



# RESPONSIBLE INVESTMENT POLICY

2022



## ACCESS' ENGAGEMENT

### Our principles and values towards sustainable investing

Access Capital Partners' ("Access") commitment to Socially Responsible Investment is deeply rooted in its conviction that sustainable growth cannot be achieved without considering the needs of customers, employees, shareholders, the environment and communities in which its portfolio companies operate. Since inception in 1999, Access' investment philosophy has favoured long-term growth of investee companies, **acknowledging that Environmental, Social and Governance (ESG) issues have an impact on the financial outlook of a company and therefore on its value.**

Having started to formalize its ESG processes in 2007, Access is convinced of the need to incorporate non-financial aspects into its three activities (Buy-out, Infrastructure and Private Debt) while maintaining a high level of investment standards.

### Our public engagements

**Access formally committed to the application of the Principles for Responsible Investment (UN-PRI) in September 2008.** As a signatory, Access report annually to the UN-PRI on its progress on implementing the Environmental, Social and Governance investment principles. In 2020, Access scored A+ in Strategy & Governance and A in Private Equity.

Aware of its responsibility as a long-term shareholder, **Access is also a member of the Initiative Climat International since 2016.** Through this signature, Access is committed to join forces to contribute, at its level, to the COP21 objective of reducing global warming to two degrees. Since 2020, Access publishes the carbon footprint of 5 of its vehicles.

**Access is also a signatory of the gender parity charter of France Invest:** by adhering to this charter, the firm affirms its determination to take an active approach to improving gender equality in management companies and in companies supported by French private equity, while making our investment activities more inclusive and attractive.

Access has also participated and supported the following initiatives:

- » The Guide for Limited Partners on Responsible Investment in Private Equity, published by the PRI in 2009
- » Charte de France Invest promoting ESG principles published in 2008
- » The Task Force on Climate-related Financial Disclosures (TCFD)
- » Global Real Estate Sustainability Benchmark (GRESB)



Signatory since 2008

A+ in Strategy  
& Governance



Take action to  
contribute to the  
COP21 objective of  
limiting global warming  
to 1.5°C



Active member of the ESG  
Commission of France  
Invest

Gender equality charter



Encourage the disclosure  
of key matters in relation to  
climate change exposures





## ACCESS' ORGANISATION

### Dedicated ESG & Sustainability team

A dedicated ESG team is in charge of continuously improving the company's existing ESG practices across all asset classes in line with market best practices and implementing the integration of ESG criteria into the investment and monitoring processes.

The main missions of the team are the following:

- » Definition of ESG commitments and processes (commitment to market initiatives, formalization of ESG processes)
- » Continuous monitoring of the regulatory framework and implementation of the market's best practices
- » Provision of tailored training to the team to incentivize and share knowledge on sustainability

- » Support certain fund managers GPs in their continuous improvement of ESG procedures
- » Analyse and attribute an ESG scoring to each fund manager
- » Analyse ESG risks and opportunities within the co-investment portfolio, identification of materiality points
- » Track ESG factors
- » Produce ESG annual reports for Access' investors



**€6.3BN**

AUM covered by the ESG analysis



**ESG SCOPE**

13 funds of funds & co-investment funds  
4 mandates



**REPORTING 21**

ESG dedicated web-based platform & carbon footprint analysis



**ESG REPORT**

Annual ESG report to investors



## Commitment of the investment teams towards ESG

Each investment professional at Access has a responsibility towards ESG and is fully committed to working alongside the ESG & Sustainability team at each step of the process.

The investment teams ensure to:

### Fund of funds activity

- » Conduct an ESG due diligence at entry on each fund manager
- » Request a written engagement from the fund manager on ESG integration
- » Monitor and understand the ESG progress of the fund manager and its underlying companies annually
- » Systematic representation at the advisory committees of the underlying funds to interact on ESG matters
- » Encourage general partners to report on ESG issues

### Direct & co-investment activity

- » Assess ESG risks and opportunities during the due diligence phase on each potential investment
- » Identify potential ESG issues at entry
- » Monitor and understand the progress that portfolio companies have made on ESG topics
- » Promotion of ESG indicators at the level of the portfolio company's management and dissemination of best practices by being represented at the supervisory board of the company, either as a censor or an observer

## SUSTAINABILITY RISK MANAGEMENT

Sustainability risk is an environmental, social or governance event or condition that, if it occurs, would cause a negative material impact on the value of an investment.

