



PRESS RELEASE

## **EMERGENCE PUBLISHES ITS ESG POLICY FOR ITS ACCELERATION INVESTMENTS.**

### **A unique approach meeting the expectations of 14 leading institutional investors in the Paris financial centre.**

Paris, 12 January 2022 - Emergence, the Paris financial centre investment fund dedicated to accelerating entrepreneurial asset management companies, is publishing its responsible investment policy with regard to ESG (Environment, Social and Governance) criteria. This new operational tool is part of its proactive approach to helping entrepreneurial asset managers with the challenges of implementing their own responsible investor strategy.

The Emergence ESG policy embodies the positions shared by the fourteen institutional investor-members of the Paris financial centre's investment fund in terms of sustainable development. It sets out the non-financial criteria to which entrepreneurial asset managers interested in the fund's approach are encouraged to commit. While the fund's SRI Handbook<sup>1</sup> published last year was intended to shed light on the challenges associated with the implementation of an SRI approach, this new document goes further by setting out the guidelines sought by institutional investors in a responsible investment strategy.

The ESG policy applies mainly to the fund's equity sub-funds<sup>2</sup>. Its principles provide the delegated financial manager<sup>3</sup> with a clear responsible investment framework when performing due diligence on asset managers and their accelerated or accelerating funds. The asset managers are encouraged to adapt the principles according to their own non-financial convictions and in line with the characteristics of their investment strategy.

The ESG approach is structured around three pillars:

- **An exclusion policy** partly based on the standards set by various international conventions and the recommendations of the United Nations Global Compact<sup>4</sup>. This concerns companies in violation of fundamental rights or involved in controversial weapons. By applying limits, the exclusion policy also targets the tobacco industry and the thermal coal sector, as the negative impacts of these activities are a major issue of concern for various international bodies. The exclusions apply to all the Emergence fund's direct and indirect investments. For all other business sectors, Emergence prioritises investments in companies that are gradually transitioning to carbon neutrality.
- **A climate strategy** based on a formal policy of gradually divesting fossil fuels and objectively reducing the carbon footprint of accelerated funds, according to a roadmap aimed at aligning with

<sup>1</sup> The Handbook is available at [www.emergence-incubation.com/NOUS-CONNA%C3%8ETRE.html?lng=en&anchor=ISR](http://www.emergence-incubation.com/NOUS-CONNA%C3%8ETRE.html?lng=en&anchor=ISR)

<sup>2</sup> From the Emergence Europe sub-fund.

<sup>3</sup> NewAlpha AM for the Emergence Europe and Emergence Techs for Good sub-funds (currently being launched).

<sup>4</sup> United Nations Global Compact (UNGC).



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the objectives of the Paris Agreement. In particular, the guidelines of this strategy should lead to full divestment from companies directly involved in thermal coal activities by 2030. For companies involved in unconventional and conventional oil and gas extraction, the conditions for gradual exclusion are set by the accelerated asset managers. They are also encouraged to adopt an active shareholder engagement policy to raise awareness about reducing greenhouse gas emissions among their investees.

- **The integration of ESG factors** in asset managers' Corporate Social Responsibility (CSR) approach and the responsible investment policy for their accelerated funds. In terms of CSR, this involves formalising an ad hoc approach with tangible objectives (signing of the Principles for Responsible Investment (PRI) within 12 months; improving gender diversity, particularly among senior management; the sharing of value between employees, adapted to entrepreneurial asset managers). The asset managers are encouraged to apply a specific strategy to integrate each of the three ESG pillars in their investments. For the environment, the climate strategy must be supplemented by a reflection on biodiversity, which should be gradually taken into account in investment strategies. Each investment management company will also identify one or more social issues based on its own specific approach. The governance strategy involves applying an active voting and engagement policy in line with the accelerated asset manager's SRI approach. At the level of their accelerated funds, the asset management companies are encouraged to include at least one ESG theme in their investment strategies, with a policy of making progress in this area. The funds' non-financial reporting will provide appropriate indicators to present the results of the ESG approach.

**Karine Leymarie (MAIF), Chair of the Emergence ESG Committee**, said: *The ESG policy developed by Emergence is a unique achievement that brings together the shared expectations of 14 major institutional investors in the Paris financial centre. Using best practices, it sets an ambitious and flexible framework based on an incentive for progress, and aims to enable entrepreneurial asset managers to adapt to investors' growing demands. It also reflects the commitment to strengthen non-financial issues as an investment criterion within the fund and to make a tangible contribution to the transition to a sustainable economy.*"

- The Emergence ESG Policy is available on its website:  
[https://www.emergence-incubation.com/uploads/ESG/EMERGENCE\\_ESG\\_Policy.pdf](https://www.emergence-incubation.com/uploads/ESG/EMERGENCE_ESG_Policy.pdf)

### **ABOUT EMERGENCE**

*Emergence is the Paris financial centre's leading acceleration fund. Its goal is to accelerate the most promising and innovative young entrepreneurial asset management companies based in or with locations in France and to entrust them with capital to manage, in order to support their growth and international development. Emergence invests for a period of at least four years in one of their chosen funds to help it grow to exceed €100 million in AUM and to remove institutional and regulatory constraints (investment ratios).*

*Since its creation in early 2012, the Emergence mutual fund has invested in 21 management companies to accelerate 23 funds via its four sub-funds whose delegated manager is NewAlpha Asset Management: Performance Absolue (€307 million), Actions I (€200 million), Actions II (€320 million) and Europe (€200 million<sup>5</sup>).*

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<sup>5</sup> Partial amount of commitments before final closing in February 2022.



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*Emergence brings together 14 major institutional investors who work together as real acceleration partners for these high-potential entrepreneurial asset management companies. (EDF, Caisse des Dépôts, Aviva, Cardif, Macif, CNP Assurances, UMR, Neuflyze Vie, Groupe des Assurances du Crédit Mutuel, MAIF, AG2R La Mondiale, Malakoff Humanis, Prepar-Vie Assurance, Orano).*

*By launching Emergence, the French asset management industry, number-one in continental Europe by AUM (€4,355 billion at end-2020) and recognised for its expertise, its capacity for innovation and its entrepreneurial momentum, has equipped itself with an innovative model that associates institutional investors with a fund that will increase the appeal of the Paris financial centre among European competitors as a hub for asset management activities.*

## CONTACTS

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