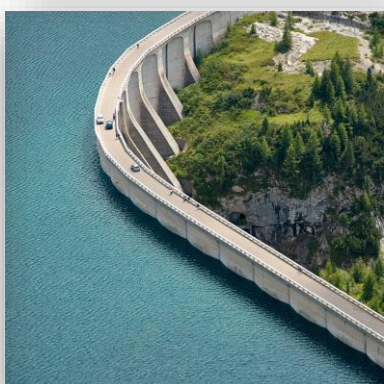


Investing for a sustainable world



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Editorial

2021 was an exceptional year for investment in the ecological and energy transition sectors, characterized by a strong acceleration: record in amounts invested by investment capital in France (€2.3 billion), record in number of supported companies (125), and record in number of exits (more than 10). These are key elements revealing the **change of scale** to be extended in the years to come. Relevant factors for this acceleration include the concretization in 2021 of the **European Green Deal**, as the « Fit for 55 » climate package's main goal is to enable the reduction of greenhouse gas emissions by 55% by 2030, and the **taxonomy regulation** providing a common framework to define "green" activities, thus steering funds. In addition, France has chosen to support companies' transition towards low-carbon models through the « **France 2030** » investment plan, resulting in February in the launch of a €5.6 billion program to decarbonize the industry.

The outlook for 2022 is even more dynamic and the joint support of public and private players together with commitments from players such as ADEME (cf. including the definition of scenarios to reach carbon neutrality as described by Arnaud Leroy in his viewpoint page 6) should help to **accelerate the development** of companies in the ecological and energy transition sectors as well as the shift from innovation financing to **industrialization financing**. Specifically, the year is expected to be fruitful for companies in the circular economy, sustainable agriculture and energy efficiency sectors.

In this context, **Demeter pioneer and leader in investment for the ecological and energy transition**, reinforced its dynamism by successfully investing in **19 new companies and reinvesting in 37 existing portfolio companies**. This noteworthy performance reflects our expertise, the accelerated growth of our markets and the talent, innovation and know-how of our entrepreneurs.

Our development dynamics accelerates with the **launch of four new funds compliant with Article 9 of the SFDR**: **VitiRev Innovation**, for sustainable wine growing, **Fonds d'Amorçage Industriel Métropolitain (FAIM)** for sustainable industry, the **Circular Innovation Fund** and the **Climate Infrastructure Fund**. Reflecting our ESG policy and demonstrating our strong commitment, these four new funds include **innovative and in-depth impact measure methodologies** and part of remuneration linked to performance on ESG objectives.

With **€1.2 billion in assets under management**, we are strengthening our business model, which combines **financial performance with a commitment to demanding ESG standards**. Our portfolio companies' performance indicators are testament to this: in 2021, their activities made it possible to **avoid 5.1 million tonnes of CO₂ emissions and 23 TWh of energy consumption**.

Along with our ecosystem as a whole, growing assets under management and the launch of new Article 9 funds, we are determined to pursue our purpose: **supporting the champions of ecological growth**



Our vision:

Investing for a low-carbon future



Intentionality

- We invest exclusively in companies with a positive environmental impact
- All our new funds and our Paris Green Fund growth fund comply with the Article 9 of the SFDR, while our other funds are Article 8-compliant.



Impact assessment

- We implement innovative, in-depth impact measures tailored to each of our funds.
- We showcase the environmental impact of our portfolio companies.



Alignment of interests

- Our commitments and initiatives reflect our core purpose “Supporting the champions of the ecological and energy transition”
- Performance-based remuneration linked to impact objectives is a criterion in all of our new funds.

Key figures for 2021

€1.2bn

assets under management
focused on the ecological
and energy transition

€47m

invested
in 19 new companies

€54m

reinvested
in 37 portfolio companies



5.1m

tonnes of CO₂
emissions avoided

*Equivalent to the
annual emissions of
2.5 million cars(1)*

23 TWh

of energy
consumption
avoided

*Equivalent to the
electricity
consumption of 5
million French
households (2)*

150

patents registered

*by our
portfolio companies*

(1) Source E-rse.net: a car emits 2 tonnes of CO₂ per year

(2) Source <https://prix-elec.com/energie/comprendre/statistiques-consommation-France>:
an average French household consumes 4,710 kWh of electricity per year

Arnaud Leroy

Director of Sustainable Development, Sphère Group
Former President of the Sphere French Agency for Ecological Transition (ADEME)



- “The current debate around ecological planning and the best way to organise it administratively represents an interesting opportunity that we have to seize to move forward on this subject. ”

Carbon neutrality: the end goal of impact finance?

Arnaud Leroy - The inclusion in French law of the objective of carbon neutrality, adopted as a compass at the European and international level, requires us to **rediscuss and review the foundations of our economy and the organisation of our society.**

Yes, we need to decarbonise energy production – and quickly – but it would be dangerous to think that this will be enough to meet the goal of an average temperature increase **between 1.5 and 2 degrees Celsius by the end of the century.**

ADEME, the Ecological Transition Agency, which I have had the honour of chairing, has studied in depth the various ways to achieve carbon neutrality, identifying **four** wholly internally consistent **scenarios** that would enable France to achieve this famous objective. However, there are many differences between these scenarios, that would be complicated to explain here. They also include some common lessons, which I will summarise shortly.

The four paths presented are all challenging and require orchestrated planning of change, involving the **State, regional and local authorities, economic actors and citizens.** “The current debate around ecological planning and the best way to organise it administratively represents an interesting opportunity that we have to seize to move forward on this subject.

Achieving neutrality depends on pulling off major bets, both on a human level with changes in behaviour, and in technology, with in particular **technological carbon sinks.** There are still many unanswered questions about the costs and energy needed for such sinks to work. All scenarios therefore carry **some risk,**

and they all require us to act fast: the socio-technical changes to be carried out are of such magnitude that they will take time to produce their effects. As I have reiterated publicly many times in the past, **the 2020-2030 decade is a crucial one for action,** because now is when the **planning and the major changes to consumption patterns** are decided, with a **new approach to spatial planning, technological solutions** and productive investments.

Viewpoint

Reducing energy demand, itself linked to demand for goods and services, is the key factor for achieving carbon neutrality. Depending on the scenario – each based on a **different balance between lower use and energy efficiency** – the reduction compared to 2015 can be anything from **23% to 55%**. In all scenarios, in 2050 **more than 70% of energy supply will come from renewable sources**, and electricity will be the main energy vector. However, to limit the pressure on resources under no circumstances can this legitimise wasting energy, as a significant part of the new mix relies on biomass, whether wet or dry.

Industry will also have to change, not only to adapt to a far-reaching shift in demand but also to decarbonise production. This will require **large-scale investment plans** and a society-wide effort to support areas undergoing change and train employees for new jobs. The circular economy will have to become the norm and a reality in many sectors.

Organic matter is one of the key components in this transition as it makes it possible to act on **three strategic fronts: carbon storage, biomass production and the reduction of greenhouse gases**. It is therefore essential to maintain a balance between the food and energy uses of biomass and the preservation of ecological functions, such as biodiversity and carbon storage, through a holistic approach to the bioeconomy.

Adapting forestry and farming is therefore becoming an absolute priority in the fight against climate change. The resilience of ecosystems is all the more crucial as they are subject to impacts of greater and greater magnitude. The creation of new forests cannot be ruled out – despite the prevailing pressure on land use.

Pressure on natural resources varies considerably from one scenario to another. This is particularly the case for irrigation water or building materials, for which volumes consumed vary by a factor of two between certain scenarios.

These scenarios also open up some important questions that will have to be answered democratically, one of the biggest being how much **less** will we need to **consume**? What impacts are we willing to accept through **incentivisation** and how many must be **imposed by law or regulations**? And where does lower consumption fit in with the announced re-industrialisation targets?. Likewise as regards what we eat: **it is accepted that switching to a plant-based diet is an absolute necessity** to lower the carbon impact of eating habits.

These few words sum up the main lessons learned from this exercise – unprecedented in scale in terms of the areas it covered – on which **the Agency and more than a hundred employees have been working for two years**, all under the watchful eye of a scientific advisory board that kept this major project firmly grounded. To find out more about it you can go to **[transition\(s\)2050.fr](https://transition(s)2050.fr)**.



**Demeter,
pioneer and investment leader
in the ecological and energy transition sectors**



Our identity

€1.2bn

assets under
management

37

employees

205

investments

3 activities

Demeter invests in companies in the ecological and energy transition sectors at all stages of their development: innovative start-ups, rapidly growing SMEs and mid-caps and infrastructure projects.



Offices in Europe and an international partnership

Demeter has offices in Paris, Lyon, Grenoble, Metz, Bordeaux, Madrid and Düsseldorf as well as a key partnership with the Canadian fund Cycle Capital, which gives it international scope.



DEMETETER

SUPPORTING THE CHAMPIONS OF ECOLOGICAL GROWTH

Our investment sectors

Demeter supports innovative start-ups, fast-growing SMEs and mid-caps and infrastructure projects in the **ecological and energy transition sectors**.

Storage
Smart grids
Systems - Infrastructures
Sustainable buildings
IT



Electric vehicles
Charging terminals
Sustainable logistics
Public transport
IT



Recycling
Water - Soil
Air Quality
Advanced materials
IT



Bio-inputs
Agricultural robotics
Biofuels
Green chemistry
IT



Solar
Wind power
Biomass
Geothermal energy
Hydropower

Our investments in 2021 & 2022

In 2021, Demeter invested nearly €47 million in 19 new companies in the various ecological and energy transition sectors.



INNOVATION



PRIVATE EQUITY



INFRASTRUCTURES



Production of lettuces and herbs using **vertical growing** technology



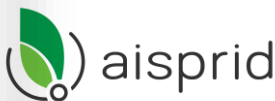
Smart LED lighting system for greenhouse crop optimisation



Construction of **buildings using 100% recyclable materials**



Production of innovative **batteries**



Autonomous robots for picking soft fruits in greenhouses, to **help tackle labour shortages** and encourage **local production**



Combines **hardware, software and artificial intelligence** to offer a **waste management solution**.



German designer, manufacturer and distributor of **innovative folding premium electric scooters**.



Production of **photovoltaic energy** for **electric mobility**



Calculation of businesses' **carbon footprint** and **support** for their **low-carbon development strategy**



Digital and ecological solution for **reusing new construction materials**



instant system

MaaS platform for **public authorities' urban mobility policies** and to **facilitate travel** for company employees



Public network of **charging infrastructures** for **electric and hybrid vehicles**

** Illustrative sample from our portfolio*

DEMETER

SUPPORTING THE CHAMPIONS OF ECOLOGICAL GROWTH

Our 4 new funds classified "Article 9" according to the SFDR

VitiRev Innovation

INNOVATING FOR THE ECOLOGICAL TRANSITION OF THE WINE GROWING SECTOR

€80 million fund
Venture capital investment

Investment sectors



Missions

- **Taking into account ecological issues** such as climate change acceleration, reduction of environmental impacts, replacement of inputs and protection of natural resources.
- **Development of digital and biological technologies** using multiple sensors, new tools and artificial intelligence, and development of more advanced biotech interfaces.
- **New expectations of wine growers and consumers**, such as recognition of the need for sustainable wine growing, consumer health issues, new consumption habits and new distribution alternatives.