**Access focuses on ESG integration:** ESG factors can have an important impact on investment performance, and hence not including a proper analysis of ESG factors results in an incomplete assessment of the potential investment and therefore could even lead to incorrect investment decisions being made.

As such, we follow a **risk-based ESG approach** and our overriding objective is to identify and monitor the most relevant ESG issues, both to reduce risk and create value.

The Access funds considers both sustainability risks and principal adverse impacts of investment decisions on sustainability factors, as per the dual materiality concept defined by the Sustainable Finance Disclosure Regulation (SFDR).

As part of its standard investment and monitoring processes, Access has developed an **ESG framework covering due diligence, annual portfolio monitoring and case studies at exit.**





## OVERVIEW OF ACCESS' 3 STEP APPROACH

### Step 1: pre-investment – ESG due diligence to identify potential risks

#### ➤ For fund selection

An ESG engagement questionnaire is sent to each fund manager under due diligence to find out whether and how ESG criteria are taken into consideration when investing in private companies or assets. **The questionnaire integrates the recent SFDR framework** and is divided into three categories:

- Article 8 funds
- Article 9 funds
- Funds not in scope or Article 6 funds: the questionnaire covers their ESG commitment, ESG integration into investment process, environmental, social and governance focus and ESG engagement & monitoring

For Article 8 and Article 9 funds: Access ensures that the fund manager complies with all the requirements linked to SFDR.

For Non-SFDR funds or Article 6 funds: Based on the answers collected, an ESG global score is attributed to the fund manager under due diligence: the sum of the scores for all indicators adds up to 100 points.

Access recognizes three levels for assessment:

- » Level 1: ESG global score between 70 and 100
- » Level 2: ESG global score between 50 and 70
- » Level 3: ESG global score below 50

Informal discussions with the fund management team are carried out during onsite visits to further assess the degree of recognition of ESG issues through the importance of non-financial criteria when analyzing a potential acquisition, the existence of responsible investment policies (sector exclusions, audits, etc.), and the willingness to provide ESG related disclosure.

Further, in the legal documentation, **Access seeks a written engagement from the underlying fund manager** to use reasonable best efforts to incorporate ESG criteria in the management of its portfolio companies, to systematically run an ESG due diligence at entry and to report annually on the ESG performance and progress in a portfolio company and to provide Access with an update if a significant ESG issue arises in a portfolio asset.

Access has never committed to a fund managed by a team who had formally refused to engage with the ESG subject.

In order to minimize ESG related risks due to certain sector exposure or activities that run high reputational risk, **Access and its GPs avoid certain industry sectors seen as incompatible with ESG values:** production of or trade in firearms or ammunition, direct coal production, tobacco-related products, pornography and prostitution, gambling, alcohol marketing and distribution.

#### ➤ For direct and co-investments

When evaluating a co-investment/direct investment opportunity, Access systematically assesses, through a specific Access' ESG checklist and discussions with the management team, the potential ESG materiality borne by the target investment. Through the ESG' assessment, the Investment & ESG teams highlight the main ESG risks and opportunities, notably by considering climate change and sustainable development related issues. In the event of Access being an existing investor in a fund managed by the lead-sponsor if any, Access would have already analysed how ESG criteria are taken into consideration when the fund manager is investing in private companies.

**A summary of the ESG analysis pre-investment stage is inserted in the due diligence documentation submitted to the Access Investment Committee.**



## OVERVIEW OF ACCESS' 3 STEP APPROACH

Step 2: holding period – monitoring of ESG risks

### ➤ At fund of funds level

**An annual ESG reporting on 50 ESG KPIs & Principal Adverse Impact (PAI) indicators for each portfolio asset is requested from each fund manager / portfolio company** via the Access' dedicated ESG web-based platform. The objective is to monitor the ESG improvement against potential identified risks. The fund manager also reports on any process improvements enabling Access to update the managers' scoring over time.

In addition, by being systematically represented at the advisory committees of the underlying funds, Access has the opportunity to debate on any issues. Whenever necessary, Access seeks more information requesting investment memo, environmental and social / organizational audits of the company.

