

COP15: Swen Capital Partners committed to biodiversity

On the occasion of the COP15, SWEN Capital Partners affirms its commitment against the erosion of biodiversity. SWEN CP recognizes the 5 categories that put pressure on biodiversity¹ and addresses them by:

- Investing directly in companies whose activities are aimed at reducing pressures on biodiversity;
- Setting up analyses, partnerships and scientific measurement tools to guide its choices;
- Contributing to working groups that accelerate the deployment of collective solutions for taking biodiversity into account at the heart of the financial sector's activity.

1) Direct investments in solutions to limit pressures on biodiversity

Through its direct investment strategies, SWEN CP contributes to the reduction of pressures on ecosystems and their regeneration.

- SWEN Blue Ocean strategy contributes to the regeneration of marine ecosystems

The ocean is a sanctuary of biodiversity: it constitutes more than 90% of the habitable space on the planet, is home to 250,000 known species and probably more than 70% of species yet to be discovered. Moreover, it has already absorbed more than 90% of the excess heat produced by human activities and more than 50% of the oxygen we breathe comes from the ocean². Launched in September 2021 in scientific partnership with Ifremer, a leading oceanographic institute with a global recognition, the SWEN Blue Ocean strategy aims to fund innovative start-ups in the fields of ocean data, sustainable seafood production, alternatives to single-use plastics, marine renewable energy and the decarbonization of maritime transport.

Examples of funded companies:

- **NatureMetrics monitors biodiversity by cataloguing life**

Based in the United Kingdom, this company deploys environmental DNA (eDNA), a technique for amplifying DNA in water, sediment, soil and other media samples, enabling the detection of hundreds of species in a reliable, simple and cost-effective manner. **Thanks to the "Nature Performance Monitoring Service" platform**, the data can be visualized graphically and over time in order to manage the evolution of biodiversity in a given area. The eDNA also allows for comparisons of the biodiversity of different sites, making it an excellent tool for evaluating the effectiveness of biodiversity restoration initiatives. For example, whereas a conventional sample could not show the difference in biodiversity between a UK oil refinery site and a nearby nature reserve, eDNA is able to show extreme differences in local biodiversity, creating easily understandable data for informed decision-making. Furthermore, the power of the NatureMetrics tool allows industries such as food, fashion and finance to take biodiversity into account across their entire value chain. NatureMetrics thus contributes to the democratization of biodiversity measurement.

¹ Source *IPBES, 2019, Global assessment report of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services*.

- 1) the artificialization of our territory, a major cause of the destruction and fragmentation of ecosystems;
- 2) the overexploitation of resources, both on land and at sea;
- 3) climate change, an additional constraint that species must face;
- 4) Pollution that affects all compartments of the environment;
- 5) the introduction of invasive exotic species that disrupt certain balances at the local level.

² IPCC Special Report on the Ocean and Cryosphere in a Changing Climate available at <https://www.ipcc.ch/srocc/>

- **ECOsubsea acts against the introduction of invasive species in the ocean**

This Norwegian company provides an innovative solution to the challenge of biofouling, which results in the accumulation of animal and plant species on the hulls of ships and marine infrastructure, leading to the spread of species far from their native regions. Recent research suggests that biofouling may be the most important factor in the introduction of invasive species into the oceans (up to 69% of invasive aquatic species³), posing health risks to local marine ecosystems. Faced with this challenge, ECOsubsea has designed a robot vacuum cleaner that cleans ships' hulls without damaging their coating and uses the recovered biological material to produce biogas and green electricity. Thanks to this innovative solution, ECOsubsea recently removed 2 tons of biofouling from the hull of the aircraft carrier Charles de Gaulle and 78,500 tons from a mobile oil platform in Norway.

- **Renewable Energy Infrastructure Strategy (SWIFT) helps reduce climate change, one of the pressures on biodiversity**

Launched in 2019, the SWIFT strategy aims to finance renewable gas infrastructure in Europe: methanization, renewable hydrogen, gas and LNG fuelling infrastructure for the land transport sector, or green infrastructure such as renewable heat networks and energy storage.

SWIFT contributes to reducing climate change, one of the pressures on biodiversity. As a result, the net avoided greenhouse gas emissions of the companies invested by SWIFT are 145,653 tons of CO₂ equivalent (as of 31/12/2021)⁴.

SWIFT's commitments, including the use of dedicated crops, also reduce the pressure on ecosystems from land use change.

- As an example, SWIFT has invested in the SFP group. Founded in 2020, SFP group has become the leading independent developer of large-scale biomethane facilities in the Netherlands. It aims to produce BioLNG by building and operating biogas plants with the ambition to develop 8 to 10 plants by 2030, including in the Netherlands, Germany, Poland, Spain and Italy. SFP uses only agricultural waste (such as animal manure or crop residues) or residual waste from the food industry that is not used for humans or animals.

2) Common and scientific investment analysis processes

SWEN CP has set up pre-investment analysis and measurement tools to guide its choices.

- **A systematic ESG analysis for each investment in order to assess, in particular, the impacts on biodiversity, when they are relevant to a company's activity.**
- **An analysis using the NEC indicator⁵ which measures the degree of alignment with the ecological transition** of a product, service, project, infrastructure, economic model, and therefore of a company and a financial product (issuers, funds, indices). The measure is based on 5 environmental factors - climate and biodiversity, but also water, air, natural resources and waste - that are noted on a scale of 200 points:
 - -100% for the most destructive activities of natural capital, in obstruction to the ecological transition;

³ Source : <https://www.glofouling.imo.org/the-issue>

⁴ Source: SWIFT 1 2021 Impact Report, non-public

⁵ Since January 2022, Swen has become a shareholder of the NEC initiative alongside Sycomore Factory; OFI and Eurinvest, with the objective of building a collective of players representative of the diversity of the financial sector and committed to working towards a common goal: shaping together the future of sustainable investment. For more information: www.nec-initiative.org

- to +100% for activities with a strong positive net environmental impact, which are solutions for accelerating the ecological transition;
 - to 0%, with the middle of the scale corresponding to the current world average for each function or use analyzed.
- **An ESG data collection campaign carried out annually for over 10 years.** Through these campaigns, SWEN CP identifies the management companies and holdings in which it invests that have formalized a biodiversity policy. Examples of questions asked in the questionnaires:
 - *Have you conducted a mapping of sites and activities to identify Key Biodiversity Areas?*
 - *Have you conducted an assessment of your biodiversity footprint? This question includes land use, land conversion, greenhouse gas emissions, water *withdrawal and consumption*, *pollutant and nutrient emissions (nitrogen and phosphorus)*.*

3) A desire to deepen its commitment to biodiversity

In order to contribute more widely to the reflections on the consideration of biodiversity by finance, SWEN CP participates in working groups such as those organized by Finance for Tomorrow and France Invest.

Moreover, on the occasion of the COP15, SWEN CP joins the signatories of the "Finance for Biodiversity Pledge" and becomes a **member of the "Finance for Biodiversity Foundation"**. From January 2023, SWEN CP will thus actively participate, in the working groups: "Measurement"; "Target Setting"; "Positive Impact" and "Influence".

Finally, in 2023, Swen CP will publish its Biodiversity Policy detailing its actions and commitments 2023-2025.