Our 4 new funds classified "Article 9" according to the SFDR

Fonds d'Amorçage Industriel Métropolitain (FAIM) Lyon / Saint-Etienne

REGIONAL INVESTMENT FUND FOR SUSTAINABLE INDUSTRY

€80 million fund
Seed and venture capital investment

Investment sectors

- Clean energy
- Green chemistry
- New materials
- Medical devices
- Optics and Electronics
- Textile
- Food



Missions

- **Support sustainable industry solutions** to respond to ecological, social and territorial economic self-reliance challenges and to create local, quality and sustainable employment.
- **Development of innovative industrial technologies** such as carbon dioxide capture and storage, the design of filters for biogas production, methanization and battery recycling.
- **Encourage industrial change to integrate the challenges of the ecological transition.**



**TERRITOIRES
D'INNOVATION**

GRAND LYON
la métropole

SÉM
SAINT-ÉTIENNE
la métropole

Note : details on FAIM impact measure in page 58

DEAMETER

SUPPORTING THE CHAMPIONS OF ECOLOGICAL GROWTH

Our 4 new funds classified "Article 9" according to the SFDR

Circular Innovation Fund

DEVELOPING AND EXPANDING INNOVATIVE CIRCULAR SOLUTIONS
AROUND THE WORLD

Fund of more than €150 million managed by Demeter and Cycle Capital - Contribution from L'Oréal as anchor investor
Direct and indirect venture growth capital investments
Regions covered: North America, Europe and Asia

Investment sectors



New Materials



Circular Packaging



Eco-efficient Processes



Logistics



Recycling



Waste Innovation



Circular by Design

Missions

- **Develop a large-scale circular economy** by supporting entrepreneurs developing innovative circular economy solutions worldwide.
- **Contribute positively to climate change mitigation and the circular use of resources** through technology and innovation on a global level.



Our 4 new funds classified "Article 9" according to the SFDR

Climate Infrastructure Fund

ENERGY EFFICIENCY INFRASTRUCTURES

€300 million fund
Investment in infrastructure projects in Europe

Investment sectors

Industrial processes	Sustainable cities	Biomass & biogas
Storage	Smart grids	Hydrogen
Social infrastructure	Green data centres	Geothermal energy
Heating and cooling networks	Off-grid production	Solar
Waste recovery	Water networks	Wind power

Missions

- **Decarbonise industry, the service sector and local and regional authorities** by focusing on **energy efficiency** projects, including in particular energy optimisation of industrial processes, heating and cooling networks, sustainable buildings, green hydrogen, green data centres and off-grid production.
- **Promote the integration of renewable energies in innovative off-grid production and storage systems**
- Facilitate the emergence of **second generation biofuel production** projects



Note : details on Climate Infrastructure Fund impact measure in page 60

Our contribution to decarbonisation

Case study - Deepki



Making real estate more virtuous on a large scale

Founded in 2014, Deepki has developed a SaaS solution that uses smart data to help real estate players transition to carbon neutrality. Deepki combines its technology and expertise to design effective strategies covering all ESG dimensions – energy, water and waste consumption, social impact and best governance practices – to accelerate positive impact and help its customers improve their wealth's performance and maximise the value of their assets. Having penetrated the French market Deepki has now expanded its business in Europe, with offices in the UK, Spain, Italy, Germany and soon the Netherlands.



- Created in 2014
- 160 employees
- Founders: Vincent Bryant & Emmanuel Blanchet
- Offices in Paris, Milan, Madrid, London & Berlin
- Emertec 5 investment in 2015



180k

tonnes of CO₂ savings detected

+400m

sqm surface area monitored for more than 300 customers in 2021

+39

operated countries

In Europe, the real estate sector is responsible for 40% of energy consumption and accounts for 37% of CO₂ emissions.

The sector grows every year, which represents an environmental and economic risk for investors. Deepki allows investors to position themselves on a zero-carbon trajectory to limit their obsolescence and depreciation risk while combating global warming. Deepki currently operates in more than 39 countries, helping leading companies such as Generali Real Estate, Allianz Real Estate, SwissLife AM, Unibail Rodamco, BNP Paribas RE, Primonial and public players such as the French State and the City of Paris to make their real estate assets more virtuous on a large scale.

Our contribution to decarbonisation

Case study - Ynsect

Delivering low carbon impact food production



Ynsect, a **Next40, Bcorp** certified company, is the world's leading producer and processor of insects Corp for food use. Ynsect converts insects into **premium, high value-added ingredients** for animals, fish, plants and, in the future, humans. Its ecological, healthy and sustainable solution meets the **growing global demand** for protein and plant consumption.



- Created in 2011
- 200 employees
- Founders: Antoine Hubert, Jean-Gabriel Levon, Fabrice Berro & Alexis Angot
- Offices in Paris, Dole, Evry, Amien, Ermelo & Ne
- Demeter 3 and Emertec 5 investment in 2014



6,400

tonnes of CO₂ avoided
per 81,000 tonnes of
ingredients produced *

< 0.5

kg of CO₂ per kg of
Ynsect product vs.
35.8 kg of CO₂ per kg
of beef

BCorp

certified in 2021

One of the agricultural sector's main problems is the sustainability of its system. The aim is to adapt production and breeding methods in order to preserve the ecosystem's balance while meeting human needs.

Ynsect's worm flour allows it to promote and contribute to the agricultural system's sustainability through three key channels: reducing the environmental impact of food production for a lighter carbon footprint, reducing input quantities and improving the nutritional benefits of foods.

* Source: Ynsect carbon audit carried out in July 2021

DEAMETER

SUPPORTING THE CHAMPIONS OF ECOLOGICAL GROWTH

Our contribution to decarbonisation

Case study – Plan A



Measuring carbon footprints to encourage the implementation of GHG reduction action plans

Plan A has developed an innovative digital platform enabling companies to **measure, monitor and reduce** their environmental **footprint** in order to improve their business and ESG performance.



- Created in 2017
- 68 employees
- Founders: Lubomila Jordanova
Nathan Bonnisseau & Oliver Spragg
- Offices in Berlin, Paris and London
- Demeter 6A investment in 2021



400k

tonnes of carbon
under management
via the Plan A platform

+150

companies assisted

42%

reduction in the
company's energy
consumption by
2025

Since the 2015 Paris Agreement, numerous measures and regulations have been put in place to combat global warming. However, a difficulty remains for a large number of economic players: measuring their impact so that they can propose the most effective decarbonisation plans.

Berlin-based Plan A responds to this challenge using proprietary technology and software that makes it possible to collect and centralise all a company's data, measure its impact and propose solutions to bring it more into line with the latest environmental regulations. Plan A then provides further concrete support to the company in the form of defined, measurable objectives based on the different scopes (1, 2 & 3) taken into account, as well as assistance with communication on its sustainable development effort.

Our contribution to decarbonisation

Case study - Lixo



Optimising waste management

Lixo offers solutions that increase the efficiency and transparency of the waste management and recovery industry. Its comprehensive package for refuse managers is based on a hardware brick, AI and a software platform.



- Created in 2019
- 16 employees
- Founders: Marjorie Darcet & Olivier Large
- Offices in Paris
- Demeter 6 investment in 2021



1.8

tonnes of waste
processed in 2021

7

Initiatives put in
place to reduce its
environmental
impact

BCorp

certification due at
end-2022

On the large scale, the circular economy is an industry lacking innovation. For decades, countries have exported or buried their waste. While such practices are behind us, there is still a lack of circular economy solutions at the local and industrial levels.

Lixo provides high-tech solutions to the waste management and recovery industry. Using a combination of sensors and image recognition algorithms, it enables all types of waste management players (collectors, sorting centres, recyclers, etc.) to analyse and thus better recover, sort and manage waste flows. Lixo's ultimate goal is to ensure that recycled materials can finally compete with virgin raw materials on price and quality.

Our contribution to decarbonisation

Case study - Construcia

Constructing sustainable and recyclable buildings

Construcia is a Spanish construction company specialising in innovation and the **construction of green and circular economy buildings**. It has developed its **own methodology (Lean2Cradle)** based on a combination of **lean manufacturing** methodology applied to the construction sector and **cradle-to-cradle** principles. This methodology allows it to design and build spaces and buildings that are **100% recyclable**.

CONSTRUCÍA



- Created in 2002
- 303 employees
- Founders: Arturo Fernández Vidal & Pablo Sainz de Baranda
- Offices in Madrid, Barcelona and Lisbon
- Paris Green Fund investment in 2021



104,000

tonnes of CO₂eq
emissions avoided in
2021

8,421

tonnes of waste
avoided in 2021

100%

sustainable: reuse of
resources

Aware of the need to integrate sustainability criteria into construction – one of the sectors that generates the most waste – Construcia made the bold decision to rethink the model to make the circular economy a building trade reality. In 2018, it created the Lean2Cradle® Construcia circular construction methodology,

which applies circular economy principles to building and almost entirely eliminates waste emissions from deconstruction without increasing project cost or duration. It makes this possible by combining cradle-to-cradle principles with lean construction methodology.

In addition to circularity, Construcia designs workspaces that improve employees' health and comfort and positively influence their well-being, which in turn is beneficial for the working environment and productivity.

Our contribution to decarbonisation

Case study - Verkor

Deploying low-carbon mobility



Verkor is responsible for one of **France's** three current planned **battery plants**. Launched in 2020, the company aims to build a **battery production gigafactory in France** at an innovation centre in Grenoble. Verkor's shareholders include leading industrial companies such as Renault, Arkema, Tokai Cobex, Schneider, IDEC and Capgemini.



- Created in 2020
- 45 employees
- Founders: Benoit Lemaignan, Christophe Mille & Sylvain Paineau
- Offices in Grenoble
- FMET investment in 2021



+100
experts from 19
different countries
make up the team

16 GWh
equivalent of lithium-
ion cells per year by
end- 2024

300k
electric vehicles
equipped by end-
2024

Faced with the rise in climate issues associated with the mobility industry, Verkor was born of the desire to make Europe a key manufacturer of the next generation of batteries. In 2020, in the extraordinary context of a global health crisis accompanied by the realisation of the need for profound change, six change management players from different backgrounds came together to create Verkor.

The company's ambition is to scale up the production of low-carbon batteries to meet growing demand for electric vehicles. Verkor's mission is to accelerate the large-scale industrialisation of batteries in Europe and to deploy smart and sustainable production processes in its first French gigafactory.

Our contribution to biodiversity (1/2)

Investments in companies that take initiatives to preserve biodiversity



Reduction of water and energy consumption in agricultural and wine-growing irrigation. Uses connected sensors to optimise remote irrigation.



Natural and sustainable optimisation of functional ingredients from insects, for human and animal health



Autonomous robots for picking soft fruits in greenhouses, to help tackle labour shortages and encourage local production



Production of lettuces and herbs using vertical growing technology

Focus on biodiversity preservation in our infrastructure projects

- We are very careful to ensure that the renewable energy generation projects we finance do not have a significant negative impact on wildlife.
- For the H2air project, we have introduced monitoring to measure turbine noise and assess the wind farm's impact on birds and bats. Back in 2019, Demeter and H2air began monitoring the nesting of local harriers to safeguard their reproduction.
- The impact study concluded that the farm only generates a minimal impact on birds and bats and is therefore compatible with biodiversity preservation requirements.



Our contribution to biodiversity (2/2)

Biodiversity-focused impact measurement for the VitiRev Innovation fund

- VitiRev Innovation invests in innovations for sustainable wine growing and wine making. Biodiversity preservation is crucial for this industry.
- VitiRev Innovation has designed an analysis covering the entire investment life cycle based on audits of the environmental and territorial impact of these companies' activity, using financial and non-financial criteria. This analysis is carried out by GreenFlex, a consulting firm.
- The indicators measured relate specifically to the use of inputs such as phytosanitary products and nitrogen fertilisers that deplete the soil and militate against biodiversity preservation.



