at Bain & Company, from which I resigned about a month ago. So now I'm in between jobs, looking for my next adventure. I haven't found it yet. I studied business engineering, so I have an economic background and I guess that's what's important for you to know. I live in Brussels, in case you wondered.

### Interviewer

OK and what is your involvement with the Family Office? Do you have an active participation in it or are you aware of what's happening?

### Participant B1

Also, basically, our family was a bit divided into two. So we have the generation of my uncle, so my mother as well, they are one family and they were the ones that founded this office. So it was just the five of them at first. Now, they also include their partners in both of the decisions, if not all, I'm not sure of that. And then we are the so-called next generation. So me and my cousins, we're 11 and we're all part of, like, this Home Office or... yeah, family office. But none of us take an active role in the office. We do gather, but that's more based on personal initiative than for the office itself.

### Interviewer

And would any of you be interested in taking, maybe later on, a more active contribution into the Family Office?

### Participant B1

I'm not so sure about that, because most of us of my generation don't have an economic background. And those that do have not really shown any interest so far. Me neither.

### Interviewer

And why is that, if I can ask?

### Participant B1

I think it's just... personal interest. For me, for example, I don't see myself. I'm not that into investing, private equity. It's just something that doesn't generally interest me, so I don't see myself taking a role. Perhaps because our Family Office is a bit twofold... I don't know if my uncle explained that but it's both the financial aspect and also, like, the... I would call it an emotional aspect, in a way. So we... no, not really... but like a supportive aspect, where the office also helps us as the next generation to guide us through life. So if we have any particular question, on buying a house or whatever, we can also come

to the Family Office to ask our questions and they will, to the extent again, they will help us out. So it's more than only investments.

**Interviewer**

And could you describe your mindset and your motivation in your work life or in your life in general ?

**Participant B1**

For example, for me, I'm very ambitious. I'm adventurous and ambitious at the same time. So I really like to enjoy life as much as possible, like going on holidays, exploring and seeing my friends. But at the same time, I'm also very ambitious. So whenever I do something, like for my job, for instance, I tend to do it well and to give my 100%.

**Interviewer**

And what does family represent for you?

**Participant B1**

That's a broad question. It's about love and support, unconditional love and support. That's what family is about for me. You don't choose your family; you do choose your friends. So your family will always be there and therefore you need to be more tolerant towards each other. More... yeah... understanding, supportive. That's two main pillars for me: love and support.

**Interviewer**

So you're not really involved in the family office, but do you care about the way the investments are made? Would you care if they invested, for example, in weapons? Or do you just not really care?

**Participant B1**

If you want, I can answer it from my perspective. I can also give you a more broad answer as to how these perspectives differ between the people in our whole family. I don't know if you had that question already as a follow-up?

**Interviewer**

Yes, that would be very interesting, thank you.

**Participant B1**

OK. So I'll start with my own perspective. Yes, for me, I'm from this newer generation and that's, in general, a trend you see: the new generation cares more about the environment, about the planet and about people. So I think ESG is super important. It's becoming increasingly important and therefore it will also be reflected in the way people invest. However, given that I have this economic background, I also realize that if you solely want to go for returns, then impact investing is not... Then returns are not your main priority if you're going for impact investing. And of course, there are ways to combine both. If you truly only want to do impact investing and you're not convinced that that will give you the highest returns, there's obviously also emotional returns attached to that.

So for me, I would pay attention to what I invest in and I would not invest in weapons. But, for example, we recently had this discussion on palm oil and there I was a bit indecisive. Because I just think it's important to really read through materials from the company and understand whether it's actually bad to invest in it or not. Palm oil is a good example, because people always think that it's bad for the environment. But then there's also, like, soy, that is an alternative but actually that's even worse for the planet.

So there are always arguments. And I think, for me, it would not be a hard no if it's not an impact investment. But if I can combine both, then I would prefer that. And I will always try to get enough content or context to know whether it's really, really bad for the environment or for people. If so, then I would back off.

And then, as I was saying, there is this very interesting dynamic, it's funny to see how different people in our family have different opinions on this. What I understand or at least in our family that's the case, is that those who don't have an economic background (and now I'm talking about my cousins and nephews and nieces so 11 of us), those that don't have an economic background have a very strong opinion on impact investing. For them, it's really critical whether the investment is impactful or aligned with ESG norms.

Versus those that do have an economic background. And I think it's because those that don't have an economic background also lack a bit of understanding of how investing works. And they might not pursue the same monetary ambitions as the economic people do. Because, in the end, due to our studies, we are very much return-focused. Or at least, that's what we've learned or been taught to do. And I guess that's why there's a difference between us and them, between us and our parents. I think it's the same as you see overall in the world, that younger generations attach greater importance to everything ESG-related, versus the older generations.

**Interviewer**

Do you think the older generation is motivated to do it because they believe in it themselves or more because they are influenced by external pressure or maybe their children?

**Participant B1**

Umm... I think a combination of all of them. I think most of our parents, they listen to the news, so they are aware, they are educated. So I think our parents are already educated themselves, that's not what they're lacking. I think it's just... for them, it's a bigger change, because that's not how they were raised. So for them, they need... So for them, it's a bigger change to adapt to this new way of thinking. And that's where their children probably often take a place to convince them that indeed, this is important and that... yeah... climate and social well-being is important in our life.

**Interviewer**

OK. And did you have, for example, those conversations with your parents or uncles?

**Participant B1**

This thing... not really. About, like, actual topics from the news, etc., yes.

**Interviewer**

Is collaboration something in your work ethic that's important for you? Working with people ?

**Participant B1**

Just like a collaborative workspace, you mean? Yes. Yes. I think maybe it's personal, but I'm very much a people person. So for me, it's really important to work together with people to get results. I've only had one job so far, which was a consulting job and that's always in teams. So I didn't really have to ask for it, but I did actively seek a job that included teamwork.

## Appendix G: Interview transcript participant B2

### Interviewer

Could you, well, first introduce yourself, what are your daily responsibilities, your role?

### Participant B2

I'm the CEO, that's the new name or the one responsible for our family office, which is called Family office B, which manages the wealth and the fortune of one single family. And we're serving the second and the third generation of the family.

### Interviewer

And would you consider this structure to be a family office or do you call it another name?

### Participant B2

No, we call it a family office. It is really a family office.

### Interviewer

OK, perfect. And how did you end up CEO of the family office? How did you join it?

### Participant B2

Well, it is my own family. And I started the family office, actually on my own, well, me together with my eldest sister, we are five siblings. And we started in 2011 with a formal organization. Before that, it was just investment management. And since 2017, we have hired external people to join us and to inform us. And I became the CEO, my eldest sister, she's on a pension right now, so right now I'm the only family member that is active in the family office. Maybe I can explain the family first. So it is my grandfather started the company and that's, so let's call them, let's call him generation one, right? Yep. And he had six children, three brothers, three sisters. So that's generation two. And generation two has built the company into a big international concern. And they were responsible for the company from, let's say, the 1950s until when the company got sold in 1979. Yeah. In 1979, the company was sold and each of the branches, so each of the siblings, went their own way. There was no, there was no family office, there was no, the family wealth did not remain together. I mean, this was also another era where that was less common, that especially liquid wealth would remain together. My father then bought another company in 1981, which was sold in 1989. So he built up another wealth. And at that point in time, he was 59. And he decided he didn't want to start another company, another venture. So he started managing his wealth. So in terms of wealth management, I consider him generation one, while in terms of the company, he's generation two. So my father passed along the wealth to my generation in our branch. And I have four siblings, so we are five together. Okay. We decided that we wanted to remain together. And so we work within the family office as a generation two. Because we only work with brothers and sisters, not with nephews and nieces. We, from our side, the eldest, my eldest sister is 66. I am the youngest of the five and I'm 58. And we passed along or we are in the process of passing along the wealth to the third generation.