### ➤ At direct and co-investment level

**Access constantly monitors the ESG performance of its portfolio companies/asset based on the annual ESG questionnaire sent to each portfolio asset (50 ESG & PAI indicators).**

By being represented at the supervisory board of the company, either as a censor or an observer, Access is well positioned to interact with the management team of the company on ESG matters. When necessary, external advisors may be engaged to carry out additional ESG-related due diligence.

Access uses the UN Sustainable Development Goals as a framework to report on the environmental and social impacts of our portfolio companies for our co-investment funds.

### ➤ Principal adverse impacts

**Principal adverse impacts that are mandatory under SFDR are assessed via our annual reporting:**

- Total carbon emissions (Scope 1, 2 and 3)
- Share of non-renewable energy produced and/or consumed
- Share of renewable energy produced and/or consumed
- Exposition to coal
- Impacts on biodiversity
- Hazardous waste
- Emissions of pollutants to water
- Unadjusted gender pay gap
- Share of women at the board
- Incidents due to an insufficient safety of workers
- Activity exposed to controversial weapons
- Violation of the UN Global Compact and OECD Guidelines
- Compliance with the United National Global Compact and the OECF guidelines

### ➤ Climate change approach & biodiversity impacts

In line with the French Legislation (Article 29 of the French Energy & Climate Law) Access focuses on ways of addressing environment and climate change considerations through specific KPIs like environmental formalized actions and environmental impact assessments.

In line with our commitment to the Initiative Carbon 2020 (IC20), the first long-term approach allowing private equity investors to manage and reduce the greenhouse gas emissions of their portfolio companies, we have begun to evaluate the carbon footprint of our portfolios with the help of an external ESG advisor. We currently assess the carbon footprint of 5 of our vehicles.

Biodiversity is an integral part of our environmental analysis: we assess the impact of the investments on biodiversity and we encourage management company to integrate climate change and biodiversity analysis in their investment process.



## OVERVIEW OF ACCESS' 3 STEP APPROACH

### ➤ Monitoring of potential ESG portfolio issue

Thanks to our annual ESG questionnaire, the ESG and the investment teams can closely monitor any ESG risks that may arise. A company presenting an ESG risk enters Access' watch list and discussion is automatically engaged with the fund manager / lead investor / management team. In the case of a direct investment, we work hand in hand with the investment team at Access in order to analyze and find a proper solution to the relevant issue. Capitalizing on its position of meaningful investor (systematically requests and obtains a board seat for its fund commitments), Access is able to influence GP's decisions, notably by:

- » Increasing control
- » Seeking information / disclosure of actions taken by the GP/lead investor
- » Including the issue on the agenda of the Advisory Board of the underlying fund
- » Closely monitoring the company (ESG KPIs)
- » Driving the GP to speed up the exit process if necessary

### Step 3: Illustration of ESG value added

Access provides:

- » Case studies to illustrate ESG improvements and ESG valued added during the holding period
- » Ability to influence companies and level of ESG recognition by the acquire

### ESG COMPANY PERFORMANCE



CSR ACTION PLAN IN PLACE  
**50%**



ENVIRONMENTAL ACTIONS  
**84%**  
CARBON FOOTPRINT MEASURE  
**27%**



HEALTH & SAFETY PLAN FOR EMPLOYEES  
**55%**  
PROFIT SHARING SYSTEM FOR EMPLOYEES  
**62%**



INDEPENDENT BOARD MEMBERS  
**32%**  
FORMALIZED ETHIC CODE  
**77%**



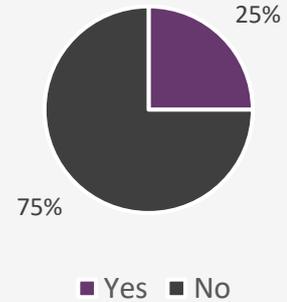
## ESG SURVEY KEY NUMBERS

At Access, we are convinced that engaging with our GPs and fostering their progress in the Sustainability field is essential to bring about positive changes in the private equity industry, and more broadly, at society level.

