Impact Partners: the pioneers paving the way in social investment

Mathieu Cornieti is the CEO of Impact Partners, the first European platform dedicated to impact investing. With over 180 portfolio companies and 340 million euros in assets under management, Impact Partners has an impressive track record. Founded in Paris in 2007, its mission is to transform capitalism into a driving force for a more inclusive society by helping founders of impactful projects access resources and have a chance to succeed.

When Impact Partners launched 18 years ago, impact investing was groundbreaking, visionary, and niche. What was the personal motivation that led you into impact investment?

I started in standard private equity at Rothschild Bank, but I've always been passionate about entrepreneurship and social impact. I felt we could use the power of entrepreneurship to solve social issues instead of waiting until retirement to "give back." Life is short and I didn't want to waste time. I believed I could use my experience to fund entrepreneurs who address these challenges, all while maintaining a professional mindset, not a philanthropic one.

Social impact is intrinsic to your core business model; your tagline – "social, local, and green investing" – illustrates this. Can you tell us more about your philosophy and how you select businesses and people you work with?

Being an impact fund means we aim to create both financial and social performance with every investment. That's a big difference from standard ESG funds, which mostly focus on excluding certain sectors or implementing best practices after the investment. For us, the decision to invest is driven just as much by the potential social impact as the financial return.

We actively look for entrepreneurs and businesses where we can truly add value, places where our support makes a real difference. It's not about putting money into companies that anyone else could back. We're targeting underserved entrepreneurs, with values that align closely with ours.

And it's not just about the businesses; it's about our team, too. Everyone here could earn more elsewhere, but they choose to be part of Impact Partners because they believe in what we're building. We've created a unique ecosystem where our entrepreneurs, our investors, and our team all feel like they're making a real impact. That's what sets us apart.

The Impact Partners' team spans five European countries. How do the countries differ, how do you find businesses to work with, and how do you work together to achieve more?

We started the company in Paris, and now Impact Partners has offices in Frankfurt, Copenhagen, Barcelona, London, and Milan. Thanks to technology, we work seamlessly across locations. Everyone speaks English and French. Our team

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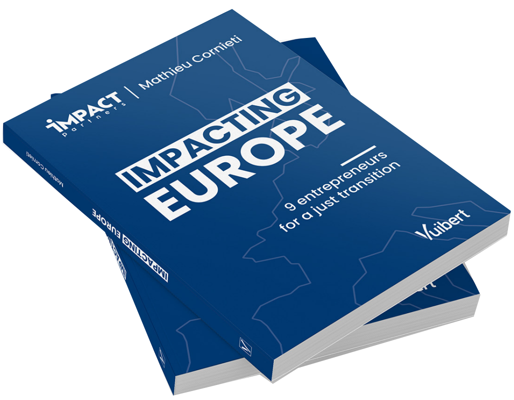
represents seven nationalities, but we share a common culture, which is essential because social impact isn't just about financials; it's about understanding values.

These entrepreneurs often imagine traditional PE funds won't care about their values or sector. However, we bring expertise in areas like education for low-income populations or access to healthcare for fragile communities, creating employment for formerly incarcerated persons. After 15 years, we've built deep knowledge in these niches, and entrepreneurs recognise we're different. We can offer entrepreneurs in one country and opportunities in another country. So, we are social, we are European, and we are professional. And if you mix all of that, we are absolutely unique.



Manifeste pour une Europe à impact **contains nine inspiring stories of entrepreneurs who were supported through impact investing.**

From pallet recycling in Spain and bicycle repair in France to circadian lighting for mental health in Denmark, they demonstrate that innovation, impact investing, and solidarity are the pillars of a more sustainable Europe.

For most of the businesses we work with, we find each other through word-of-mouth or direct outreach. Our recently published book, *Manifeste pour une Europe à impact*, aims to spread the word further.

You have an excellent track record of success stories. Can you always find opportunities for the companies you believe in? If you believe in their social impact, do you always find a way to make it work?

Not always. Some challenges come from entrepreneurs who've built their businesses alone for 10–15 years and struggle to adapt to working with an investor. Things like shareholder agreements and strategic decision-making can feel foreign to them.

Another challenge is scale. We typically invest EUR 5–15 million, so while we find great business models, some aren't mature enough to meet our ticket size. We can't manage hundreds of small investments; that's not our model. We focus on 20–25 entrepreneurs per fund to provide real support.

Buy-and-build is a key strategy for us. For example, we helped Top Doctors, a Spanish company, to get a foothold in the UK market by acquiring a smaller competitor with a EUR 800,000 turnover. These smaller buy-and-build acquisitions are game changers, especially regarding social impact. Cultural and regulatory barriers, like different tax systems or social security structures, complicate crossborder growth. Buying a local company is often the best solution for entering a new market and can substantially accelerate growth.

Working with Clairfield

We're so grateful to Clairfield, especially Thierry in France and Alex in Germany, for their unwavering support, especially in our early days. Working in the impact space is a personal commitment, and they have been very interested in and deeply invested in supporting less mature entrepreneurs and building relationships with us for years.

Fifteen years ago, we started with EUR 500,000 in investments. We were investing in entrepreneurs in deprived urban areas in France; many didn't even know what an M&A process was or how to sell a company. Thierry spent a lot of time helping us, and Alex introduced us to the German market. Their early support made all the difference.

Today, we're investing EUR 5–10 million per company. While these are still smaller deals compared to Clairfield's usual size, Clairfield's commitment to supporting our growth has been invaluable. This isn't about PR but genuine interest.

One example is an entrepreneur who built a remote interpretation and translation platform in German-speaking countries. It is used in public services to help refugees communicate with doctors. Another is a French entrepreneur who recycles used mattresses and, with our support, has opened five new plants and created 80 jobs for those far from the labour market. There's also a Spanish entrepreneur repairing plastic pallets and opening a plant in Poland, again creating jobs.

How has the impact investing landscape evolved?

When we started, the landscape was barren. The term "impact investing" didn't even exist. It was a gamble between philanthropy and private equity, and no one thought it would succeed. But today we're recognised as pioneers who've delivered both financial and social performance.

"Green" impact has become a buzzword, with a lot of money flowing into green infrastructure. There's growing interest in social issues, but it's still early days. Unfortunately we're one of the few funds with a proven track record in this area, so while it's exciting, the market still has a lot of catching up to do.

Impact investing has reached US$1.57 trillion globally with rapid growth. What is "impact washing," and what challenges do you see?

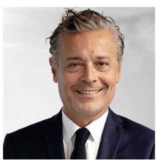
The main issue isn't just the billions being invested — it's agreeing on what "impact investing" actually means. In private equity, a true impact fund makes a promise to deliver both financial and social performance.

Twelve years ago, we were the first fund in Europe to align 100% of our team's financial incentives with impact goals. Today it's a standard for the European Investment Fund and other institutions. If a fund earns money without achieving its promised impact, it shouldn't be called an impact fund.

What trends do you see in impact investing, and what needs to happen next for impact investing to grow?

There are two main trends. Firstly, ESG frameworks are growing, but many funds focus on superficial investments, like favouring Tesla over other brands because it's electric, while ignoring the broader impact and thus not considering other investment opportunities.

Secondly, social issues are becoming more urgent. Climate change is inevitable, but social cohesion is critical to facing climate challenges. We believe prioritising social impact is the way to make the most significant difference. We need to make a difference by investing in something today which may have an ESG impact in 30 years. ■



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