For the next generation, which is, in our view, a third generation in the sense that they were working nephews and nieces together. And not, it's more than brothers and sisters. And they are 11. Okay. If you want to know, my eldest sister has one child. My second sister has three children. My brother has no children. The fourth, who is a sister, has four children. And I have three children. So that's why we are 11. And they are aged between 34 is the eldest and 21 is the youngest.

### Interviewer

And so, how was it decided that you would be the chief executive officer of the family office? Was it a mutual decision for you to be CEO? Or how did that go down?

**Participant B2**

My eldest sister, myself, we both have a business education, a business degree in university. And one other sister too. But my other sister had her own company. And my brother too. So they did not have any interest to follow up on the investments. And I was working for another company. And I did it on the side originally. After my father actually has passed on. And then I worked together with my eldest sister. And then in the end, we decided that it would be good to have somebody who is dedicated to overseeing the wealth. And so I guess that's me.

**Interviewer**

And how would you describe your mindset, your motivation? In the way you work or you view the future of the family?

**Participant B2**

I don't have many expectations regarding the future of the family. Since we do not have an operational or legacy business anymore. It is not extremely important that the family stays together. Or the wealth of the family stays together. We have always said and this has been agreed with my brother and sisters and myself. Actually, in order to decide for the next generation, we have said we want it to be ownership by choice. So nobody is obliged to remain with the family office. And with the investment portfolio. If somebody wants to leave, he or she can, under certain conditions. So he cannot decide to leave from one day to the next, because I can't do that. But at a certain rate of 10% per year, so in a period of 10 years, he or she can leave.

Get away from the family office. This means that we as a family office need to be professional enough for them to give up their individual freedom in order to remain with the family office. Because when they adhere to the family office, they lose a little bit of freedom in their own way of managing the wealth and investing. So, it's always a question of what are the benefits and what are the disadvantages.

I don't know what you call the disadvantages. And so we have to make sure that the advantages are more important than the disadvantages. That's why we also hire external people. And this is how I am looking at it right now. I don't see myself doing this for a very long time. Actually, I want an external person to take over my role. Because for my brothers and sisters, I can be there. I get a lot of trust from them. And I'm very grateful for that. But for the next generation, I am either a father or an uncle. And it's a difficult position to be in.

And so I guess it's better if there would be an external person who takes over my role. Now, that's not really your question around my mindset on what I'm doing. It explains a little bit how I see the family office involved. My mindset or my, my reason for being here is, first of all, I like it. I like doing what I'm doing. I think I can handle the responsibility that comes with it. And I like to serve.

I consider the family office as an instrument to take the burden or the, the burden is a wrong word. But if you have, if you have wealth, you need to, to follow up on it. It's not a question of putting it at the bank and letting somebody else do it. So you have to take responsibility. And. And I take the responsibility and in that way, I help my brothers and sisters and my nieces and nephews in the next generation.

**Interviewer**

And is collaboration something that's very important in the family office? So do you have meetings and or is it more an individualistic situation?

**Participant B2**

It depends what you mean, but we have a lot of meetings with the family members because transparency is very, very, very important. I cannot get the trust that I get if I would not be transparent, 100% honest. So that's, I adhere very, very strongly to this honesty and transparency. So those are the most important meetings that I have with the investors, my brothers and sisters.

And on the other hand, I, we have four, we are four in the family office and we are, well, very close to each other, I mean. So those are the and then of course, we have external advisors. I have a board of directors with whom I'm regularly in contact. We have our investments with whom we are very much in contact. So it's not an individualistic thing, but it is individual in the sense that we are, we are not a sales organization. We're not a commercial organization. We only work for the family.

**Interviewer**

OK. And concerning those investing, do you do some sort of impact investing or do you have ESG criteria?

**Participant B2**

Yes, we do. We have some values which are defined by the family that we want to adhere to. And the family office is not, is there not to, not for wealth generation or for wealth creation. It's there for wealth preservation. And wealth preservation means that you need to be an investor for a long time. We act as patient capital and that's what we want to do. And in that sense, we want to make investments that are sure to be there tomorrow. And so that in that sense, we have an obligation towards our communities that the wealth we gather is there thanks to, okay, we were lucky, the company my father ran was worked well. So we're in a very fortunate position. And so we have to give back to the world and in that regards, it's unwise to profit from the world and to generate income or wealth or income profits to the detriment of the world or society or the environment. And since and when we do investments, we are not only looking at it as an investment manager, we're also looking at it as a father or a mother. And so our children, well, it's going to be difficult, but we want them to live in a world that is not worse than the world we live in today. And we can only do that by investing in companies that we think are doing the right thing.

**Interviewer**

Who first introduced the concept of impact investing?

**Participant B2**

Both generation I guess. I guess it came more to our attention because it was much more of a theme within society. If you look 20, 30 years ago, nobody was talking about impact investing or ESG, but because of the consequences of our economic growth and our way of living, you look around and you know that the world is not becoming a better place. And so that raised the concerns and changed the opinion within society. And we need to respond to that and it's our choice.

As I say, I also look at it as a father and not only as a manager. Now the next chance, the younger generation, they look at it too and we try to explain what we're doing. For instance, there was a and it's a very straightforward example. There was a palm oil producer that we invested in, it's called CPF, it's a Belgian company. And so we really got questions from the next gens, why are you investing in palm oil? And so we invited them to join us, to go and visit the company and to talk about their concerns.

And it's true that definitely not all palm oil is sustainable, is produced in a sustainable way. But on the other hand, the world cannot do without palm oil. Palm oil is used in a lot of countries as a major source of cooking oil. And so you better invest then in a company that itself is very much concerned about ESG

or RSPO in the case of palm oil. So we did that and that's what we looked for. And so it's not like, no, we're not going to do palm oil. No, if we do palm oil, we want to do it, but it's a company that is considered on these matters.

**Interviewer**

And is it something you think about for every investment you make?

**Participant B2**

Yes.

**Interviewer**

And could you maybe share a concrete example of an impact investment you made?

**Participant B2**

Well, I think it depends on the situation. Every investment we do has impact, maybe not directly, but since we, the example I gave from CPIF is very much an example of how it has an impact. The company has impact and we strengthen the company.

**Interviewer**

OK. And is it something that's supported by everyone?

**Participant B2**

It's everyone is in into the impact investment. It's very the mentality of the whole family and not just a few and it's always maybe, I don't know, a constant fight to to bring those values. No, it's definitely not a fight and everybody is aware, everybody is aware, but I wouldn't say that everybody is as concerned. There's different degrees. There are some people that are more concerned and others that are less concerned. But we tried to, actually it's the strongest opinion determine what we do. So we really look at everybody. But we try to make an honest and a detailed decision.

it's not that everybody in the world is saying, well, you shouldn't invest in palm oil, that we wouldn't do it. Or you shouldn't invest in weapons. Well, we don't invest in weapons because this is what we decided to do. But if you see now, a lot of investors are giving up on that principle because they say, well, yeah, but we need weapons. Well, no, we decided we don't or we're not going to do that, so we're not gonna invest. And others may do that. I don't care, but not us. Okay, yeah. Okay, perfect.

## Appendix H: Interview transcript participant C1

### Interviewer

First of all, could you please introduce yourself? Who are you? What are you doing in life?

### Participant C1

OK, so my name is Participant C1. I am forty-seven years old. I am a member of the third generation of my family. I am the chair of the board of directors of our family business.

We don't really call it a family office, but the definitions of family office are very diverse. We call ourselves more of an investment company because we mostly handle the family's investments after we sold our legacy business. We don't provide many services aside from that. We are not doing concierge services, nor helping with fiscal or legal issues, we leave that up to the family.