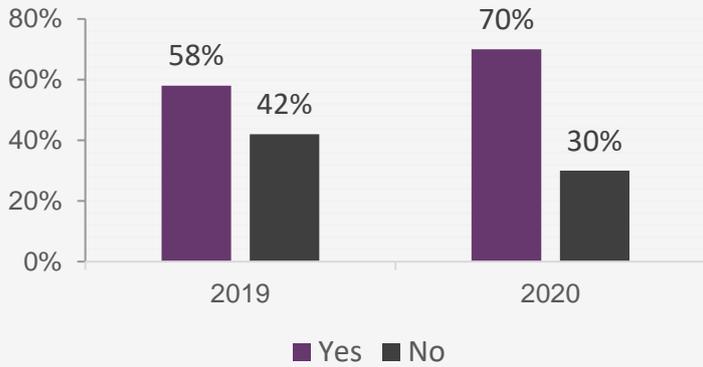
### Access 2021 survey

The survey includes 14 questions that evaluate the GPs' approach to ESG integration at corporate level and in their investment process.

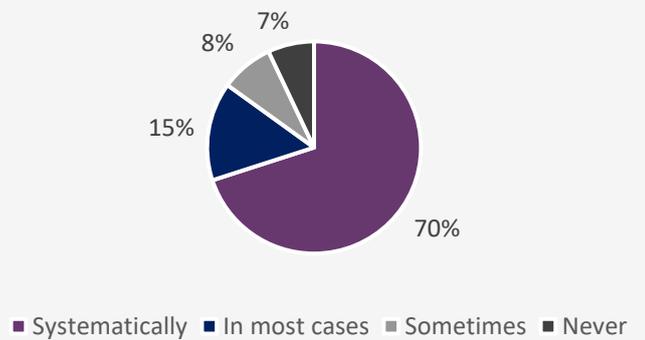
**% of GPs that have an ESG dedicated team**



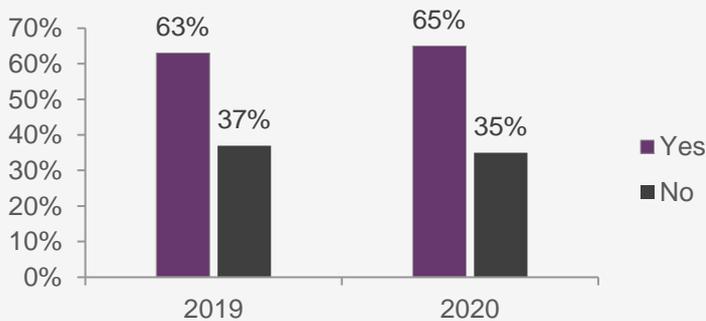
**% of GPs that are signatory of the UNPRI**



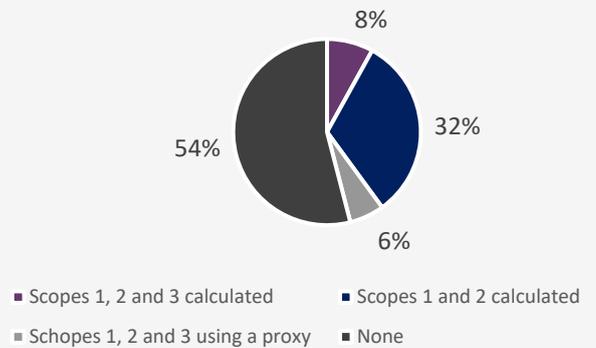
**% of GPs that conduct an ESG Due Diligence before investing**



**% of GPs that assess the risks and opportunities regarding climate change during Due Diligence or ESG Analysis**



**% of GPs that estimate carbon footprint of their portfolios**





## ABOUT US

Since inception, Access provides its clients with continuous returns and reduced volatility for their private asset allocations.

Access' integrated expertise offers exposure to Growth and Smaller Buy-outs, Infrastructure, and Private Debt through funds of funds, direct and co-investment funds and customised solutions. Building on its local presence in France, Germany, the United Kingdom, Benelux and the Nordic countries, the firm has gained extensive knowledge and coverage of the three market segments it targets in Europe

## KEY FIGURES

### ASSETS UNDER MANAGEMENT

€12.5bn

Funds historically raised since inception

### INVESTORS

300+

Institutional Investors

### TEAM

90+

Dedicated professionals across Europe

### SUSTAINABILITY

50

ESG & PAI indicators followed-up on annual basis

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