Engagement with foundations and programmes that promote the protection of biodiversity



Note : details on Vitirev impact measure in page 57

Our contribution to Biodiversity

Case study - Telaqua



Optimising water consumption

Around 70% of the world's water is used to irrigate farmland and vines. Telaqua seeks to use its big data and IoT expertise to improve water management.

"We enable our customers to use connected sensors and a simple, intuitive application to control and monitor their irrigation system remotely. It is a solution providing more smart and in some cases fully automated management of their activities. "

The analysis of the data we collect and the increasingly detailed management of operations mean that the product is constantly evolving.



- Created in 2018
- 20 employees
- Founders: Sébastien Demech & Nicolas Carvallo
- Offices in Marseille and Aix-en-Provence
- VitiRev Innovation investment in 2022



35%

reduction in water use by farms and vineyards

50%

reduction in use of high-carbon vehicles (quads, tractors, etc.)

> 30%

recycled plastic used in the manufacture of products

The issue of water use in farming has become a global priority and Telaqua aims to become the key partner for winegrowers and farmers to help them optimise their resources simply and efficiently.

Telaqua intends to continue expanding in France and Europe by offering a comprehensive irrigation management solution for farming and wine growing in particular. The start-up is continuing its technological development to provide its customers with ever more functionality, always based on the principle of ease of use. To do this, it relies on collaborations with laboratories or universities to continue its work in artificial intelligence. This will enable it to develop more advanced predictive decision-making tools and further its use of blockchain for traceability.

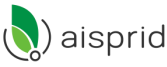
Our contribution to the UN's sustainable development goals (1/2)

Demeter contributes to the UN's Sustainable Development Goals as an investor by investing in companies that create value for the environment and society.

Every single one of our portfolio companies contribute to the UN's Sustainable Development Goals.



Insect
Highly nutritious insect-based products with strong environmental credentials



aisprid
Autonomous robots for picking soft fruits in greenhouses: tackle labour shortages and encourage local production



CONSTRUCIA
Sustainable construction methodology for 100% recyclable buildings.



WALBERG
German designer of folding premium electric scooters



h2air
Construction and development of a wind farm



VERIKOR
Production of innovative batteries



naïo Technologies
Agricultural robots that reduce environmental impact



lixo
Combines hardware, software and artificial intelligence to offer a waste management solution



CIME CAPITAL
Photovoltaic equipment and off-grid production solutions



HESUS
Optimised management of construction site waste



PROVIRIDIS
Designer of filling stations for carbon-free mobility



ZEGWAY
Personal electric scooter long-term rental service



RED HORTICULTURE
Smart LED lighting system for greenhouse crop optimisation



planA
Calculates companies' carbon footprint and assists them with their low-carbon strategy.



Spareka
Fault diagnosis, spare parts sales and repair support services system



CUCULUS
Software for collecting data from smart meters



SEE YOU SUN
Production of photovoltaic energy for electric mobility



Easy Charge
Public network of charging infrastructures for electric and hybrid vehicles



* Illustrative sample from our portfolio

DEMETER

SUPPORTING THE CHAMPIONS OF ECOLOGICAL GROWTH

Our contribution to the UN's sustainable development goals (2/2)

The investments made by our funds in 2021 are aligned with the United Nations' Sustainable Development Goals



Calculates companies' carbon footprint and assists them with their low-carbon strategy.



Combines hardware, software and artificial intelligence to offer a waste management solution.



Natural and sustainable optimisation of functional ingredients from insects, for human and animal health



Digital and ecological solution for reusing new construction materials



Intelligent LED lighting system for greenhouse crop optimisation



Proprietary methodology for building 100% recyclable buildings.



German designer, manufacturer and distributor of innovative folding premium electric scooters.



instant system

MaaS platform for public authorities' urban mobility policies and to facilitate travel for company employees



Production of innovative batteries



* Illustrative sample from our portfolio

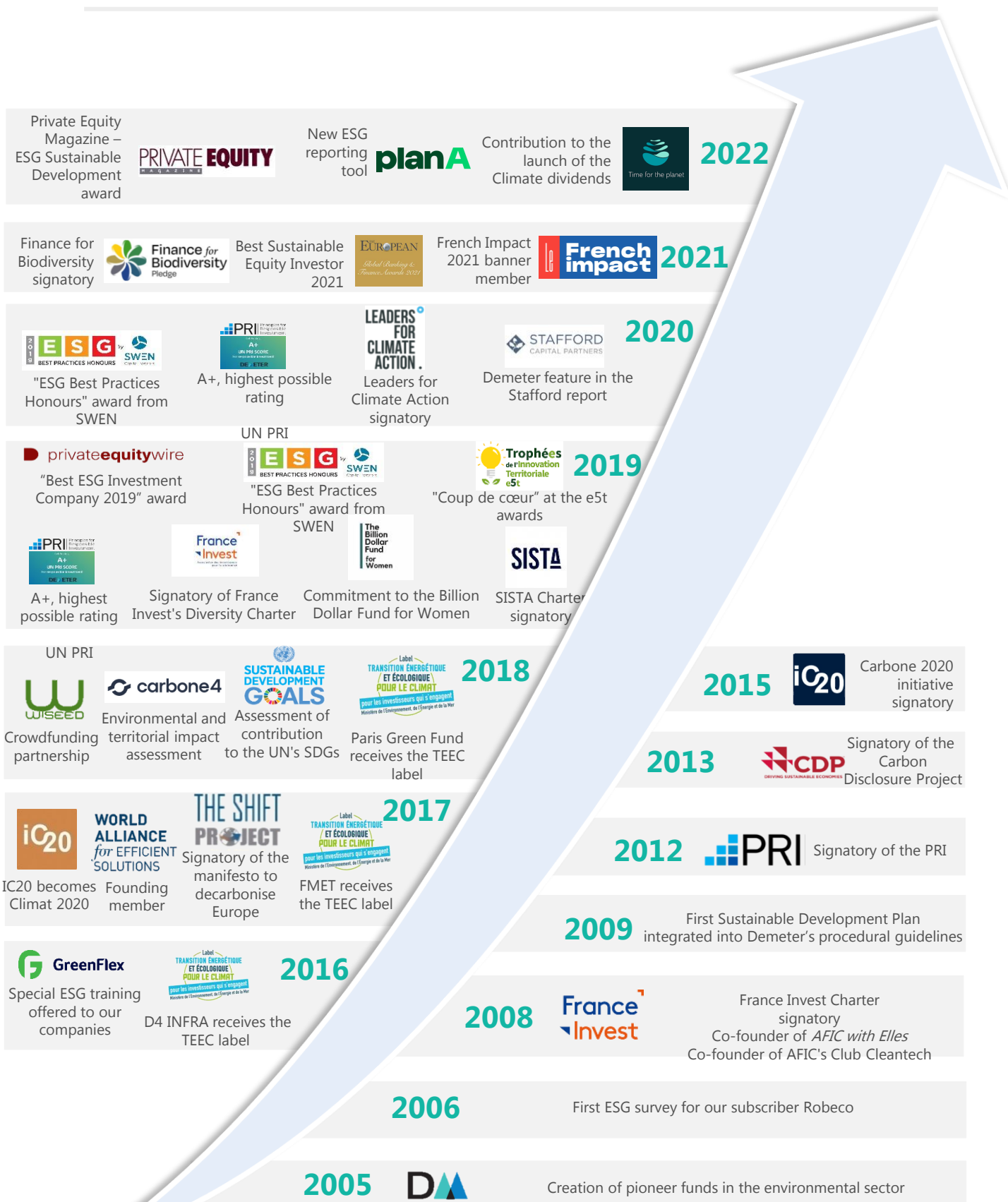


SUPPORTING THE CHAMPIONS OF ECOLOGICAL GROWTH

Our commitments to our communities



Demeter, growing commitments since 2005



Our awards and accolades

Private Equity Magazine 2022 ESG and Sustainable Development award



20 June 2022 – Paris

Demeter received the ESG and Sustainable Development award from Private Equity Magazine. Private Equity Magazine's yearly Grands Prix awards recognise **the most active investment and advisory teams in the French market.**

First prize at the e5t regional innovation awards ceremony in 2021



25 August 2021 - La Rochelle

Demeter's VitiRev Innovation fund received the first prize for **regional innovation** for its initiative to select the most advanced technologies and companies to transform the wine growing and wine making businesses of the Nouvelle Aquitaine region, known worldwide for its Bordeaux wines.

"Best Sustainable Equity Investor 2021"



2 March 2021 - London

This award recognises **Demeter's leading role in integrating sustainability into its investment strategy**, implementing innovative impact measurement and extensively integrating the United Nations Sustainable Development Goals into its Impact and ESG strategy.

"Best management company for ESG practices - small caps"



26 November 2020 – Paris

For the **second consecutive year**, Demeter received the top Best Practices Honours prize in the small cap category. The award marks the **consistency of our investment strategy with the UN's SDGs** and ESG values in the reporting of our investments' non-financial performance. The methodology for measuring environmental and territorial impact, developed with Carbone 4 and implemented over the last two years, lies behind the innovative proposals that we make to investors in our new or existing venture capital and infrastructure funds.

UN Principles for Responsible Investment A+ rating



A+

UN PRI
HIGHEST SCORE

1 September 2020 – Paris

A signatory to the PRI since 2012, Demeter received the highest rating, A+, for the second consecutive year, in recognition of its overall **responsible investment strategy and commitment**. The PRI is the world's most prominent initiative to promote responsible investment. It has been signed by some 2,300 organisations committed to considering environmental, social and governance (ESG) factors as key to sustainable performance.

7 companies supported by Demeter receive the “French Tech” label

In 2014, the French government launched the French Tech initiative to showcase France's entrepreneurial resources. Today this unique ecosystem includes a whole community of start-ups, investors and decision-makers. To highlight and promote the diversity of solutions and technologies that exist within French Tech, a wealth of networks have been created, such as French Tech 120, Next40 and, more recently, the Green20 ranking.

Demeter is proud to have **7 companies** in its portfolio that are included in these French Tech rankings, including **four** in the **Green20 league table**.



Launched in 2020, this programme offers comprehensive support in five areas: financing, international development, recruitment, access to the market and regulations. Significant selection criteria include fundraising, sales expansion and revenue growth.



Next40, launched in 2019, is the label of the “French technology company CAC40” . Eligibility criteria include a fundraising of more than €20 million, revenue growth exceeding 30% over the last three financial years and revenue of more than €5 million.



Launched in early 2021, Green20 aims to support and promote “the technological champions of the ecological transition”. Its aim is to combine innovation, growth and ecological solutions to take action with a view to future challenges. Selection is based on two major criteria: the solution's sustainability and its international expansion potential.