As chair, I am involved with the day-to-day alongside the CEO. We have close contact and we have an external CEO. I am the one in between the company and the shareholders, so I make sure that they get the information on time. I lead the board of directors and of course, I am also the person who represents the family and the company externally. Sometimes, I am also a mom of three children, so that's a big thing.

### Interviewer

You said you don't have a family tree but could you quickly explain it?

### Participant C1

Yes, I can explain it. So the founder was my grandfather. He had nine children, so there are nine branches. In my generation, the third generation, we are 28. Among those 28, we have more than 60 great-grandchildren, generation four, who are between one year old and 27 years old. So it's a very broad group.

For the moment, the third generation is the one in the board of directors and in the family council, for example. The second generation is still informed and still involved, but they are no longer in any position where they have to work. My generation has taken over.

Originally, we had a trading company in milk powder and butter. That was the company my grandfather founded. The company grew and together with my father and his brothers, they made the company bigger. With the profits from that company, they started to invest in other companies.

Today, the legacy business was sold in 2012. We are now an investment holding and we have investments in direct companies, in funds, in private equity and venture funds and also in listed equity on the stock exchange.

### Interviewer

And so you don't consider it to be a family office only because you don't do the typical family office services like you explained.

### Participant C1

Yeah, some people do call it a family office. It depends how strictly you look at the definition. So yes, if there is a family office gathering or we are invited, we go. But we are maybe a more strict or restrained type of family office because we don't provide many services to the family, just the investment part.

### Interviewer

And do you also have external people working?

### Participant C1



Yes. On the board of directors, we are nine: five family members and four non-family members. Of the four, our CEO is non-family. He is a member of the board of directors and we have three independent directors, non-family. At the management level, we have an external CEO, about eleven people working for him and only my cousin C is a legal counsel. Other than that, nobody from the family is working for the company.

**Interviewer**

OK, perfect. Why did you join and decide to take this position in the family structure?

**Participant C1**

That's a good question. I still wonder. Back about twenty years ago, the family decided that it would be good for someone from our generation to join the management team as an investment manager. We already had an external CEO at that time. So the family and the CEO agreed to open a procedure for family members to present themselves and have interviews with the independent board members.

I was working in London in a bank and I was at a point in my life where I wanted to see what to do next. They opened the process and I said, OK, I will try. If I don't get it, I will continue my career, no problem. If I get it, I can then decide whether to take it or not. I was selected together with my cousin C. We both joined at that time as investment managers, part of the team. Then, in 2018, my father was going to step down as the chair of the board of directors. The board asked me if I would want to become chair, which was a bigger step for me because it also meant leaving a bit the operational side, which I like. And I'm young, so it was a bit of a challenge, but I don't regret it. But it's more like an opportunity. It wasn't my path of life, let's put it that way.

**Interviewer**

And so were you mentored by your father and the board of directors?

**Participant C1**

Yeah, kind of. More as an investment manager, I was mentored by the CEO and by my colleagues. But when I joined the board, my father immediately left everything to me. It wasn't like he was trying to still be involved, which was good, because I also have a different style and a different way of working. But yes, the other board members helped me as well.

**Interviewer**

And how many members of your generation are actively involved in the family, you would say?

**Participant C1**

So only Clara as a management person. And in my generation, we are five in the board of directors as board members. And then we have a STAK, it's a Belgian STAK, so it's a structure that... it's a way to organize you as a shareholder and they also have a board. And in that board there are also five of my cousins that are involved. So actively involved quite a lot actually. If you count all of them out of the 28, I think probably 15 are actively involved with different roles. We have different roles, yeah.

**Interviewer**

OK. And what about the generation after?

**Participant C1**

They are not involved yet. We are just starting to give them information, to introduce them to what we do, to help them understand, which is not so easy. If you have one company, it's easy. We have different investments, so it's more about asset allocation, the selection of managers for funds or the selection of public equity. It's a different way of getting them involved. So for now, we are just introducing them.

**Interviewer**

And do you have some kind of program or is it more on opportunities to explain what you do?

**Participant C1**

We don't really have a program yet. We have to start doing that. But for example, we have an annual report that we publish. They receive it from the age of 18 and we also have a general session with all the shareholders. Those who want to join can ask all their questions in the general session, where everything is presented. But we also do an extra session just for generation 4, so they can ask questions at their own level. It's maybe easier for them and it's an opportunity to see each other in a different environment.

So we try to do it that way. That's the first introduction. Then we ask them, "What do you need? What would you like to know more about?" Sometimes they tell us, "Oh, we don't really understand how this works. Can you explain that?" Then we try to create something for them. But we don't have a structured program yet and maybe we should, because there are too many coming in the next years.

**Interviewer**

OK. And how would you describe your mindset, your motivation at work or personally?

**Participant C1**

That's difficult. I think we like to create value here and see that the portfolio grows, that the benefits grow. We also want to do it in a nice way, respecting our values, which is very important for us, in our daily life, in how we treat people, how we treat our investments, how we behave.

And when you see that this is reflected, then you're happy. It's more about seeing how you influence things or how you achieve results, that's what makes you happy. It's maybe not primarily the financial return. Of course that matters too, but it's not why you do it. You also want the portfolio to grow so that the next generation will have the same opportunities and can hand it over to their own next generation. That's what motivates us, I would say.

**Interviewer**

And personally, for you at your own level, is it the same motivation?

**Participant C1**

Yeah, I think so. Especially today, seeing the fourth generation grow up and how we can, in a way, help them sometimes.

Help them if they need an interview with a company or if they have doubts about what they're doing. They see us as trustworthy people they can go to and they ask me questions. That's nice to see.

For me, the biggest success would be if the fourth generation has their own life, that they are happy in their life and that they are happy shareholders. But their main identity shouldn't be "shareholder." It should be about having all the opportunities in life.

**Interviewer**

OK. And do you think your generation is different in the way of thinking and working compared to the previous one?

**Participant C1**

Yes, I think so. It's a different mindset, but there are also differences between people. Of course, we are 28, so everyone has their own job, background and family. The focus or the perspective can be different.

Maybe we are more used to an investment approach, whereas the former generation was more entrepreneurial. They still wanted to be in the company, to know the people. My generation is more like: "OK, it's an investment, we have a team that takes care of it, we don't need to be involved in that company." That's the difference, I think.

**Interviewer**

And with the next one?

**Participant C1**

Oh, I don't know yet. They're just learning. So it's a bit early to say how they will approach it, but they ask good questions.

**Interviewer**

That's good. And how would you define collaboration? Is it something that you actively seek in the way you work or is it something that's important for the structure as well?

**Participant C1**

And with whom, collaboration, if I may ask?

**Interviewer**

Collaboration between family members or people you work with in general.

**Participant C1**

Yeah, OK. In general, yes. Maybe first as shareholders: yes, we have to collaborate and we have to be able to discuss and decide things. It's constant work. It's important because the shareholders, even though they are not involved in the daily business, they represent the company. Our reputation is very important for us as an investment company. How they behave and how they see the company, how they give us long-term trust to continue what we are doing, is very important.

Collaboration is also essential because we work together with other families in businesses. Most of our direct investments are with other families, in partnerships. So we have to collaborate. This is a tradition we've had for a very long time. Our oldest investment, aside from the legacy business, is with another family since 1947. My grandfather and their grandfather started working together. Now my generation is a shareholder alongside their third generation. For us, it's important and we like it because you learn from each other.

You don't know everything. And then, collaboration with the people who work for you is super important. They have to be happy; they have to be respected, so that you can also expect them to do their job well. For example, in our company, everyone is a person and deserves the same respect, whether it's the cleaning lady or the CEO. We eat lunch together with everyone. It seems very normal, but in some companies, it's not. If I have a visitor and he doesn't say hi to the cleaning lady when passing in the hallway, it tells me something about that person. I think, "OK, I don't like that very much. You should say hi to everyone."

