

IJGlobal ESG Award – Governance – Vauban

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The independent panel of judges voted Vauban Infrastructure Partners to win the IJGlobal ESG Award in the Governance category, supporting its win this year in the Environment space.

One of the judges lauded Vauban’s “good effort to bring in outside consulting expertise to challenge and further improve governance of Vauban’s assets”.

Another judge added: “Vauban wins extra points for incorporating ESG criteria in all levels of investment management and having initiatives at corporate, portfolio and asset level.”

At the corporate level, Vauban is fully dedicated to ESG as a founding member of the GRESB in Infrastructure having a dedicated ESG committee that validates and develops its ESG strategy.

The ESG committee meets – at least – on a quarterly basis and includes members of the executive committee and investment team.

According to its submission: “Vauban is very committed to diversity through its hiring processes and has committed to reach parity through the signature of the France Invest Charter. Vauban closely monitors the progression of its gender parity ratio at every level of seniority.”

The investment team oversees the screening, analysis, and the monitoring of ESG at the asset level at all stages of the process.

Prior to acquisition, a formalised ESG memorandum is systematically presented and discussed at investment committee level... while, after acquisition, investment teams oversee ESG monitoring.

They engage with portfolio companies, notably at the board level (and/or dedicated ESG committees) to support ESG initiatives and performance. They also define KPIs for each portfolio company that include ESG parameters as well as a net zero alignment strategy (reviewed annually).

Consistent ESG monitoring is considered when calculating all of Vauban’s teams’ compensation; and the risk team integrates an ESG risk analysis to its risk assessment at the investment stage and during the monitoring stage.

Vauban produces annual ESG reports and year-by-year analysis of corporate behaviour regarding ESG parameters to measure ESG behaviour to encourage the team to improve their carbon footprint.

At the portfolio level – beyond governance KPIs followed in its entire investment process – gender-balanced governance and ESG trainings are 2 of our 4 main targets declared under SFDR article 8. It specifically focuses on these targets at the asset and fund levels.

The submission states: “At the stakeholders’ level, Vauban has implemented specific measures regarding ESG behaviour and commitment to improve parity in all contracts with its Suppliers and Clients to influence them to improve their ESG behaviour and manage the scope of Vauban’s carbon footprint. The objective of Vauban’s strategy is to identify parameters to improve ESG performance of the company and its assets under management by involving all stakeholders and influencing them to reach a net zero target in the most efficient way.”

Governance

Vauban was lauded for operating as a partnership with its employees and its ecosystem, maintaining a strong entrepreneurial mindset with a long-term sustainability goal to benefit all stakeholders.

Vauban – an affiliate of Natixis Investment Managers, dedicated to infrastructure equity investing – was established in 2019 after the spin-off from Mirova (Natixis’ affiliate dedicated to sustainable investments). It was created by transferring the existing infra team, all the investment funds, and all of the co-investment vehicles of Mirova Core Infrastructure into the newly created affiliate.

Natixis Investment Managers has a majority stake (61.4%) in Vauban Infrastructure Partners while the principals and 22 senior managers of Vauban hold the remaining portion of the equity of the firm. This structure allows Vauban to further grow its investment activity, continue to act ahead of market trends, and target the very highest quality of service.

Over the years, Vauban’s investment team has also built partnerships with industrials as well as sector platforms in digital infrastructures, car parks, smart metering, EV charging, district heating, transport, etc. that generate consistent proprietary deal flow for the different generations of funds. Vauban’s ability to build strong relationships with key industrial partners has been a key driver to allow for access to strong, proprietary deal flow at attractive entry valuations.

Vauban ensures that the sustainable infrastructure assets it develops and invests in are valuable to all of its industrial partners, public authorities, and local communities. Integration of long-term sustainability and ESG impacts in the investment philosophy is a key determinant of the long-term performance for Vauban. Vauban invests in essential infrastructures that impact people’s lives over several generations; this is why Vauban’s ESG strategy is central to the value proposition it offers to its clients and industrial partners.

Picture added after IJGlobal ESG Awards 2022. Photographed with the Vauban team are IJGlobal editor Ila Patel and editorial director Angus Leslie Melville.





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