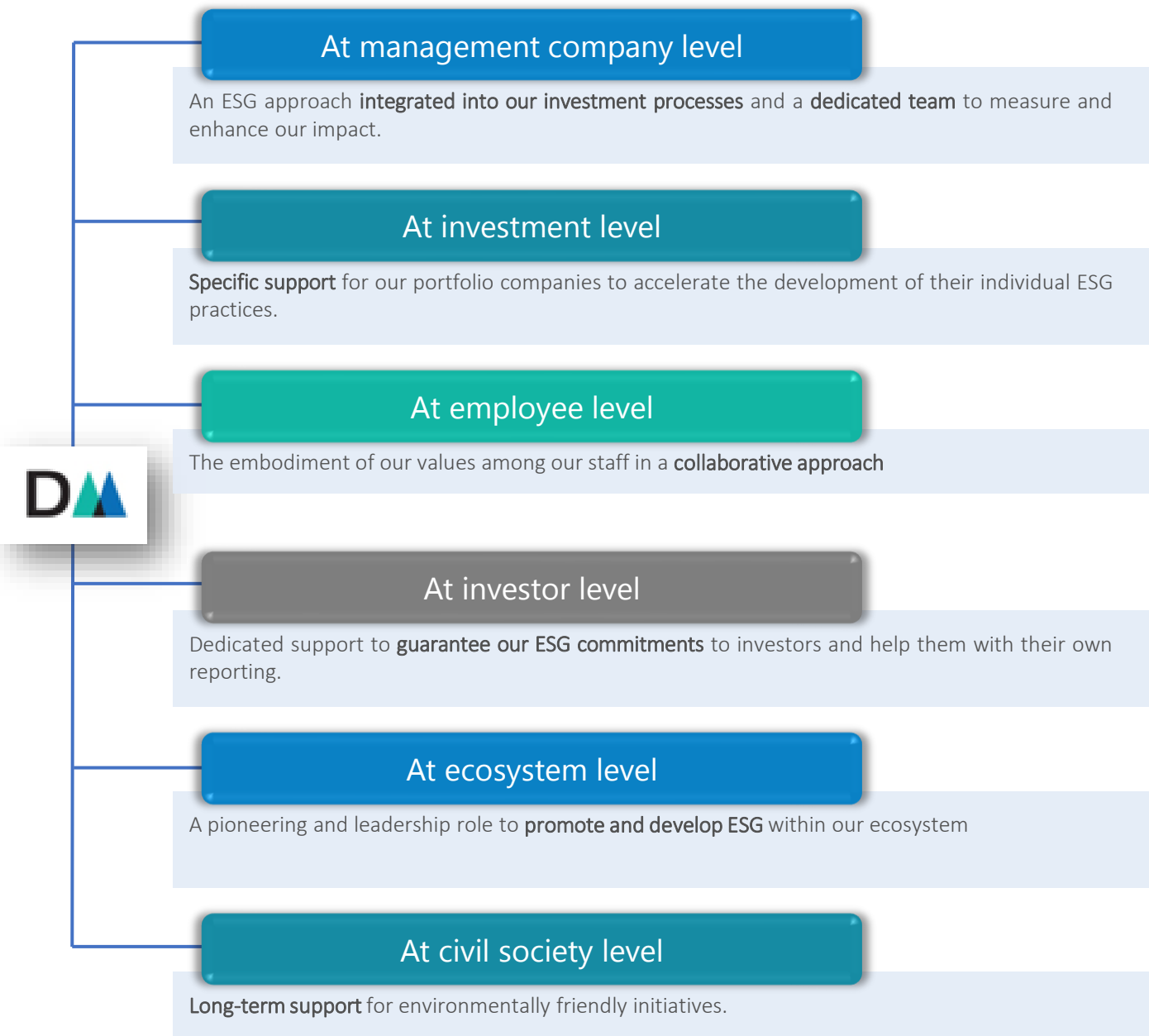
Our environmental, social and governance policy

Demeter actively involved in ESG since its inception

Demeter has been actively involved in the development of ESG practices since its inception in 2005. This commitment is an integral part of its DNA and consistent with its business purpose: **supporting the champions of ecological growth**.

We engage with all of our stakeholders. In addition to helping the entrepreneurs of our portfolio companies develop their responsible business practices and promoting ESG best practices within our own ecosystem, we believe it is essential to set a good example by making a commitment on these matters with our investors and employees.

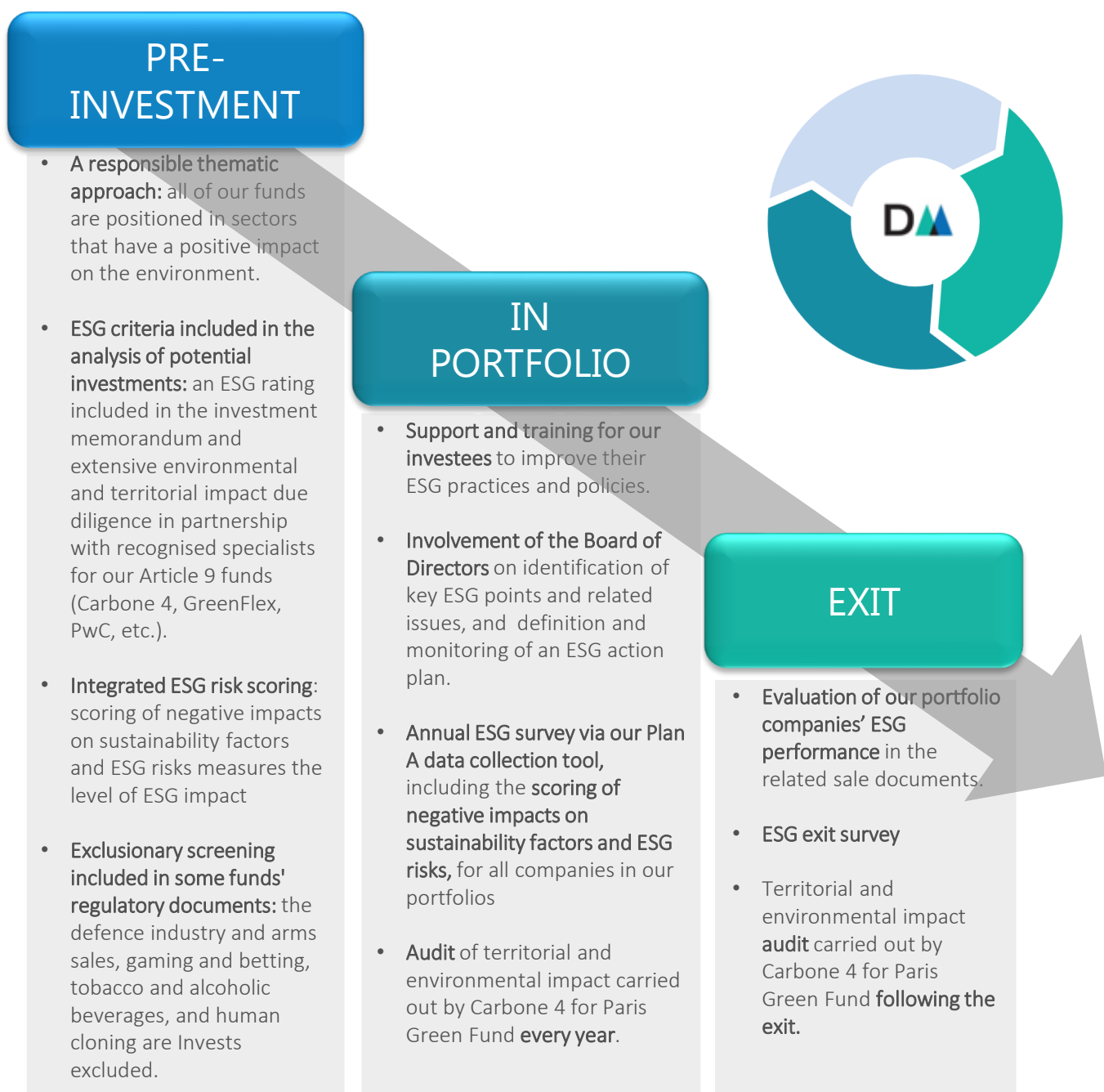
Our commitments to our stakeholders



Our commitments at management company level (1/2)

Demeter has adopted a policy for taking into consideration **sustainability risks and risks of negative impact on sustainability factors**. At each stage of our portfolio companies' life cycle, we ensure that ESG criteria are **met, measured and compliant** with the ESG objectives that we set. In particular, Demeter uses **recognised specialist consulting firms** to measure the ESG impact of its investments and ensure it complies with the most recent regulations.

ESG in our portfolios' life cycle



Our commitments at management company level (2/2)

Demeter strengthens and accelerates its ESG strategy through **three dedicated bodies**: an ESG team, ESG Ambassadors and an ESG Committee.

Dual ESG structure: an ESG team and an ESG Committee

Since 2019, Demeter has **strengthened and accelerated its ESG strategy** through a dedicated team composed of Stéphanie Chrétien, a Partner at Paris Green Fund and Head of Impact and ESG, and a full-time ESG analyst. Sophie Paturle, Managing Partner, who is very active in promoting ESG within the private equity sphere, helps to **design and develop Demeter's ESG approach**.

Reflecting the **tightening of French and European regulations**, Demeter has also set up an **ESG Committee** gathering one Managing Partner, Sophie Paturle, two partners, Stéphanie Guitton Chrétien and Geoffroy Dubus and the Compliance and Internal Control Officer, Kevin Coornaden.

This Committee handles **ESG compliance for our existing and future portfolio companies** and for our **internal activity**. Given our consideration of **ESG risks and negative impacts on sustainability factors**, it is crucial that we measure and interpret the effects of these risks and impacts on the sustainability of investments. The Committee uses the quantitative ESG risks and negative impacts on sustainability factors scoring tools put in place by Demeter as the basis for its observations and decisions.

A platform partner – Stéphanie Guitton Chrétien – and ESG ambassadors within each of Demeter's business lines

The ESG ambassadors hold in-house meetings to implement **initiatives and measures to strengthen** the Demeter teams' **engagement**. In particular, it has contributed to the implementation of various measures to:

- **Reduce** our carbon footprint
- **Encourage** our portfolio companies to carry out carbon audits
- **Apply** for new responsible labels
- **Develop** a responsible internal charter focused on actions in favour of soft mobility and responsible purchasing.



Stéphanie Guitton Chrétien
Partner Private Equity
and Sustainability & Impact
Officer



**Meeting of the Demeter ESG
Committee (2022)**

Our commitments to our portfolio companies

Throughout the course of our investment, we help our portfolio companies move forward with their ESG approach:

- We integrate **ESG into our 100-day plan** as soon as we include a company in our portfolio.
- We **incorporate ESG into our tools for measuring ESG risks and negative impacts on sustainability factors**, in accordance with European regulatory stipulations.
- We carry out an **ESG survey** on the PLAN A platform when we first invest in companies, then **once a year** – incorporating their answers into our ESG report – and then again at the exit phase. PLAN A will be able to support our portfolio companies in calculating their carbon footprint and their low-carbon strategy.
- We identify **ESG-related risk areas and value creation opportunities** and draw up an ESG action plan, whose progress we monitor at the level of the Board of Directors.

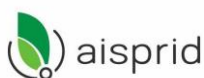


Demeter Entrepreneurs Club

Twice a year, Demeter gathers together all its portfolio company managers and investors at the Demeter Entrepreneurs Club,

The agenda at this **October 2021** event included:

- Cédric O' French State Secretary for the digital transition's speech on French Tech role in the ecological transition.
- Presentation of 12 new Demeter portfolio companies :



Our commitments to our employees

ENVIRONMENT

Completion of a **carbon audit** and implementation of optimisation solutions

Company car fleet made up of **hybrid or electric vehicles**

Waste recycling (including ink cartridges and coffee capsules)

Purchasing of certain IT **equipment refurbished**

SOCIAL

Company profit-sharing and employee savings plan for all staff

Provision of upgraded, responsible **health coverage**

Training of all staff in 2021

Women make up 30% of Demeter's workforce

Workshop: "Women, creating value and performance"

GOVERNANCE

33% of Demeter's employees own shares in the company
6 out of 8 members of Demeter Partners' Supervisory Board are **independent**

Promotion of diversity within our teams

Dedicated ESG committee consisting of a managing partner, 2 partners and the CIC Officer



Our commitments to our investors (1/3)

Demeter engages with all its investors. We guarantee our funds' **regulatory compliance** and **effective contribution to the ecological and energy transition** and ensure that we give them as much **support** as possible for **producing their own reporting**.