So for us, collaboration is important. People have to be happy in their job to perform well, but also simply to enjoy life.

**Interviewer**

OK, perfect. That's great. And how do you communicate your opinions, your perspective? What's your strategy to get a point across?

**Participant C1**

We actually revisited our strategy in 2020, which was a big exercise. It started in management with me and then it was approved in the board of directors.

We did a big presentation to the shareholders and we tried to explain it with a type of framework. We showed: “These are our investments today. These are the types of investments we make, for example, public equity, investment funds, private investments and these are the sectors.”

Then we showed a mapping of our current portfolio and how we wanted to diversify it. We always use the same matrix and every year it comes back in our presentations. We repeat it over and over.

We also have a one-page document that shows our values, what we want to do, what we want to achieve and how. Every year it comes back. Repetition helps people understand, because it’s not easy to explain what an investment company does and how to measure it.

As an investment company, you can do almost anything. You receive a lot of proposals, so you have to be selective. That’s why you need a framework and a clear strategy. I don’t know if that answers your question.

**Interviewer**

Yes, it’s perfect. And what values have you chosen and why?

**Participant C1**

We have values defined by the family, which we created together when we wrote the family charter. The company has its own values, inspired by those and they’re quite similar.

One of our values is to keep your feet on the ground and stay normal. You don’t need to think you’re better than others. Stay humble and realistic.

Another value, expressed differently, is “keep your feet in the mud.” It means you have to get your hands dirty, everyone has to do things. That’s how we were raised. The company shares this value too.

For example, if I’m here and the cleaning lady is on holiday and the kitchen is dirty, I’ll clean it up. I won’t wait for her to come back. It’s small things like that, but it also reflects the mindset that everyone needs to do the work.

Other values are respect, honesty and transparency. We chose them because they naturally reflect how the family operates and they guide how we select people in our company and how we behave.

**Interviewer**

Yeah, for sure. OK, perfect. And so in the e-mail you told me you don’t really define yourself as impact investors, but do you have some criteria?

**Participant C1**

Yes, of course. When I said that, it was because I thought you were looking for a family office that explicitly does impact investing and makes it a goal as such.

We don’t, in that sense. We are a long-term investor. If we invest in a direct company, in a fund or even in the public market, for us it’s always with a long-term view and long-term for us is 20 years or more.

I believe and I think we’ve always done this unconsciously, that when you are a long-term investor, you naturally take into account the impact you have. Because you’re going to be there for a long time, you have to take care of that company, of the people who work there and of the community in which it operates.

So for us, it’s more inherent in the way we do business and the way we select investments. We take a 20-year view: can we still be a shareholder of this company then? How will this company survive? What environment will it operate in? And what impact will we have?

So it's in that sense that we look at it. We do have some ESG criteria, but they are less formalized. Of course, we check that a company does not have a negative environmental impact, the usual things, but our objective is not specifically to improve impact.

We believe that if you invest in a company and want to hold it for 10, 20 years or longer, you will have to behave properly. Otherwise, you won't create sustainable value.

Maybe to give you an example: my father, at the company, was one of the people who took the initiative around the restoration of A well-known building. I don't know if you know the building in Brussels, the X building. It was completely old and run down in the 1980s. My father, together with other families, took the initiative to find private and public funds to restore it, rent it out and bring cultural activity back to it.

For us, it was an investment. We didn't make a big return. We later sold the shares of that company. But the impact of restoring that building, bringing cultural activity and revitalizing the surrounding area, that was huge.

If you measured that, it would be a big impact. So if people ask me, "Do you do impact investing?" I say no but we do something. We just do it in a different way, let's put it that way.

**Interviewer**

Yeah. And as a shareholder in the companies you invest in, are you active? Do you have big expectations or is it more a passive way of doing things in the way you manage the companies you invest in?

**Participant C1**

OK. As a shareholder in the company, yes, we are active. We always want to be on the board of the company and we like to be active.

We don't go into management, that we don't do. We don't interfere; management has its own responsibilities. But we are active as board members, yes.

As a board member, we can influence which topics are discussed and considered important. For example, with the whole CSRD coming, as board members we already alerted the companies we invest in: "You have to start preparing, we have to start measuring, we have to pay attention to this. It's important. You have to think about it." So yes, we are active.

**Interviewer**

OK. And what are some criteria that you have to pick the companies you invest in?

**Participant C1**

For direct companies, the first important thing is that we believe they are a good long-term investment. That means, first of all, that they are mature, we don't invest in small companies.

It has to be a sector we can understand. We have two sectors that we emphasize more: one is food and agri, because that's where our roots are. We still have companies in that sector and we understand the value chain quite well.

The other one is life sciences, but there we don't do direct investments, we invest through funds and public equity. We have to understand what the company does and understand the dynamics. The company must be an important player in its sector or ecosystem.

Most of the direct companies are located in Belgium. We like to work with other families. Whereas before we maybe did majority investments, now we focus more on minority stakes. It also depends on the partnership, who are the people around the table as shareholders and is there good management in place? That's very important as well.

We are a bit different from other companies because, for example, if we invest in a company, we never enter through an auction process or via intermediaries. We need time to know the company, to know the people and management.

Our last investment, I think we took two years to understand what the other shareholder wanted, what the company did and whether we liked each other or not. Because if you want to be partners for 20 years, you need to know. So it's a different process and there are not that many opportunities because of that.

But we do find them in a different way, people introduce us or sometimes we meet someone by chance.

In terms of selection criteria... Not too much debt, we don't like that very much. There can be some, but not too much. Mature companies in sectors we understand. And strong management and trustworthy partners for long-term collaboration.

**Interviewer**

OK. And is the new generation, even though they're not very active, already bringing values like sustainability? Is it something they are talking about and asking about or not really?

**Participant C1**

Yeah. Even in my generation, there are people who are more focused on this and who are questioning or asking us, like: "What are your companies doing about sustainability?" or saying: "I don't think this is a good idea, maybe you should look at something else."

Not that we always act on it, but there are people who find it important. We also have a report on it and we try now to measure it for ourselves. We've done some practical actions and in our companies, we try to put it on the agenda and pay attention to it.

I think we've already documented a lot more. In my generation, some people are quite engaged, but it's diverse, not everyone pays the same attention to it. In some families, everybody is very much involved with sustainability, but in our family, it's more mixed.

As a company, it's not always easy. You hear one voice that is very much in favor of integrating sustainability and another that says: "I don't believe in it." So it's about finding the middle ground, deciding what we believe in.

In the end, it's us who determine what happens. From the next generation, we do get questions, but again, it's different. It's not a general thing, which surprised me. I thought it would be much more on their agenda, but it's not always the case.

**Interviewer**

And for the ones who bring it up, is it in a more intense way? Are they stricter about it?

**Participant C1**

Yes. Yes. Yeah, they are very critical but in a good way. They sometimes give us reports or articles they've read or suggestions for things we could do or courses we could take. They are critical, but also constructive. They understand that it's maybe something new and that we need to look at it.

So yes, we get a bit of pressure and it's good. It keeps you on your feet. And in general, you have to look at these topics. But it's constructive, not negative.

**Interviewer**

Yeah, perfect. And could you maybe share an example of an investment that you made in a company that is more sustainable or that has a positive impact on society?

**Participant C1**

Well, I gave you the example of the well-known building. Most of our companies have been with us for a long time, so it's maybe more difficult to point out one specific case. But we do take it into account.

The last investment we made is a company in the technology sector. Part of their clientele are offshore wind farms. In that way, we are exposed to new types of energy.

It's a company that integrates different technologies and communication platforms to make sure things operate efficiently. For example, if there is an issue in a wind farm at sea, they have a "cockpit" system that immediately shows if a windmill is down or if there is a problem, so the owners can take action.

