Financing a sustainable future
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*DEMETER*
2022 was an exceptional year for the ecological transition and for private equity. Demeter, a pioneer in investment for the ecological and energy transition, once again demonstrated its leadership role by investing in 26 new companies, making 44 reinvestments and 4 exits, including a spectacular one.

A sharp acceleration in investment for the ecological transition

In France, €54 billion will be deployed as part of the France 2030 investment project, to accelerate in high-stakes sectors such as energy and climate, as described by Bruno Bonnell (on page 5). In 2022, private equity players set a new record by investing in 123 deals in the CleanTech sector for a total of €3.4 billion*.

On a global scale, the events of 2022, in particular the war in Ukraine, the food and energy crises, extreme weather events and global supply problems, have called for urgent attention to environmental issues. In the United States, the Inflation Reduction Act (IRA) committed significant public subsidies to CleanTech. In Europe, the Green Deal, aimed at accelerating Europe’s transition to renewable energies, has been strengthened.

We invest in the champions of ecological growth

In this context, with more than €1.2 billion assets under management, Demeter is making a significant contribution to the development of financing for the ecological transition. Since its creation, 233 companies have been supported in these sectors, representing a total turnover of €1.4 billion by 2022.

All the funds we have launched since 2021 are classified as Article 9 in the SFDR and have an environmental objective. In 2023, we are stepping up the pace by launching new funds, including the Innovation for Adaptation and Mitigation fund (IAM) in the summer.

We are proud and happy to have supported Deepki since its first fundraising at the seed stage in 2015. In just a few years, Deepki has become the world leader in the low-carbon transition in the real estate sector, and has raised €150 million in 2022 to accelerate its growth and continue its international roll-out, giving Demeter the opportunity to achieve an exceptional performance.

We have a positive contribution to the climate and decarbonation

We are affirming our management model, which combines financial performance, the development of innovative ecological solutions and a strong ESG commitment. In 2022, our portfolio companies have avoided the emission of 7.6 million tones of CO2 and energy consumption of 37 TWh (respectively +50% and +61% vs. 2021). In addition, 1,900 patents have been filed by our portfolio companies since 2005, including 160 patents filed in 2022.

We are strongly committed to decarbonisation and the protection of biodiversity by supporting notably the Climate Dividends, as described by Brune Poirson (on pages 4 and 25).

With our entire ecosystem, increased capital under management and the launch of new SFDR Article 9 funds, we are determined to pursue our main objective: supporting the champions of ecological growth.
In your opinion, what are the priorities to focus on today to achieve the decarbonization of the economy and reach the "Zero net emissions" objective by 2050?

Brune Poirson - All sectors of the economy need to contribute much more actively to decarbonizing the economy if Europe is to meet its climate targets. There are, of course, the major emitting sectors, such as construction, transport, industry, and above all agriculture, which is far from having begun its transition. But I am convinced that to achieve this, the question of method is crucial, and is often underestimated. We need a profound change in method.

First of all, I am convinced that transforming our tax system is a priority. We urgently need to build a consensus on how we use public money, so that the transition does not fall on low-income households. This requires not only the emergence of new ways of making decisions, but also the planning of the necessary transformations through a much closer partnership between the State, companies, financial players and citizens.

Secondly, we need a clear, long-term investment plan commensurate with the challenges we face. Today, France and Europe have the most ambitious regulatory framework in the world, but no financing strategy, leaving economic players with no visibility. Europe needs to propose a long-term plan for the public funding it needs to put on the table, so that its legislation can be translated into concrete action. 

Last but not least, I believe it is essential to integrate the issue of adaptation to global warming into public policymaking without delay. Scientists are unanimous: we can no longer pretend that the climate will remain the same as it is today. And yet, until very recently, the subject has remained unaddressed. Integrating adaptation into political, economic and financial decisions must become a reflex.

How can the private equity sector help tackle the climate crisis?

Brune Poirson - It’s a fact that the ecological transition needs financing to succeed. According to the French Environment and Energy Management Agency (ADEME), the share of climate-friendly investments in the country's total investment will have to double by 2050. Private equity can and must play a key role in directing investments towards companies with a positive contribution to the environment, which is not yet sufficiently the case. To achieve this, investors must be willing to support and value activities that are potentially less profitable in the short term, but which have a strong potential for decarbonization. This means recognizing the "climate value" created by a company and adopting a more long-term approach. Decarbonizing businesses can be more resilient and better adapted to future market developments, which can make them potentially more profitable.