Demeter, guarantor of an effective contribution to the ecological and energy transition

- In order to **verify** and **monitor** the compliance of our investments with the **SFDR** and the **EU Taxonomy**, we have adopted **two quantitative impact tools**: **ESG risk scoring** & the **negative impacts on sustainability factors scoring**.
- **Three of our most recent funds** have received **GreenFin certification**: Paris Green Fund, FMET & Demeter 4.
- Launch of **four new SFDR Article 9-accredited funds**, monitored using qualitative and quantitative measurement tools:
- **Carbone 4, GreenFlex and PwC**, specialised consulting firms and leaders in the measurement of environmental impacts, help Demeter assess the territorial impact of companies in Paris Green Fund, VitiRev Innovation, Fonds d'Amorçage Industriel Metropolitain and the Circular Innovation Fund.



Contributing to our investors' reporting

Our investors are increasingly attentive to **their investments' non-financial criteria** – more particularly their **impact**.

Taking ESG criteria into account is key for Demeter; as far back as 2006, for example, we responded to an initial ESG survey submitted by Robeco, an investor in our first fund. In 2021, we responded to **18 ESG surveys**, a number that increases every year.



Committed investors



38%

of our funds under management come from PRI signatories

20%

of our investors are PRI signatories

Our commitments to our investors (2/3)

Our funds meet the requirements of the Sustainable Finance Disclosure Regulation (SFDR)

The European SFDR regulation leads to **greater transparency** among financial players by establishing measures relating to publications on the sustainability of investments.

Since 2021, all our new funds comply with Article 9 of the SFDR, denoting an objective of sustainable investment. This sustainability objective can be environmental and/or social.

The other funds of previous vintages are classified under Article 8 of the SFDR, meaning that they have environmental and/or social characteristics but not necessarily a sustainable investment objective.

We currently have five "SFDR Article 9" funds: Paris Green Fund, VitiRev Innovation, Fonds d'Amorçage Industriel Métropolitain, the Circular Innovation Fund and the Climate Infrastructure Fund.

We measure SFDR-related indicators, known as **principal adverse impacts**, for all our funds, making it possible to assess the impact of investments on sustainability factors. These principal adverse impacts include **14 mandatory indicators** (9 environmental and 5 social) and **2 optional indicators** (1 environmental and 1 social).

Measuring our impact: ESG risk scoring

We have adopted an **ESG scoring system** to ensure the quality of our monitoring and the assessment of our funds' impact and regulatory compliance.

This system quantifies the degree of importance of the ESG risks associated with our portfolio companies. It is applied in the **pre-investment phase** and also included in our **annual ESG survey**.

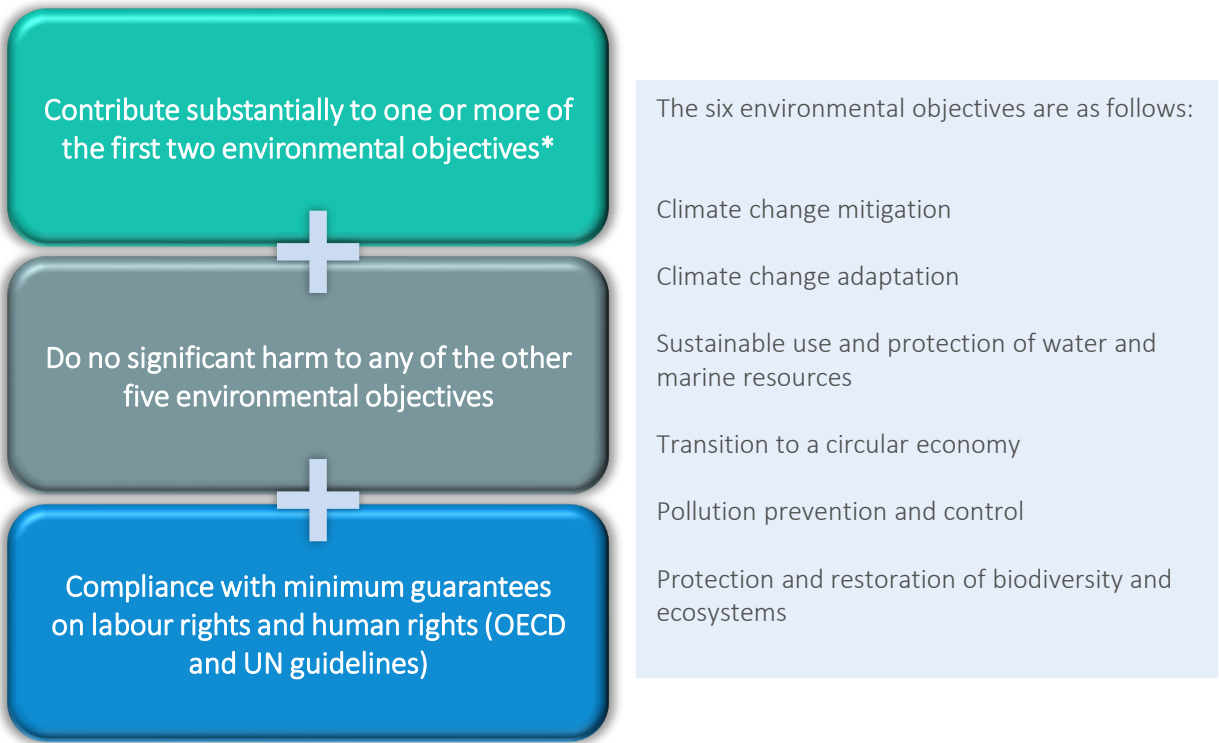
This scoring system has a **rating scale of 0** (little or no risk/impact) **to 2** (high risk/impact), which indicates the company's degree of exposure to these risks. Ultimately, this score reflects **sustainability risks**. If a **score is deemed high**, the **ESG Committee meets** to decide on the investment's feasibility or the corrective measures to be adopted.



Our commitments to our investors (3/3)

We encourage our portfolio companies to meet the requirements of the European Taxonomy

The Taxonomy regulation lays down precise terms of reference by which an economic activity can be classified as **environmentally sustainable**. It defines and regulates activities that comply with a **low-carbon, resilient and resource-use-efficient ecological and energy transition**. The regulation lays down the following three criteria:



If an activity meets the three criteria set out above, it is **aligned with the European Taxonomy**. It is therefore **environmentally sustainable**.

We actively assist portfolio companies with calculating their alignment with the EU Taxonomy objectives .



Our commitments to our ecosystem (1/4)

Actively involved with France Invest in promoting ESG in private equity, Demeter is also **a founding member and signatory of a wide range of initiatives** (SISTA Charter, France Invest Charter, PRI, CDP, IC20, Decarbonize Europe Manifesto). We also **sponsor** or **subscribe** to numerous studies, think-tanks, consortia and conferences on topics related to the ecological and energy transition.

Founding commitments: Climate Commission, French Impact & Leaders for Climate Action



DEMETER has joined the **French Impact** initiative to help stimulate investment in the start-up and growth of impact initiatives. Born of a government initiative, French Impact is an environmental and social innovation accelerator.



DEMETER has joined **Finance for Biodiversity**, a mark of its strong commitment to preserving biodiversity the 2020 Climate Initiative.



Demeter is a **co-founder** of France Invest's **Climate Commission**, and Sophie Paturle, Managing Partner, is its President. The Climate Commission publishes every year the Cleantech Barometer in partnership with GreenUnivers and EY.

Sponsorship of research studies, networks and think tanks



Sponsorship since 2017 of **Cleantech Group Europe's annual Forum** in Luxembourg. Demeter is on the Advisory Board of Cleantech Group, whose mission is to **accelerate innovation** by promoting networking and **knowledge sharing** within the worldwide clean technology ecosystem.



Demeter works closely with IFPEN, a major, longstanding partner with whom we promote **academic and industrial research** to build a **true ecosystem of cleantechs**.

Our commitments to our ecosystem (2/4)

Member of industry associations and competitiveness clusters



Sophie Paturle, Managing Partner at Demeter, member of the CNRS's Board (Centre National de la Recherche Scientifique), whose mission is to **advance knowledge and to be useful to society**.



Member of CAPENERGIES, a competitiveness cluster dedicated to the production of **decarbonised energy and energy efficiency**. This cluster brings together **more than 1,450 partners and 520 members**, including companies, research and training organisations and funders.



Member of the tenerdis energy transition competitiveness cluster. This cluster's mission is to **promote the growth of sustainable business and the creation of long-term jobs** in the new energy technologies sectors, in accordance with the challenges surrounding the energy transition.



Financial support for the IAR, the French bio-economy competitiveness cluster for industries and agro-resources. IAR's initiatives essentially cover the **production and promotion of organic resources** (agricultural, forestry and marine resources, co-products and by-products) for food, industrial and energy purposes.

Event sponsorship and participation



January 2021

Participation of Sophie Paturle, Managing Partner, in the round table "Building a greentech ecosystem to accelerate the ecological transition" as part of the "Zero-Carbon Paris" two-day event



March 2021

Participation of Lionel Cormier, Managing Partner, in the Ecosystem BS Mart TV programme "Ecosystem", which provided an opportunity to discuss the energy and environmental renovation of buildings, neighbourhoods and cities, to explain the role of Paris Green Fund and to talk about the needs of green finance.



SUPPORTING THE CHAMPIONS OF ECOLOGICAL GROWTH

Our commitments to our ecosystem (3/4)

Event sponsorship and participation



April 2021

Participation of Demeter in the first edition of JOUR E, an assembly of entrepreneurs committed to the ecological and energy transition.



May 2021

Participation of Olivier Usureau, Partner Spain, in the circular economy forum organised by Expansion et Construcia in Madrid.



July 2021

Organisation by Demeter, in partnership with France Brevets and YesMyPatent, of the first post-Covid workshop entitled "Transform your IP into value - The keys to creating value IP with simplicity and performance".



Août 2021

Participation of Demeter to the e5t meeting and launch of the carbon trajectory barometer with the Aquitaine Region



September 2021

Participation of Olivier Bordelanne, representing Demeter and France Invest, in the round table on funding innovation for the energy transition organised by ThinkSmartgrids.



October 2021

Presentation by Sophie Paturle, Managing Partner, as keynote speaker and representative of France Invest's Climate Commission at the cleantech event organised by the IE-Club.



Presentation by Philippe Detours, Managing Partner, at the Evolen "Engagement and sustainable investment" conference.



November 2021

Participation by Sophie Paturle, Managing Partner, in the breakfast discussion between Julien Denormandie, Minister for Agriculture and Food, and France Digitale on how the French agritech and foodtech ecosystem can contribute to sustainable growth through innovation.



December 2021

Presentation by Demeter at the World Impact Summit organised on 2 December in Bordeaux to reflect on innovation to accelerate the decarbonisation of the French economy.

Demeter round table at the Innovadays Forum in Bordeaux on the theme "Ecological transition in wine growing and wine making: Innovation and Funding".



Participation by Sophie Paturle in the France Invest evening discussion on the energy efficiency of buildings, a key tenet of the France 2030 plan.

Our commitments to our ecosystem (4/4)

A long-standing partner of the e5t Foundation since 2017

Set up by Myriam Maestroni, the **e5t Foundation for energy efficiency and savings at local level** is an open platform dedicated to reflection on energy solutions to be implemented to protect the environment, maintain individual well-being and contribute to the sustainable development of society.