So in that way, maybe we are looking at sustainability. But for us, it's more about seeing it as a future-proof investment, something with a lot of potential. There are many wind farms to be built and that's how we looked at it.

## Appendix I: Interview transcript participant D1

### Interviewer

Could you briefly describe your role as a manager at BANK X in the Family Capital Solutions department and your experience working with entrepreneurial families and/or family offices?

### Participant D1

Our target group are the families which are shareholders of the largest companies in Belgium, mainly Flanders, as BANK X is mainly active in Flanders and Brussels. So it's about the top 100 largest companies and their family owners. So the family owners, the reference shareholders. So that is, let's say, my contacts, customers within our team. We're part of private banking wealth, but we report to the corporate banking management team. Because we're highly... so we're the contact for this family, for the private assets.

And we have a colleague, a senior banker in corporate banking, who is the point of contact for the corporate relationship, meaning on the corporate level where they have the main core business, where they're active in, where they have a buy-and-build strategy and M&A and so on. And my part is then the holding, most likely, where all the other assets, more the diversification strategy, is done. And that might be in listed equity, that can be in direct investments in unlisted companies, collectibles, also all sorts of things that can be a part of private names.

So I'm the contact person within BANK X for the private *patrimonium*. I have a lot of customers who have a family office and they have a team, a family office team or a dedicated person. As you know, there are different types of family offices. You have the large family offices, they really have a team that takes care of the family, all their investments. That can be very broad and not only investment portfolios with the bank, not only listed, private, real estate and management of real estate, most likely and so on and so on. But also sometimes they share one person, some with different families. So one family officer is then active for a number of families, because it's not a full-time job. That's also a possibility. So I have contacts with all types of family offices.

### Interviewer

It's a phenomenon that is more and more common in Belgium?

### Participant D1

It's very common in Belgium, yes and it's increasing. The number of family offices is absolutely increasing.

### Interviewer

Have you observed a growing involvement of next-generation members in their decision process? So, are they different from the previous generation? If so, in what way?

### Participant D1

Absolutely. I think there is a growing mindset to involve the next generation at an earlier stage. We see that the governance of those ultra-high-net-worth families is very relevant to them. So they set up governance structures where they involve the next generation also in family days, family advisory structures and so on. So yes, I think that is a growing tendency.

And as we see, we also organize events for the next generation, those who are already active, involved in the *patrimonium*, in the management of the assets of the company or are already a director, administrator or have functions. Yes, I think that's really a growing number of families.



**Interviewer**

And how do they influence family governance? Are they right now trying to adapt or are they already trying to change and impose their own values or mindsets?

**Participant D1**

That's a bit difficult to assess, because I'm not part of the family dynamics and the meetings within the family. I do see that they have their voice. The organization is set up to listen to the next generation, to the younger generation. How formal it is, that's not clear to me. It can be true.

And what I also hear is that the younger generation is being invited to take up the initiatives themselves. So when there are a number of cousins and nephews, they organize, they have one or two, sometimes three people who are in the lead of the family advisory days. They organize the topics, they organize relevant things. And there's also a liaison officer, sometimes a couple of dedicated family members, between the board, the formal decision-makers and the rest of the younger generation. That's what I hear.

So it's really... they're really trusting them to be ready to take the lead. Yes, more and more. It's not in all cases. Sometimes you still have the *family* who is in charge of everything and wants to hold everything. But I think that's a mindset that's less and less relevant. People see that it's important to start at an early stage already with good governance.

And as more family members are involved when you're going down in generations, when you're in generation three or generation four, you really need a structure. And then it's logical that the younger generation also steps in, has their own voice and has their own setup, let's say.

**Interviewer**

Would you say collaboration is something that's really important for family offices in general, to work together? Or is it more about a leader taking all the decisions?

**Participant D1**

Well, I think the role of the... that's something else. Now I was talking about the next generation, the younger generation, family members. The family officer, who is most likely an external member, let's say a person or team, their role is to set up the right structures and to increase the mindset, to make it relevant and to create awareness of the importance of those structures. And they did. I think the family officer's role is to help, to assist the family in setting up the right structure, which is, let's say, adapted to the family dynamics, because not every family is the same. As I said, it also depends on the number of family members that are involved. The larger the number, the more formalized you need the setup to be.

So that's the role. I think the role of the family office team is also very important, because they have experience and, in their network, relevant information or they have followed trainings and so on. So they can assist the family in setting up the structure. And they have less emotional attachment, I would say, so they may be more sharp in their decisions.

**Interviewer**

Have you noticed a change towards more impact investing in family offices?

**Participant D1**

Yes, but there is not a large pickup. It is still a minority, in my opinion and this is what I see not only in my portfolio but generally within wealth and family capital solutions. It is still a limited number of families that are really impacted. So you have responsible investing, let's say that's the start. But impact investing is one step beyond, one step further. And that is only a limited number of families that are really going for impact investing.

**Interviewer**

And is it usually the ones that do impact investing, do they implement it as part of the whole strategy or is it more on the side, like, “Oh, we have a little bonus stuff”?

**Participant D1**

No, no, no. In my feeling, either they go really with a clear vision and mission on impact and they try to implement it in all their types of assets or they are just so-so and they take responsible investing. Or, when they do a direct investment, it will be in their due diligence, they will screen for KPIs or do a due diligence on impact but I would not call it really impact. It is going toward impact.

But the real impact investors, they’re really professionally supported. What I also see is that they use professionals to set up their impact journey and their impact framework. So they really have a clear framework and they have a vision of how to implement impact investing and how to measure it. And that is really important. Professionals are helping those families, the ones I know. Really professionals, international professionals even. So that is also very relevant to take perhaps in your research. Look for some parties that really help families in impact investing, because they also play an important role.

**Interviewer**

And do you think for the ones that go for impact investing, it was a demand from the younger generation or not particularly?

**Participant D1**

Not in all cases. The really known families which are publicly known as impact investors, what would be a good idea, Léa, is to look up impact conferences and see who the guest speakers are. Then you can find relevant names and testimonials from families. There, you’ll find names. I’m just helping you because I can’t give names, but that’s a way to find them, right?

And some families are really, since the current or even previous generation, very impact-oriented. But what I see is that in the more recent ones, I think it’s the millennial generation that was really in the driving seat.

**Interviewer**

OK, perfect. Yeah. And I guess if it was set up before, the millennials try to stay in the same vision?

**Participant D1**

Absolutely. They don’t go back the other way. No, no, we’ve never seen a return or a going back to the old-school, let’s say, non-impact investing. That’s a good thing. But, as we know, especially in recent years, impact in listed equity has had some underperformance. So if you look at the world indexes, like MSCI World, it had a very nice performance in the last two years.

Why? Because of the Magnificent Seven and the technology sector was in there. And that’s not really within impact. So if you’re really an impact investor, the last couple of years, you missed quite some return. So that is and I think for a large number of families, that’s still a concern. Impact, that’s fine. But if it’s cutting into their performance, then it’s... yeah... Yeah, they would love to have both sides. The U.S., some industries are already impacted, like solar energy and are really not supported. So it’s fluctuating.

**Interviewer**

And do you think that BANK X encourages impact investments?

**Participant D1**

Absolutely, we do. At BANK X, you can find it in our social report, responsible investing comes first. What we develop as funds via BANK X Asset Management is always filtered through responsible investing, using both exclusion and inclusion criteria.

We have different filters for that. You can find all the details in our social report. And if we can help families in real impact investing, we have impact.

We have three types of funds I can send you, because that is public information. I can send you some information later today. What we can even do is propose real impact funds where we can make a difference through proxy voting, that is, we engage as a shareholder and we create a club of our shareholder funds to try to impose a change if needed, if the company is not going in the right direction. And we also use the Theory of Change framework. I don't know if you've heard about it?

