

PRESS RELEASE OF 27 NOVEMBER 2020

7th edition of the ESG Best Practices Honours by SWEN : Private equity ramps up responsible management

‘Let’s not wait for tomorrow’s world to rethink our models’ is the pervasive theme of the ‘ESG Best Practices Honours’ 7th edition, organised by SWEN Capital Partners on 26 November 2020. A not-to-be-missed event for the private equity industry, the ceremony once again showcased best practices in ESG. This year’s edition, which took place in a 100% digital format live from a studio at Porte de Versailles (Paris), confirmed its importance by the number of management companies participating and the significant developments revealed by the ESG data collection campaign SWEN conducted via questionnaires between February and May 2020.

More than 200 asset management companies participated in the annual campaign to assess responsible investment practices and trends within the PE industry. Analysis of the information gathered—nearly 50,000 ESG data points collected—brought to light several major trends that illustrate management companies’ ever-increasing commitment to taking ESG criteria into account, as well as yielding a few surprises.

- **Increased investment in ESG**

Although taking ESG criteria into account has been standard for several years now, with close to **nine out of ten companies surveyed systematically conducting an analysis of material ESG risks and issues as well incorporating an ESG analysis in investment memos** (87% and 89% of companies surveyed respectively), the development of teams dedicated to ESG is a new trend. A full 27% of respondents have set up an ESG-specific team with at least one member of staff assigned full-time to the application of a responsible investment approach.

That said, and despite a 14-point increase compared to 2019, only 56% of management companies include an ESG analysis in their exit memos, a practice that is essential to tracking whether actions are carried out.

- **Increasing consideration of climate risks**

The year 2020 marks a genuine turning point with regards to the consideration of climate risks. In line with the Paris Financial Centre’s Declaration on Green and Sustainable Finance of 2 July 2019, **the number of management companies reporting public commitments on climate issues has jumped to 56%** (just 28% in 2019).

Well aware of the potential financial impact of climate risks, more than half of management companies (52% of respondents versus 39% in 2018) now help companies identify, monitor and manage their climate risks and systematise climate analysis in investment memos (56%).

- **Awardees of this 7th edition are consistent with these trends**

This seventh edition of the ESG Best Practices Honours celebrates **renewal**: alongside players with a longstanding commitment to ESG, the jury sought to salute the performance of newcomers—some of

whom spontaneously applied to take part in the questionnaire— who have caught up with historic ESG leaders.

Gender equality was also a key theme of this edition, and the jury was able to gauge initiatives on the part of many participants both to invest in companies run by women and to foster gender equality within their own ranks through commitments to championing the place of women in management and investment teams. Unquestionably, the *Promoting Gender Equality Charter* sponsored by France Invest has been a real catalyst for the profession in France. Beyond ESG practices strictly speaking, this edition rewarded investment companies with strong convictions, demonstrating a genuine willingness to support and accompany SMEs differently and to help them transform their models, a positioning all the more significant in the current crisis context.

Awards

Infrastructure Award: **STOA Infra & Energy**

Small Cap Award: **Demeter**

Multi-strategy Investment Platform Award: **Eurazeo**

ESG Commitment Award: **CUBE Infrastructure Managers**

Special Jury Prize: **Investisseurs & Partenaires, for a longstanding impact approach that stands among the best market standards and support for entrepreneurship in Africa**

'This seventh edition marks a significant change from previous years. Beyond the undeniable acceleration of the industry on a certain number of topics, including climate issues and gender equality, management companies have taken a step forward in supporting their investments by no longer settling for mere due diligence, but helping companies find concrete solutions,' observed Jérôme DELMAS, Managing Director of SWEN Capital Partners.

'We are very pleased with the quality of the candidates we saw this year, despite the health crisis context. This is excellent news for the sector, which is committing to increasingly virtuous practices, year after year. Such strong turnover in the management companies nominated and awarded in each category confirms that ESG is a constitutive feature of the entire PE industry now, and we are very proud of the progress all players have made over the past seven years,' shared Géraldine ANG, Senior Policy Analyst at the OECD and member of the ESG Best Practices Honours jury.

Annex:

Methodology

A total of 29 management companies were nominated, with their agreement, in five categories: Infrastructure, Small Cap, Multi-Strategy Investment Platform, ESG Commitment and Special Jury Prize.

The methodology for designating nominees in each category was designed by Indefi, making it possible for SWEN CP to then apply the framework, ensuring the integrity of the process. The process is based on a confidential analysis of responses from the more than 150 management companies that

completed the SWEN CP annual survey, using an array of selection criteria and key questions regarding responsible investment practice.

Composition of the jury:

- Carole Imbert, Arkea Investment Services
- Géraldine Ang, OECD
- Marie Luchet, PRI
- Ben Leblique, PRI
- Mickaël Hellier, Fonds de Réserve pour les Retraites (FRR)
- Grégoire Cousté, Forum for Responsible Investment (FIR)
- Sabine Castellan-Poquet, MACIF
- Karine Leymarie, MAIF
- Emmanuel de la Ville, Ethifinance
- Sabrina Cadalen, ARKEA
- Xavier Leloup, novelist
- Éric Van La Beck, OFI AM
- Emmanuel Parmentier, Indefi, co-facilitator of the jury's deliberation sessions with SWEN CP

About SWEN Capital Partners

SWEN Capital Partners is a benchmark player in the field of sustainable private equity investment, with over €5.6* billion of assets under management in Europe and strong investment convictions shared by the whole team and factored into the services it offers. The investment firm is owned by the OFI Group (with MACIF and Matmut as its core shareholders), ARKEA and its employees. For the past 10 years or so, it has placed ESG and Climate issues at the very heart of its approach to investment and offers its clients a range of innovative and sustainable investment solutions. SWEN Capital Partners provides support for entrepreneurs and its partners as they work to improve their impact and create sustainable value in a combined effort to achieve a low-carbon economy.

** Calculated as the amount of cumulative commitments*

About the ESG Best Practices Honours by SWEN CP

For the last 7 years, the ESG BPH by SWEN, a major industry event for private equity supported by four renowned partners—Fieldfisher, OFI AM, ARKEA Investment Services and Indefi—has brought together more than 500 attendees representing the key players in European infrastructure finance and private equity, including investment funds, management companies, mutual corporations, insurers, banks, public players, companies, foundations and a broad array of international institutions. The awards ceremony, a 'hallmark' of the conference immortalised in the drawings of celebrated illustrator Xavier Gorce, distinguishes a handful of European management companies from among more than 200 Private Equity and Infrastructure firms. Winners are selected by an independent jury for the outstanding ESG practices they deploy in their investment decisions and management.

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