At its ninth annual Summer University in La Rochelle, Demeter participated in and facilitated the series of conferences on technological and industrial innovations that help the farming industry adapt to climate change and carbon neutrality.



Patronage of the “Plantons pour l’avenir” foundation.

This association aims to **promote the sustainable management of forests and contribute to reforestation in France**. Since its inception in 2014, the Plantons pour l’avenir ("Plant for the Future") foundation has raised €2.7 million to enable the planting of one million trees.



Photo of the Demeter team



Our initiatives for diversity (1/3)



30%

women
at Demeter
(+2 points vs 2020)

18%

women in Demeter's
investment teams
(+2 points vs 2020)

1 investment out of 4

have been made in companies founded or co-founded by women



Marjorie Darcet,
Co-founder, President and CEO



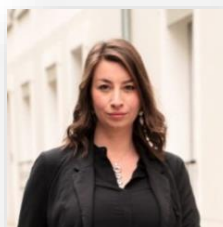
Combines **hardware, software and artificial intelligence** to offer a **waste management** solution



Léa Chevy,
Co-founder



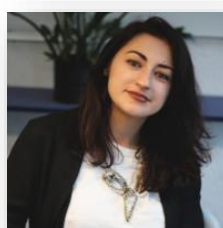
Fully automated inspection solution for vehicle damage checks using integrated cameras and AI software.



Fanny Rolet,
Founder, President and CEO



Production of a **molecular complex** with **antifungal biocontrol** properties. It involves using an **innovative eco-extraction process** to obtain Antoferine® from vine wood



Lubomila Jordanova,
Founder, President and CEO



Calculates companies' **carbon footprint** and **assists** them with their ESG development **strategy**.

* Illustrative sample from our portfolio

Our initiatives for diversity (2/3)



Our commitments

In addition to our investments, we strive to apply **measures** in favour of diversity. Clearly underscoring our commitment to action in this area, we are a signatory to **two charters**, for example, and support **the association** The Billion Dollar Fund for Women:



A charter designed to promote gender equality among French private equity players and the companies in which they invest.



A charter designed to reduce funding inequalities between female and male entrepreneurs.



- A community of 200 women investors
- +130 investment funds and supporting platforms signatories of the SISTA charters and committed to a larger diversity in the digital ecosystem
- Tools for investment funds aiming at reducing financing inequalities between men and women

The Billion Dollar Fund for Women

Demeter has been a partner of The Billion Dollar Fund for Women since its inception in 2019. It seeks through this initiative to **reduce funding access difficulties** encountered by companies founded or co-founded by women, and to increase investments each year in companies (co)founded by women.

In 2021, Demeter **affirmed its commitment** to invest more than \$10 million in businesses founded or co-founded by women. It ultimately went beyond its commitment by investing a total of **\$15 million** in companies founded or co-founded by women.



Our initiatives for diversity (3/3)



Demeter workshop: “Women managers and investors, creating value and performance in companies”



Demeter is committed to taking into account environment, social and governance factors as key drivers of value creation. A notable social concern, **promoting diversity is a key criterion for creating value.**

Consonant with our commitments, we have chosen to focus initially on **improving diversity.** We organised a “Women, creators of value and performance” workshop with all our teams, to **promote women in our investment teams and investments in companies founded by women.**

Agnès Bricard, president of the Federation of Women Directors, and **Yann Mauchamp**, founder of Mutual Benefits, were invited to share their experience and advice at this event.

The agenda was devoted to **highlighting the lack of women** in directorial, investment and entrepreneurial roles, **the value created by dual-gender teams**, the **obstacles** encountered by women and **initiatives** to drive change.

Our 3 indicators measuring gender diversity made progress in 202:

+2 pts
vs 2020

- Investments made in companies founded or co-founded by women
- Women at DEMETER
- Women in DEMETER’s investment teams

Innovative and in-depth impact measures



Overall ESG performance of our portfolios in 2021

82% of portfolio companies completed the ESG survey

100% of portfolio companies **contribute to at least one of the UN's SDGs**



ENVIRONMENT

5.1m

tonnes of CO₂ avoided

(Calculation methodology deployed by Carbone 4 for Paris Green Fund and in-house for the other funds. More details on the following pages)

Equivalent to the annual emissions of **2.5 million cars**(1)

338 GWh of renewable energy generated

= the equivalent of the electricity consumption households
(3) **71,800** French households (2)



SOCIAL

3,500

people employed by our
portfolio companies

95%

of employees have **permanent** contracts
or contracts lasting more than 18 months

150

patents filed in 2021



GOVERNANCE

25%

of our portfolio companies have a female
president and CEO
or co-founder (+2 points vs. 2020)

75%

of our portfolio companies have at least one
independent member on their Board of
Directors (+17 points vs. 2020)

(1) Source E-rse.net: a car emits 2 tonnes of CO₂ per year

(2) Source <https://prix-elec.com/energie/comprendre/statistiques-consommation-France>: an average French household consumes 4,710 kWh of electricity per year

Environmental performance of our portfolios in 2021



RENEWABLE ENERGY INSTALLED CAPACITY

1,046 MW

renewable energy
installed



338 GWh

renewable energy
generated



6 MW of installed wind power capacity



86 MW of installed solar power capacity



166 MW of renewable energy installed capacity



75 MW of installed thermal power capacity



TONNES OF CO₂ EMISSIONS AVOIDED

5.1 million tonnes of CO₂

emissions avoided

5 million tonnes, measured by Carbone 4
for Paris Green Fund companies

Given the **evolution of our ESG policy** and since we partnered Carbone 4, our results have been verified by a third-party expert who measures the full environmental and territorial impact of each company that Paris Green Fund finances, over its entire value chain.



R&D AND INNOVATION

€130 million invested in research and development in 2021

1,400 patents, including **150 filed in 2021**

Including **1,000** patents filed by investees in our **INNOVATION** business

(1) * Conversion ratio used: 1KW = 0.09 kg CO₂eq
(source: Greenit.fr)

(2) Calculation of companies' overall impact for their entire value chain, not weighted by Demeter's percentage holding in the companies.

Social performance of our portfolios in 2021



€836m

of **revenues** generated by our portfolio companies

3,500

people employed by our portfolio companies

95%

of employees have **permanent contracts or contracts lasting more than 18 months**

830

new hires in 2021

80%

of companies have a **budget for training** their employees

67%

of executive committees have **at least one woman member**

28

philanthropic projects supported and **€125k** invested (+€5k vs. 2020)

FOCUS on Ynsect: people at the heart of development



Production of insect-based, highly nutritious worm flour

100% of employees had an annual review in 2021

6% of revenue invested in employee training

Increase in the minimum wage of 35% more than the SMIC

3 social projects supported, for a budget of €20,000

Governance performance of our portfolios in 2021



75% of our portfolio companies have **at least one independent member** on their Board of Directors

53% of our portfolio companies have **at least one woman** on their Board of Directors

45% our portfolio companies offer non-management employees **the opportunity to own shares**

25% of our portfolio companies' **CEOs** or co-founders are **women**

FOCUS on Fermentalg: proactive governance



50% of the Board of Directors' members are women

50% of the Board of Directors' members are independent

52% of managers are women

Appointment of a **CSR manager**

Establishment of **specific committees** (Remuneration, Audit, Scientific and Appointments)

Paris Green Fund: an in-depth environmental and territorial impact assessment

With the help of consulting firm Carbone 4, Demeter has put in place an **in-depth and innovative methodology for assessing territorial and environmental impact for the Paris Green Fund growth cap fund**.



PARIS FONDS VERT



carbone4



IMPACT OF PARIS GREEN FUND IN 2021

5m

tonnes of CO₂ avoided across the entire corporate value chain including **1.7 million tonnes of CO₂ in Paris** ⁽¹⁾

22.7 TWh

avoided including **8.2 GWh in Paris** ⁽¹⁾

An overall, impactful measurement



CARBON
gain



ENERGY
gain



**RENEWABLE
ENERGY**
production
& consumption



CIRCULARITY



AIR
quality



FAIR
transition



RESILIENCE

Before each investment, Carbone 4 carries out an environmental and territorial impact assessment for Paris and overall. It bases its analysis on **measuring each company's quantitative and qualitative impact according to the seven criteria mentioned above**. In addition to this impact measurement, these due diligence checks establish specific watchpoints and recommendations to **identify areas for improvement and define measures** on two or three key subjects.

Each subsequent year, and when the investment is sold, Carbone 4 assesses its environmental and territorial impact, enabling it to calculate **Paris Green Fund's overall impact**.

(1) For Alterea, emissions avoided and energy gains take into account the impact of the work carried out each year over the entire lifetime of the buildings concerned – Source Carbone 4

(2) Source <https://prix-elec.com/energie/comprendre/statistiques-consommation-France>: an average French household consumes 4,710 kWh of electricity per year

Paris Green Fund impact assessment

Construcia

CONSTRUCÍA



Construcia is a Spanish construction company specialising in innovation and the **construction of green and circular economy buildings**. It has developed its **own methodology (Lean2Cradle)** based on a combination of **lean manufacturing methodology** applied to the construction sector and **cradle-to-cradle** principles. This methodology allows it to design and build **spaces and buildings that are 100% recyclable**.



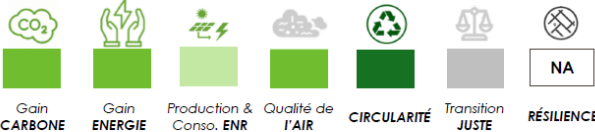
Impact analysis carried out by



Aware of the need to integrate sustainability criteria into construction – one of the sectors that generates the most waste – Construcia made the bold decision to rethink the model to make the circular economy a building trade reality. In 2018, it created the Lean2Cradle® Construcia circular construction methodology,

which applies circular economy principles to building and almost entirely eliminates waste emissions from deconstruction without increasing project cost or duration. It makes this possible by combining the cradle-to-cradle principles of the circular economy paradigm with lean construction methodology.

In addition to circularity, Construcia designs workspaces that improve employees' health and comfort and positively influence their well-being, which in turn is beneficial for the working environment and productivity.



104k

tonnes of CO₂ emissions avoided in 2021

225

GWh avoided in 2021

Contribution to 7 sectoral objectives of the Paris Climate Plan

"Building" objective

Renovate 1 million homes by 2050
Renovate the most energy-intensive buildings
Performance of new and renewable energy buildings
Flexible and reversible tertiary buildings
Halve energy consumption
New tools for managing buildings

"Waste" objective

Recover 100% of recoverable waste

Paris Green Fund impact assessment

Instant System



Instant System develops and distributes white label **MaaS** platforms for implementing the **urban mobility policies of public authorities** (B2G segment) and for managing, facilitating and improving the efficiency of daily and business travel **for company employees** (B2B segment).

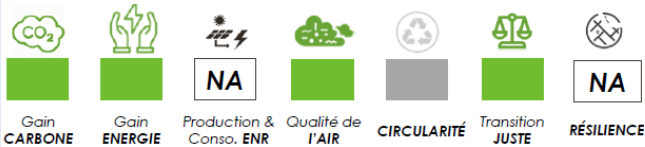


Impact analysis carried out by **carbone4**

Instant System is a multimodal operator, working both with urban planners and transport authorities to offer services that will improve a city's mobility network. These solutions are modular, scalable and integrable, providing a seamless user mobility experience. The future of transport is lies in collaboration.

Instant System works with transport operators to enhance their products and services and develop new innovations. The company also helps mobility service providers to expand their reach and become more integrated in a city’s transport network.

The business solution consists in deploying and managing a sustainable mobility policy for all employee travel.