**Interviewer**

No, I haven't.

**Participant D1**

That's an important thing to write down and look into. It's really what a lot of professionals use, the Theory of Change and that is how to create impact. It's a kind of framework with different steps: you start high-level by looking into an industry, identifying the issues and then go through the selection of companies, KPIs and so on. So that's a trigger, but it's a very good framework to look into. And that is what BANK X also offers, together with proxy voting. But it is intensive, because you need to have interaction with those listed companies.

But that is what we offer to real impact investors. And we can really apply strategies for larger amounts, larger numbers of funds, together with family offices. So we can set up an impact investment strategy, look at how to implement it and it can be really tailor-made.

**Interviewer**

And so we talked about how the financial part might be a stop for some families. Do you think, what could be, I don't know, a motivation to kind of compensate this non-financial return, I would say?

**Participant D1**

That is their goal for impact: to change the world and to do better, to go for the better. It's not only reducing... well, it's reducing the negative impact of our way of living, let's say and of companies and industries, but it's going beyond that: how to make change as an investor.

**Interviewer**

OK, yeah.

**Participant D1**

And that's why it's so important to start from that goal with the Theory of Change, how can we make change? Yeah and then adapt everything.

## Appendix J: Interview transcript participant D2

### Interviewer

Could you introduce yourself and tell me about your role at X?

### Participant D2

I worked from 2015 to 2021 in a multi-family office in Luxembourg called X, which supervised the wealth of around twenty families. So, a multi-family office, mainly French-speaking. My role at the start was as a financial analyst. What does a financial analyst do in a multi-family office? It involves reporting, reviewing the performance and fees of the various accounts managed by professional managers. It also involves analysing investment opportunities and giving an opinion on those opportunities. Investment opportunities could be presented by real estate developers, private equity funds, asset managers or private bankers. My role was to study those opportunities and provide my opinion to the families. It was also about challenging the bankers. Because when you have ten million euros, you go to a banker. That banker manages the ten million euros for you. He will invest more or less well (sometimes well, sometimes poorly) and the purpose of the family office is to be able to challenge the fees, challenge the performance, etc., for the family's collective interest. That was my main role as a financial analyst.

Then, I became responsible for financial analysis, as we were a team of 5–6 people in charge of client monthly reporting, new project analysis, real estate project analysis and portfolio monitoring. Not portfolio management, that's an important point. We didn't handle the money ourselves and we didn't have a mandate to manage it because, legally, you need licenses to act as a manager. What we did, however, was reporting, consolidation and thinking about asset allocation. For example: you want to invest in the United States? You will look for one or two of the best managers who invest in the United States. Our role was precisely to find the best managers, the best real estate projects, the best bankers or managers, which is the same thing, who would manage the wealth of our clients. That was my role for a few years.

In parallel, for three years, I was also the company director. I was responsible for financial analysis, prospecting new clients and also for all the follow-up, what we call the back office. Because when you manage a wealthy family like this, you are also its administrative secretary. You might pay invoices for some families (for others, not), but you check bank accounts, fill out paperwork, handle tax declarations... all the paperwork, everything related to money, directly or indirectly. The family office handled it, acting both as a general practitioner for the family's wealth and as a super secretary. Someone who ensures complete files are kept with banks, managers, lawyers, notaries, tax advisors, etc. and who manages all that administrative part, which takes an enormous amount of time. So that was my role for six years in the multi-family office.

### Interviewer

Did each family have different expectations in terms of reporting frequency?

### Participant D2

Yes, there were two types. The bigger the client, meaning if their net worth exceeded 100 million euros, we might have monthly or quarterly meetings. If it was 30 to 40 million euros, it was more likely quarterly or every 4–5 months. It also depended on the fee we had negotiated with the client and their needs. Some clients requested monthly meetings, while others, with 150 to 200 million euros, preferred quarterly meetings because they were entrepreneurs. An important point: among multi-family office clients, you can have former entrepreneurs, but also active entrepreneurs who already have a lot of money but continue to generate more and need a family office to supervise their wealth. You also have heirs, second- or third-generation, who inherited several tens of millions of euros. They might have been entrepreneurs, but their source of income didn't come from themselves directly,

rather from a previous generation. It really depends on the client profile. Overall, for around 20% of the clients, meetings were monthly and for about 70%, they were quarterly.

**Interviewer**

Do you observe differences between the current generation and the next?

**Participant D2**

Let's say there were two key points raised by the new generations. Not the 20–25-year-olds, but rather those in the second generation.

The first was: "What is the purpose? Why are we still investing when we're already extremely wealthy? What is the meaning of the wealth, the vision for the wealth? What values do we want to pass on?" Previously, I'd say the older generation's mindset was: "We invest to make more money," that kind of thing. Whereas for the new generations, it was more: "What is the common thread of our wealth? We're already very rich, great... but for what?" And the common thread would then be a cause or a value that mattered to them. So, I'd say that was the first point.

The second point is that only people under 30 really questioned sustainable investments. Between 30 and 45, honestly, they didn't care. Most didn't care in the sense that they said: "Well, we invest everywhere, in all sectors. But we do other things on the side: philanthropy, impact investing, we participate in foundations, that kind of thing." The common thread was not impact investing.

The important point raised at the time by some families was: "Yes, but an impact or ethical investment, whatever you call it, will be different for you, Léa, for me, for your dad, for my children, etc." Because it touches on our deepest values. For some people, it will be water. For others, resource management or avoiding oil because it's "bad." For others, it will be aging and healthcare.

What I observed was that people under 30 were asking these questions very strongly. Beyond that, those over 55 or 60 didn't care. Between 30 and 55, they didn't ask themselves that question much. They didn't have as strong an opinion as the youngest. I saw grandchildren of founders who had more defined opinions than their own parents.

**Interviewer**

Have you noticed a difference in involvement between the current generation and the next?

**Participant D2**

It's often the man, unfortunately, who is at the head of the family wealth. Involving his children, even his grandchildren, is extremely complicated. Because at the end of the day, it's his money. And emotionally, it's complicated to accept that this money will go to the various families (children or grandchildren) who may not have made the same sacrifices or efforts.

So, I have seen more situations where children are integrated gradually, really gradually. I've seen children aged 40–45 who didn't even know their parents had 150 or 200 million. You see? So we're not even talking about 20–25-year-olds, but about 40–45-year-olds.

There are really three generations, with a huge gap between the grandfather who is 75 or 80 and the grandson who might be 20 or 25. That grandfather probably lived through one of the two wars. He lived through difficult times. He had to make sacrifices, sacrifices that meant not seeing his children, etc. And eventually, he realizes that his own children may work less or benefit more from the money.

The value of work is different. So there's this gap and also this feeling among the oldest that... yes, they think about reducing taxes, but that the children don't deserve it. I've heard people say: "The children don't deserve this money because they didn't work for it. I worked like crazy and they will benefit from it and multiple generations will benefit." Frankly, emotional discussions were extremely complicated.

And that's why, as a small anecdote, about three or four years ago, I don't remember exactly when, I realized that what you absolutely need in a multi-family office (and this is something you could explore in your research) is a family and money psychologist. Someone who is not a financier or a lawyer, but really a life coach for the family.

I know that in some cases in the U.S., multi-family offices had two or three psychologists employed full-time. Their role was to be present in meetings, observe interactions and ensure that unspoken tensions could be expressed to make relationships between parents, children and even grandchildren smoother. I strongly believe in that. But it's very underdeveloped in the French-speaking world. Much more in the English-speaking world. It's a topic worth reading more about. Around ten years ago, no, I'm exaggerating, maybe 2015 or 2016, I looked into it myself. I even proposed hiring someone part-time. But it was refused with the argument: "We're not the family psychologist."

And for me, we are. Because everything starts from the relationship with money. Money is a medium of exchange. But for some people, it's a mirror. It reflects who we are. And since these families have certain constraints related to money, it's good to have a family-level common denominator: how we feel about our relationship with money. Because for a person who may have never worked, money is also a social status. You see, for someone who has worked, who has built things, whether they have 500,000, 1 million or 1.5 million, it doesn't change much. But for someone who has never worked... well.

I recently spoke with a family preparing to transfer its activities and the children said: "Yes, but we have a well-known name in Wallonia. If we sell our company, what will become of us?" It was really that: they felt they were living through the company. And if the company was sold, it was like dying. Which isn't true, of course. But they were so tied to that name that it was difficult, especially for some younger generations, to make their own name.

This creates wounds, both for older generations and younger ones, who struggle to find a place for themselves. I'm just sharing how I experienced these six years in the multi-family office, which I started in 2015 and ended in 2021. So it's been four years since, but the world of family offices, even staying in touch with some of these people, hasn't changed drastically. Not at all, compared to four years ago. Yes, these are often environments that remain... well, they don't innovate much. And that suits everyone, especially the families.

## **Interviewer**

Could you assign characteristics to each generation, in terms of motivation, mindset or key traits?

## **Participant D2**

The older generation wants to keep control. They struggle to share, they have trouble trusting. They sometimes feel like someone wants to take their money. They absolutely want to reduce the taxes they will have to pay in Belgium, but at the same time, they are not ready to give away all their wealth. They also have difficulty integrating the new generation.

The new generation, on the other hand, is aware of all this. Yes, they are really conscious of it and some, not all, but in some families, have a more revolutionary mindset: "Mom and dad did it this way with their advisors. The day I get the money, I'll do it completely differently." A bit in a rebellious mode: "You didn't trust me when I was an adult? Well, fine, I'll grab my stuff and the moment I have the money, I'm gone."

I would say the new generation is less faithful, therefore less loyal. It is more focused on itself and its needs, which can be seen by the older generation as more individualistic, more selfish.

However, they ask themselves far more questions about the meaning of money, the meaning of wealth and how they would like to transmit it to their own children, even before they have received it. Because

the way they themselves received the money or were integrated into the family council, was not always smooth. So, for them, they want to do things differently. They want to do something new.

**Interviewer**

When you say they are more individualistic, does that mostly appear in their relationship with their parents or the previous generation? And at the same time, how does that fit with the fact that they are more interested in impact?

**Participant D2**

Yes, exactly. They are perceived as more individualistic, especially by the older generation. But they would rather say: "I'm just taking care of myself. Mom, Dad, you didn't take care of yourselves. You worked like crazy. I take the time to ask myself the right questions about what makes sense for me."

**Interviewer**

Do you have an example of a family that really engaged in impact investing or went a bit further in that direction?

**Participant D2**

It goes back a bit, but yes, I have an example of a family that invested in farmland. Quite a lot, we are talking about several million euros of farmland in Wallonia. Their goal was to develop regenerative agriculture. I don't know if you know X, you can read about it. It is a collective expertise platform serving more resilient farms.

Many families also invest through so-called "impact" funds. They put their money into investment funds and the funds select the projects. I don't remember the exact names, but I know there were cases of people who created their own company or impact initiative. X, for example, is truly a regenerative agriculture project, with farmers committed to more sustainable farming, using fewer pesticides, etc.

For families engaging in impact investing, it is generally not the main strategy of their portfolio. It might represent 10, 15 or 20% of their investments, but it is the part that has the most meaning for them, the part that truly "speaks" to them.

In impact investing, there are two possibilities. Indirect impact investing: As a family, you invest in an investment fund that selects impact projects. This is impact investing, but indirectly. And direct impact investing: You bypass all that and invest directly or create projects yourself. Then you have an immediate, concrete impact. It is really important to distinguish the two: impact investing via financial vehicles and direct impact investing through the creation or funding of specific projects according to your own criteria.

## Appendix K: Interview transcript participant D3

### Interviewer

So, my first question is: could you introduce yourself? What do you do in life?

### Participant D3

So, I am Participant D3. I have been with a big 4, for about 30–31... yes, 31 years, where I am a certified public auditor by training. I am now also the president of the Institute of Auditors. In my career as an auditor, I have been confronted a lot with family businesses and I have somewhat specialized in everything related to governance in family businesses. I also, along with a number of other colleagues internationally, created in 2011 a competence center focused on everything related to family businesses. And yes, family offices are part of this ecosystem. In everything related to family business governance, we are seeing more and more family offices appear, especially in Belgium. Ten years ago, it was not very present yet, but today we see more and more of them, often linked to the desire to invest together in a specific holding or a dedicated family office.

### Interviewer

Alright. And what attracted you to that? Was it because you were in contact with them often or did you have a particular interest in everything related to family business and family office?

### Participant D3

No. What interests me a lot in that is obviously the human factor. Family businesses differ from non-family businesses in that you have to manage both the rational side of the company and the emotional side of the family. And I find that very interesting, as someone who almost studied anthropology. In the job of an auditor, which can sometimes seem a bit tedious, it is a fascinating dimension. We are privileged observers, especially when you reach a certain level in your career and have the opportunity to attend board meetings, audit committees or general assemblies of family businesses.

### Interviewer

So? Now, do you do more consulting or do you still have this role as an auditor?

### Participant D3

No, no, I still have the role of auditor. Since April, well, for two months now, I have focused on two things: my role as president of the Institute of Auditors, which takes up about half of my time; and also my portfolio of auditor mandates in a number of companies. I would say that most of them are family businesses, some are very large listed companies that still have a slight family reference and others are unlisted but clearly family-owned.

### Interviewer

Perfect. And do you observe differences between generations, between the Next Gen and the current generations?

### Participant D3

Absolutely. I would even say at several different levels. What is quite typical today and when I say today, I mean the last five years and the coming years, is that we have several generations that must work together in the workplace. Family businesses are no different from other companies.

It often happens that a baby boomer generation, now around 65–70 years old, sometimes older, is still present in the family business because they cannot let go. In any case, they are still there: often as shareholders, often as chairmen of the board and sometimes still a little operational. We have some good examples in Belgium, with certain leaders who cannot pass the baton to the next generation. So



we then end up with: people from that generation, my generation (X), I am 54 and Generation Y or millennials who are already active operationally.

So we sometimes end up with three or even four, generations working together. It is relatively new. Some generations get along better with each other. For example: Generation X works quite well with the baby boomers; they still communicate in a similar way: my generation communicates a lot by e-mail, the baby boomers used written notes, but today they manage e-mails more or less. On the other hand, don't ask them to go on TikTok.

The generations below, however, almost no longer communicate by e-mail. My children, for example: they get the news not on TV, but on TikTok or other platforms. So, to give an idea: communication channels are very different, the way of thinking is also different and values, we try to pass them on, but they still evolve from one generation to another.

In short, there are many characteristics for each generation that make intergenerational work not always easy. So yes, we clearly have this issue or this opportunity, I don't know what to call it, today in the workplace.

**Interviewer**

Do you notice a difference in involvement between the generations?

**Participant D3**

Typically, there are quite a number of differences in the way they operate. The first point is certainly everything related to sustainability. There is much more attention to sustainability in the new generations than in the older ones. But when I say that, it doesn't mean the older generations don't want to be sustainable. Often, it stops at installing solar panels or making some ad hoc decisions that are not part of a broader strategy. And it is not always their preference when they have to choose between: a financially very profitable project with less emphasis on sustainability or a very sustainable project that is less profitable. Here, you clearly see the difference. And it can even lead to clashes.

I have seen family businesses where the new generation only agreed to join the company on the condition that sustainability was integrated into the group's or the company's strategy.