Contribution to 3 sectoral objectives of the Paris Climate Plan

<div> <div>“Mobility” objective</div> </div>	Exit diesel-powered mobility – <i>in Instant System’s case, it is even a matter of exiting carbon-dependent mobility</i>
	Promote shared mobility
	Triple the proportion of bicycle usage to 15% of total travel

Paris Green Fund impact assessment

Walberg Urban Electrics



Walberg Urban Electrics, founded in 2011 and based in Hamburg, Germany, is a developer and manufacturer of innovative folding **electric scooters** for individuals (B2C) and, via special partnerships, businesses (B2B).

The company targets the lifestyle and premium segments with its **Egret** brand. The brand's quality, design and technology have made Egret one of the most award-winning electric scooters on the market.



Impact analysis carried out by **carbone4**

In the coming years, cities will have to reorganise their space to promote alternative forms of mobility to today's car monopoly. The electric scooter, especially the folding version, is the perfect solution on the one hand for first or last kilometre trips and on the other for individuals who wish to get about **quickly and without polluting**.

Electric scooters such as those marketed by Walberg Urban Electrics are therefore an important part of the design of the city of the future.



Contribution to two sectoral objectives of the Paris Climate Plan

“Mobility” objective

Exit diesel-powered mobility
100% renewable transport

Paris Green Fund impact assessment

Coursier.fr



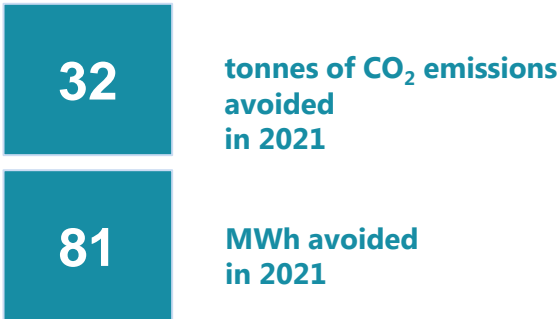
A leader in environmentally-friendly **last-kilometre delivery in Paris** its outlying region, **COURSIER.FR's** business model combines a unique customer experience, proprietary technology, nationwide coverage and **best environmental and social practices.**



Impact analysis carried out by carbone4

The best-in-class environmentally-friendly delivery company offering mainly cycle-based **last-kilometre city services**, **COURSIER.FR** converts the need for urgent goods transfers into a growth factor for its customers. Its expertise includes B2B urban messaging, retail deliveries and third-party services in the e-commerce, food and micromobility sectors.

COURSIER.FR is supported by **Paris Green Fund** micro mobility with **Demeter and the City of Paris**, with the aim of accelerating the company's national expansion while delivering operational performance, innovation and social and environmental responsibility.



Contribution to 4 sectoral objectives of the Paris Climate Plan

“Mobility” objective

Exit diesel-powered mobility
Triple the proportion of bicycle usage to 15% of total travel
Low-carbon urban logistics

to the doorstep
100% renewable-energy transport

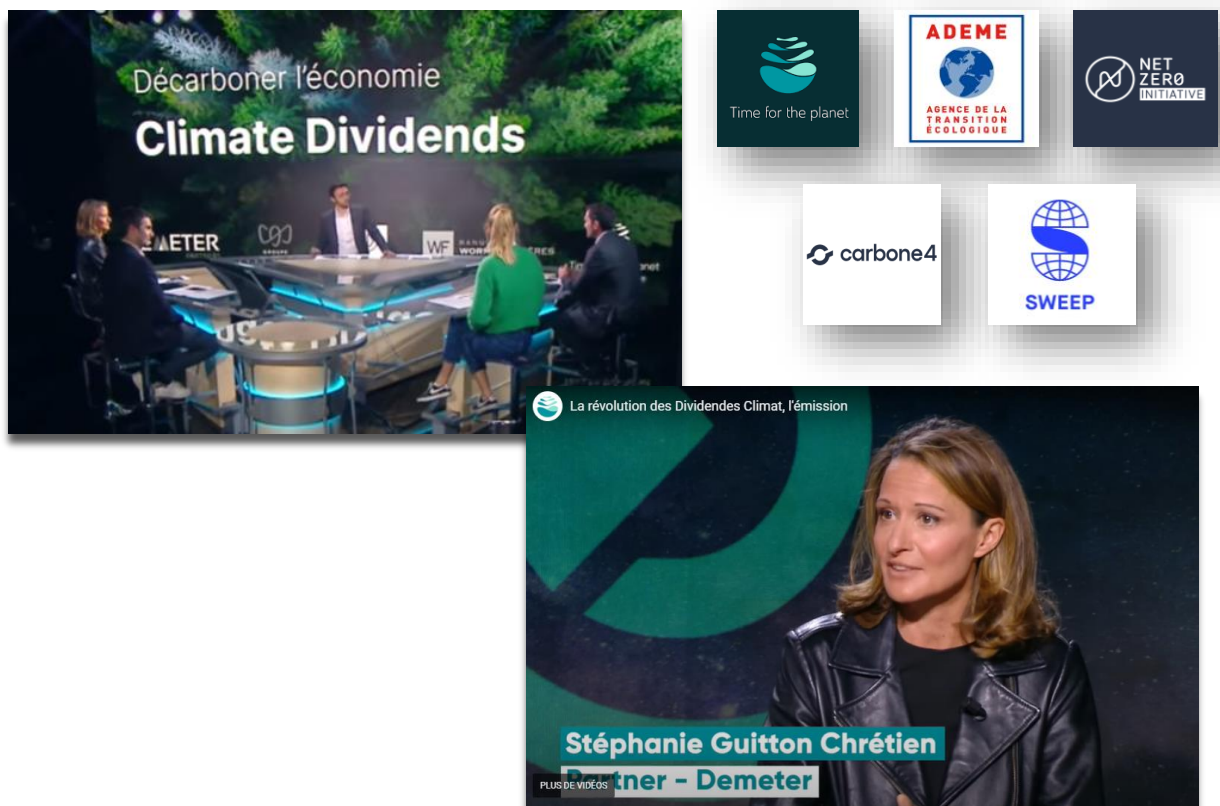
Our contribution to the launch of the Climate dividends

Contributing to the **decarbonisation of the economy** through its impact investments, Demeter is helping to set up a **new initiative** focused on **global carbon neutrality**. Created by Time for the Planet, Carbone 4, ADEME and EY, climate dividends are more specifically aimed at decarbonising equity portfolios. They enable a company or financial institution to:

- Receive an exponential number of "**tonnes of CO₂ avoided**" each year, certified and monetisable in a manner comparable to carbon credits;
- **Accurately measure the impact of investments** to combat climate change;
- Direct investments towards **stronger-impact, more innovative** assets than traditional forest-based offsets.

Climate dividends are now being developed to direct capital towards investments capable of enabling compliance with COP22 commitments.

Demeter is a pilot on this initiative and valorize the avoided emissions of Paris Green Fund's portfolio companies, calculated by Carbone 4, to generate Climate Dividends.



** Illustrative sample from our portfolio*

DEMETER

SUPPORTING THE CHAMPIONS OF ECOLOGICAL GROWTH

Innovative impact measures for our new Article 9 funds

VitiRev Innovation

INNOVATING FOR THE ECOLOGICAL TRANSITION OF THE WINE GROWING SECTOR

27 non-financial indicators related to environmental and social questions

7 non-financial indicators related to biodiversity

- Report on the **impact of each company supported**
- Report on the **aggregate impact of the VitiRev Innovation fund**



According to IPCC studies, an increase in temperatures of around two degrees **would potentially render 50% of wine producing land unusable**. The industry is also threatened by **soil erosion and mineral depletion**, making action urgently needed.

VitiRev Innovation has a **unique positioning** in Europe: its commitment to **protecting biodiversity** is part of its investment strategy, which has a threefold objective:

- (i) Take climate issues into account, in particular by reducing the use of artificial inputs,
- (ii) Develop digital and biological technologies,
- (iii) Better meet the expectations of wine growers and consumers, notably as regards health issues.

Impact indicators are developed in collaboration with the consulting firm GreenFlex.



Innovative impact measures for our new Article 9 funds

Fonds d'Amorçage Industriel Métropolitain (FAIM) Lyon / Saint-Etienne

REGIONAL INVESTMENT FUND FOR SUSTAINABLE INDUSTRY

17 non-financial indicators related to environmental and social questions

4 non-financial indicators related to economic sustainability, inclusion and social justice

- Demeter's **know-how** with the support of independent consultants
- In-depth **environmental and territorial** reporting
- Additional reporting with a **social and societal** focus



FAIM (Metropolitan Industrial Seed Fund) was set up by the Lyon and Saint-Etienne municipalities with the support of Banque des Territoires as the go-to financial partner for innovative and sustainable industrial companies.

Impact indicators are developed in collaboration with the consulting firm GreenFlex and Inkidata on 4 following topics:

- Economic sustainability, social inclusion and justice
- Environmental sustainability and health
- Well-being at work, governance and cooperations
- Citizens' perception and positive impact activities



SUPPORTING THE CHAMPIONS OF ECOLOGICAL GROWTH

Innovative impact measures for our new Article 9 funds

Circular Innovation Fund

DEVELOPING AND PROMULGATING INNOVATIVE CIRCULAR SOLUTIONS
AROUND THE WORLD

20 non-financial indicators related to environmental and social questions

7 non-financial indicators related to the circular use of resources

- Report on the **impact of each company supported**
- Report on the **aggregate impact of the Circular Innovation Fund**

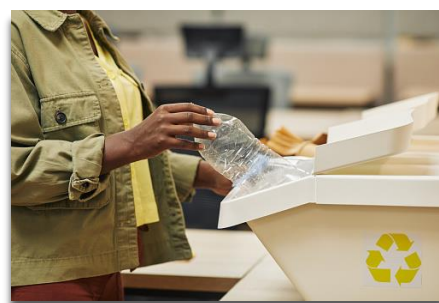


L'Oréal founded and is lead investor in the Circular Innovation Fund as part of its L'Oréal pour le futur 2030 sustainability commitments. This fund, which is geared towards circular economy innovations, addresses natural resources shortage and global waste challenges.

Its main objective is to promote the development of a large-scale circular economy by supporting entrepreneurs offering innovative circular economy solutions worldwide. It also aims to contribute positively to climate change mitigation and the circular use of resources through technology and innovation on a global level.

Demeter manages the fund jointly under a partnership with Canada-based Cycle Capital – also a pioneer and leading investor in the ecological transition.

Impact indicators have been defined in collaboration with the consulting firm PwC.



Innovative impact measures for our new Article 9 funds

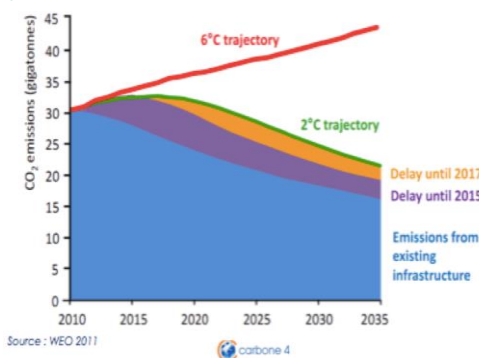
Climate Infrastructure Fund

ENERGY EFFICIENCY INFRASTRUCTURES

27 non-financial indicators related to environmental and social questions

7 non-financial indicators related to biodiversity

Impact measurement based on alignment with the two-degree trajectory



We are working with consulting firm Carbone 4 to develop an impact measurement methodology for our Climate Infrastructure Fund, based on three fundamental criteria:

- (i) compliance with the European Taxonomy,
- (ii) project carbon footprinting,
- (iii) compatibility of projects with a global warming trajectory limited to 2°C.