You have to see this in a broad sense: in an operational company, it is about the operations, in a holding or financial company, it is about the investment strategy. That is a very clear first point. I have even seen new generations refuse certain projects in board meetings because they were not sustainable enough. It created major clashes with the older generation who wanted to go ahead because it was very profitable or tied to a long-standing important client.

A second aspect is obviously the work-life balance, which is viewed very differently. For baby boomers, the more you worked, the better. It didn't matter what you did, at what pace or at what level of responsibility: you just had to work a lot.

Generation X was used to that and still functions somewhat in that way. But the following generations, millennials, Generation Z, whatever we call them today, operate completely differently. You increasingly feel that private life or family life is just as important as professional life. And integrating the two has become essential.

**Interviewer**

Yeah, OK. And when you mentioned the small clashes between the different generations, are these conflicts that often get resolved through, for example, communication? Or are they topics that remain tense and come back regularly?

**Participant D3**

Well, it really depends on the style of leadership and the level of connection within the family. This is where the emotional aspect comes in, of course, with unspoken issues sometimes. All of this creates a big mix. In each family, it's different. But the more unspoken issues there are and the more autocratic the leadership style, the faster it leads to clashes. Generations don't always understand each other. The older generations think that, because they are the patriarch, they must be listened to. In the younger generations, this is not always the case. So it really depends on the DNA of the family, the communication and everything that has never been brought to the table or not properly addressed.

**Interviewer**

Yes. And coming back to the mindset of the new generations. Do you notice that collaboration is something important for them or is it more on a case-by-case basis?

**Participant D3**

So, collaboration... What I see in the new generations is that they have an enormous need for networking. In the past, a single pater familias could feel very strong in his client relationships, his relationships with stakeholders and he could find his sense of purpose there, sometimes also in his relationship with other family members. In the new generations, there is a much stronger need for peer networking: going to meet their peers, exchanging with each other, finding collaborations and partnerships, asking questions like, "What would you do in my place?"

This is really a trend that has evolved, yes.

**Interviewer**

And in family businesses where sustainability is an integral part of the strategy, is it a value that came because the older generations always had some affinity with it? Or is it rather the new generations who brought it?

**Participant D3**

Well, again, it really depends on the case. There are families where it is clearly the new generations who had to take a stand. This is especially the case, thinking of some concrete examples, in families where the older generations were a bit less sensitive to these issues. They often stayed in products that were: not very good for health, not very good for the climate or more delicate by nature.

In those cases, the change came from the new generation. Because the older generation, if it hadn't completely changed its strategy, tended to stay in the "groove" of what it had always done. A good example in Belgium is the sugar industry. Sugar is the enemy of obesity, of course. In some family businesses very involved in sugar, this question arose: "Should we continue to produce and sell sugar?"

Today, there are few sugar producers left in Belgium because of heavy sector consolidation. But historically, there were many family businesses. Some of them completely reinvented themselves. For example, X: they changed course one or two generations ago, deciding to stop producing sugar and to move toward other, more "healthy" products. So yes, for families that have already made the transition, it happened more naturally. For those that hadn't started a transformation, it is often the new generations who bring new ideas and ways of thinking.

**Interviewer**

OK, perfect. Could you perhaps give me some keywords to describe each generation, a few concepts about their way of being, their mentality?

**Participant D3**

Very good... good question, I would say. Well, the first big difference is the way of communicating. As I said, I think the new generations are already much more communicative. They tend to communicate more and much more digitally, of course. That's the first thing.

So, in terms of communication, there are also the means of communicating. As I said, we went from a written note through... I would say... e-mails and things like that, to more and more digital and today digital online rather than offline digital. That is also certain.

What else would I say... The new generations are probably more participative. And I was going to say more authentic... but that depends a lot on the person, I think. But maybe it is easier for them to be authentic than in the past. Social engagement and diversity are very important for the new generation, much less for the older generations. The new generations are also much more... well, everything related to collaboration.

Technology: more often, they are more curious and often more creative. But again, that also depends heavily on the person. What else can I say... The new generations are much more in the immediate, whereas the older generations were strong in the long term and in stability. Stability and long term go somewhat hand in hand. Stability perhaps also meant a little more fear of change.

Maybe the older generations were much more anchored in values, values that were more... how to say... generic. Today, they are perhaps a bit more authentic. We are less afraid of "what people will say" today than in the older generations. And so, as I mentioned earlier, what certainly characterizes the older generations is their hard work. Sometimes a bit more individualism and independence.

Whereas today, we are more in... I always compare it in terms of models: before, we were more in a shareholder model, now we are more in a stakeholder model.

#### **Interviewer**

Regarding family values or the importance of family, has that also evolved over the generations?

#### **Participant D3**

I think... no... I think the importance of family remains very present in family businesses. It is still something strong. They tend, when I look at the Next Gen, even within family holdings and family offices, to have this need to prove themselves. Perhaps by spending a few years outside the family sphere, showing they are capable of something: whether it's by creating their own start-up or by managing a project abroad for the family or something else. But always by detaching themselves a little, showing themselves and proving what they are capable of. But they return to the family home. So this aspect of family values remains very present.

#### **Interviewer**

So there is a willingness from the Next Gen to get involved in the family. And on the side of the older generations, you said that some preferred to stay in the business. But is there also a willingness to integrate the Next Gen?

#### **Participant D3**

Yes, certainly. Well, as I said, it all depends on the situation. When there is a death or an accident or events of that type, sometimes the family has no choice and must take on much more than they would have wanted. But depending on the situation, I think their long-term intention is certainly to have a role in the family business. And when I say a role, today it is considered in a much broader way than before. A role can be: being a good shareholder, without necessarily being in the executive or being a good independent board member and when I say independent, I mean independent from the executive, even if still part of the family. So there is this willingness to have a place in the family business. But the number of roles that can be observed in family businesses today is much more diverse than before.

It also depends a bit on the region in Belgium. The Dutch-speaking families are often still more demanding than some French-speaking ones: they still have the habit of buying out brothers and sisters to "cut branches." Before, in typically Flemish companies, there was this idea: One cannot be a

shareholder without being active in the family business. So an executive role was required to be a shareholder.

Whereas today, we think in a more modern way. One can very well say: I am a Next Gen, but I don't really have a connection with the product we sell. It doesn't speak to me. But I want to have a role. You can be a doctor, an artist or have another profession unrelated to the business, but still: be a very good shareholder, be a non-executive board member, almost independent in your way of thinking and have a recognized role in family governance.

## EXECUTIVE SUMMARY

This thesis studies the extent to which the presence of millennials in family office governance reinforces stewardship behaviors and facilitates the adoption of impact investment strategies. Drawing on stewardship theory, it examines how generational values and governance structures interact to influence long-term investment orientations.

The research employs a qualitative, multiple-case study design, comprising nine semi-structured interviews with millennial and senior family members, executives, and external experts from Belgian family offices. Data were coded across three dimensions: governance, stewardship behaviors, and impact investing. A cross-case analysis was conducted to identify similarities, divergences, and mechanisms through which millennials contribute to decision-making.

Findings reveal that millennials often express strong organisational identification, intrinsic motivation, and a preference for collective decision-making, which align with stewardship behaviors. Their involvement tends to reduce hierarchical distance and encourage collaborative governance. Impact investing mirrors family values and serves to maintain socioemotional wealth, but its practice is uneven among the cases studied.

The study contributes to existing literature by linking stewardship behaviors to impact investment practices in family offices and by highlighting the role of millennials in supporting sustainability-oriented strategies. For practitioners, it underlines the importance of structured next-generation integration, measurable impact criteria, and governance mechanisms that ensure stability while remaining open to change.

**KEYWORDS:** Family offices; Millennials; Stewardship theory; Socioemotional wealth; Governance; Impact investing; ESG; Intergenerational dynamic

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