The third criterion is assessed by comparing an asset portfolio's climate performance (e.g. its carbon footprint) with temperature trajectory scenarios.



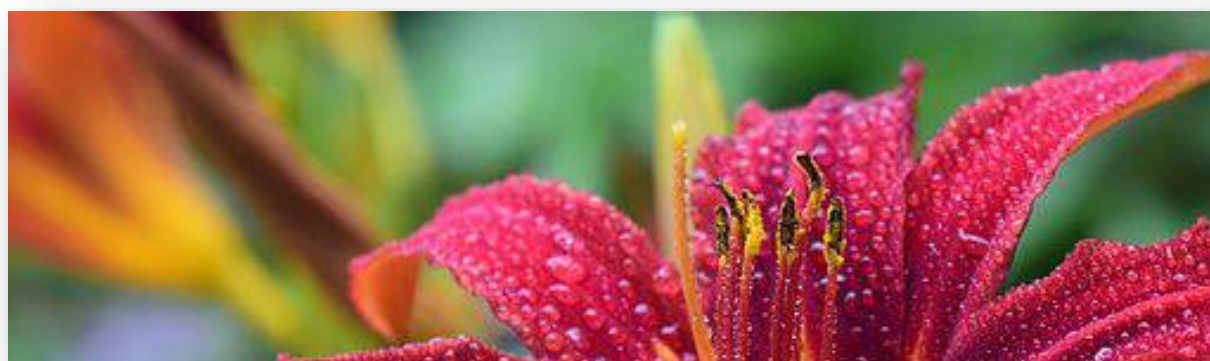
Innovative impact measures for our new Article 9 funds

Alignment of interests: since 2021, for all our new funds carried interest is indexed to impact objectives



With the aim of aligning the **interests of all its stakeholders** (investors, investment management teams and company managers), Demeter has set up **a performance remuneration (carried interest) structure for all its new funds** linked to the achievement of impact objectives.

For all new funds – Climate Infra Fund, VitiRev Innovation, FAIM and Circular Innovation Fund – fund-specific impact indicators are defined, as well as a percentage of carried interest (ranging from 25% to 33%) linked to the related objectives.



3 Demeter funds receive the GreenFin label



France Green Finance GreenFin label

EY France and Novethic have awarded the GreenFin label to **three of our recent funds**. This label assures our investors that we are **contributing actively and fully** to the ecological and energy transition.

FMET

European fund for the
modernisation of
transportation



PARIS FONDS VERT

Ecological transition of
cities

DM4
INFRA

Environmental and energy
transition infrastructures

Created by the Ministry of Ecological and Solidarity Transition, the **GreenFin** label, formerly the TEEC Ecological and Energy Transition for the Climate label, is one of the public policy initiatives arising from the August 2015 law on the energy transition for green growth.

This label seeks to:

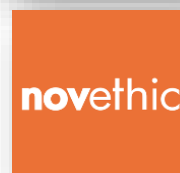
- Promote **investment funds that finance the green economy**
- Incentivise the **creation of new green funds**
- Promote **company reporting on the “green share”** of their activities

GreenFin certification

The audit performed by trusted third-party, independent experts enables us to assure our stakeholders of the **quality of the environmental information** provided by the audited company.

The certification criteria are:

- The green share of the fund's allocation
- Exclusions
- ESG controversies
- **The effective contribution to the ecological transition**



have awarded
GreenFin certification
to our funds

Our achievements in 2021 and our roadmap for 2022

Our progress in 2021

In 2021, Demeter strengthened its ESG policy and ramped up its engagement with stakeholders:

- (1) **We launched four new funds** focused on ecological and energy transition and compliant with **Article 9** of the new European SFDR regulation.
- (2) **We innovated and developed** new impact measurement methodologies to meet our investors' expectations and in particular ensure that our funds comply with Articles 8 and 9 of the SFDR.
- (3) **We invested in companies** that contribute significantly to decarbonisation.
- (4) **We strengthened our ESG policy and analysis throughout the investment process** with, in particular, the implementation of two tools for scoring ESG risks and negative impacts on sustainability factors.
- (5) **We promoted ESG practices within our ecosystem** through our presentations on behalf of the Climate Commission, France Invest, Finance for Biodiversity and Climate Risks
- (6) **We set up a new ESG indicator consolidation platform.**
- (7) **We won two awards** reflecting the progress of our ESG practices.

Our 2022 goals

For 2022, we aim to renew and strengthen our support to **accelerate ESG value creation**:

- (1) **Launched new funds** focused on ecological and energy transition and compliant with **Article 9** of the new European SFDR regulation.
- (2) **Further the education and engagement of our teams and portfolio companies** to maximise impact with a workshop on "ESG to create performance value", a diversity workshop, an ESG risk scoring workshop, the promotion of carbon footprint measurement with Plan A, etc.
- (3) **Launch new initiatives to preserve biodiversity** with Finance for Biodiversity.
- (4) **Continue to implement our ESG reporting tools and processes and to monitor action plans.**

Appendices

ESG Performance in 2021 per fund

Note : funds being liquidated are not included



ESG performance in 2021

AGRINNOVATION

70% of portfolio companies completed the ESG survey

100% of portfolio companies **contribute to at least one of the UN's SDGs**



ENVIRONMENT

27

patents filed, including **13** in 2021

€2.9m

invested in **R&D**



SOCIAL

116

employees, including **49 hired** on a full time equivalent basis in 2021

94%

of employees have **permanent** contracts or contracts lasting more than 18 months



GOVERNANCE

60%

of portfolio companies' Boards of Directors have **at least one woman member**

(+10 points vs. 2020)

20%

of portfolio companies have **a female chair person and CEO or co-founder, or both**

ESG performance in 2021

DEMETER 2

71% of portfolio companies completed the ESG survey

100% of portfolio companies **contribute to at least one of the UN's SDGs**



ENVIRONMENT

379

patents filed, including **83** in 2021

€60m

invested in **R&D** (+€3 million vs. 2020)

57%

of portfolio companies have a **formally documented environmental policy**



SOCIAL

80%

of portfolio companies have a **profit sharing** mechanism in 2021

95%

of employees have **permanent** contracts or contracts lasting more than 18 months



GOVERNANCE

86%

reviewed **CSR issues** at Noetic least one Supervisory Board or Board of Directors meeting in 2021

100%

of Management Boards have **at least one woman member**

ESG performance in 2021

DEMETER 3

88% of portfolio companies completed the ESG survey

100% of portfolio companies **contribute to at least one of the UN's SDGs**



ENVIRONMENT

11,000

tonnes of CO₂ saved thanks to their operations

€20m

invested in **R&D**

100%

of portfolio companies have initiatives in place to **reduce their environmental impact**



SOCIAL

354

employees, including **132 hired** on a full time equivalent basis in 2021

95%

of employees have **permanent** contracts or contracts lasting more than 18 months (+2 points vs. 2020)

6

social or societal **projects**



GOVERNANCE

88%

of portfolio companies have at least **one independent member** on their Board of Directors

71%

of portfolio companies have at least **one woman on their Management Committee**

ESG performance in 2021

DEMETER 4

100% of portfolio companies completed the ESG survey

100% of portfolio companies **contribute to at least one of the UN's SDGs**



ENVIRONMENT

74 MW

of **installed renewable energy capacity**

50 GWh

of **renewable energy** generated

46,000

tCO₂eq avoided in 2021



SOCIAL

Distribution

of **income** throughout the project



GOVERNANCE

63%

of our portfolio companies' Boards of Directors or Supervisory Boards **have at least one woman member**

100%

of portfolio companies contribute to the **United Nations Sustainable Development Goals**

ESG performance in 2021

DEMETER 6

73% of portfolio companies completed the ESG survey

100% of portfolio companies **contribute to at least one of the UN's SDGs**



ENVIRONMENT

39 **patents**, including **2** filed in 2021

€9.4m invested in **R&D**



SOCIAL

152 employees, including **74 hired** on a full time equivalent basis in 2021

88% of portfolio companies have implemented a **profit-sharing mechanism**



GOVERNANCE

63% of portfolio companies' Boards of Directors have **at least one woman member**

75% of portfolio companies have at least **one woman on their Management Committee**

ESG performance in 2021

EMERTEC 5

75% of portfolio companies completed the ESG survey

100% of portfolio companies **contribute to at least one of the UN's SDGs**



ENVIRONMENT

€16m

invested in **R&D**

85 GWh

saved by our investees for their customers

532

patents, including **105** filed in 2021



SOCIAL

586

employees, including **92%** employed on **permanent contracts** or contracts lasting more than 18 months

83%

of portfolio companies have implemented a **profit-sharing mechanism**



GOVERNANCE

78%

of portfolio companies have **a woman on the Management Committee**

83%

of portfolio companies have at least **one independent member** on their Board of Directors

ESG performance in 2021

FONDS EUROPEEN DES MATERIAUX

75% of portfolio companies completed the ESG survey

100% of portfolio companies **contribute to at least one of the UN's SDGs**



ENVIRONMENT

71.3

tonnes of waste processed in 2021

€12.5m

invested in **R&D** (+€1.5 million vs. 2020)



SOCIAL

311

employees, including **28 hired** in 2021

97%

of employees have **permanent** contracts
or contracts lasting more than 18 months



GOVERNANCE

83%

of portfolio companies have at least **one woman** on their Management Board

50%

of portfolio companies have at least **one independent member** on their Board of Directors

ESG performance in 2021

FONDS LORRAIN DE MATERIAUX

100% of portfolio companies completed the ESG survey

100% of portfolio companies **contribute to at least one of the UN's SDGs**



ENVIRONMENT

100%

of portfolio companies have initiatives in place to **reduce their environmental impact**

€1.2m

invested in **R&D**



SOCIAL

98%

of employees have **permanent** contracts
or contracts lasting more than 18 months

95%

of employees had **an annual review**



GOVERNANCE

50%

of portfolio companies have at least **one independent member** on their Board of Directors

100%

of portfolio companies have at least **one woman in a CEO or equivalent position**

(1): 2020 results extrapolated owing to a low response rate

ESG performance in 2021

FMET *

67% of portfolio companies completed the ESG survey

100% of portfolio companies **contribute to at least one of the UN's SDGs**



ENVIRONMENT

25

tonnes of CO₂ saved thanks to their infrastructures

€2.7m

invested in **R&D**



SOCIAL

528

employees, including **180 hired** in 2021

95%

of employees have **permanent contracts** or contracts lasting more than 18 months



GOVERNANCE

88%

of Management Boards have **at least one woman member**

38%

of portfolio companies incorporate **a code of ethics** into their CSR risk management

** FMET: European fund for the modernisation of transportation*

ESG performance in 2021

PARIS GREEN FUND

100% of portfolio companies completed the ESG survey

100% of portfolio companies **contribute to at least one of the UN's SDGs**



ENVIRONMENT

5 million tCO₂eq avoided including **1.7 million** in Ile-de-France in 2021

22,700 GWh of energy **consumption** avoided in 2021

100%

of portfolio companies have initiatives in place to **reduce their environmental impact**



SOCIAL

1,465

employees, including **435 hired** on a full-time equivalent basis

95%

of employees have **permanent contracts** or contracts lasting more than 18 months

60%

of portfolio companies support **charitable projects**



GOVERNANCE

30%

of portfolio companies were **founded or co-founded by a woman**

60%

of portfolio companies have **at least one woman** on their Management Committee

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Supporting the champions of ecological growth