How can we maximize the commitment of all players in the French economy - businesses, individuals, local authorities and investors - to decarbonizing the economy?

Brune Poirson - Firstly, we need a new social contract. Without fairness, we will not achieve the ecological transition. The State must therefore initiate new forms of consultation. For it is urgent to overhaul the tax system in line with the ecological transition, to rethink the way companies share value, and to create new financial instruments to massively redirect investment towards environmental and social projects. This cannot be done in silos. New methods of consultation are needed. It's up to the State to orchestrate the consultation required for this transformation. Secondly, we need to re-establish trust within society, and in particular between the State and citizens, as well as businesses. This requires better evaluation of environmental actions and the budgets allocated to them. It also requires the development and widespread use of common, transparent indicators for carbon intensity and net environmental contribution.
To what extent will France 2030 support societal transformations?

Bruno Bonnell - Since its launch in October 2021, France 2030 has already committed nearly €13 billion (as of March 31, 2023) and the government supported more than 1,700 projects for the benefit of more than 2,300 winners. Faced with the accelerated mutations in companies and the social, digital and ecological transition, it is essential to strengthen our human capital. The level of employee skills is now a strategic issue for the sovereignty and resilience of our country. In order to meet these challenges, the State invests in the skills and professions of the future. 2.5 billion euros of France 2030 have been allocated to human capital to achieve this ambition. This is what we are doing through the "Skills and professions of the future" project, which aims to meet the needs of companies in terms of training and new skills for the jobs of the future. The program has already financed the opening of nearly 15,000 places at the start of 2023, in initial and continuing education.

What are the priorities of France 2030 to meet the ecological challenges and bring out the future champions of our sectors of excellence?

Bruno Bonnell - With France 2030, we have set 10 objectives and 6 clear levers that will enable us to produce better, live better and understand the world better. Half of these 10 objectives directly concern strategic sectors for decarbonizing our economy, such as energy, transport, agriculture and food. Our action is based on support for new innovative nuclear reactors, for renewable energies such as floating wind power and photovoltaics, and for electric mobility. Our action also consists in tackling the industrial and transport sectors that are more complex to decarbonize, thanks in particular to the development of the decarbonized hydrogen sector. To do this, we are supporting innovation in all its forms, from fundamental research to the implementation of the first plants. We also have a target of devoting 50% of our spending to so-called emerging players. Finally, to succeed, we also have a strong territorial focus with 60% of the plan's funds allocated to carriers based in the region.

Better production, better living, better understanding of the world. What are the key success factors to reach our goal of being carbon neutral in 2050?

Bruno Bonnell - With France 2030, we see decarbonization not as a constraint but as a tremendous opportunity to raise the growth potential of our economy. To do this, we are accelerating decarbonization in industrial sectors, concentrating resources in particular on the 50 industrial sites with the highest emissions. These sites account for half of France's industrial emissions, or 10% of France's total emissions. We have secured a cumulative emission reduction of 50 Mt of CO2 over the next 8 years. This brings us closer to our objective of a 25Mt CO2 reduction per year by 2030.

The decarbonization of these sectors is therefore a key challenge for achieving the objectives of the National Low Carbon Strategy. France 2030 is devoting €5.6 billion to this. We also need to develop our industrial production capabilities in key areas of the low-carbon economy, such as the development of gigafactories for the manufacture of electric vehicle batteries. For decarbonated hydrogen, we are aiming at 6.5 GW/year, and we have already secured 2GW/year by 2027, i.e. one third of our target. We are taking risks and encouraging the development of innovative decarbonization solutions, often led by emerging players.

We are also taking action to strengthen collaboration between research, the private sector and public players, and by coordinating decarbonization efforts at the European and national levels, as well as at the local level. Finally, we are looking for impact solutions that will improve the lives of our fellow citizens. better.
We implement innovative and in-depth impact measures tailored to each of our funds.

We analyse and set objectives for improvement for the environmental, social and governance performance of our portfolio companies.

Our commitments and initiatives reflect our core purpose which is to support the champions of the ecological and energy transition.

We align our interests with all our stakeholders, notably by linking remuneration to ESG performance.

We invest exclusively in companies with a positive environmental impact.

All our new funds since 2021 are classified Article 9 in the SFDR while previous funds are Article 8.

Our vision: investing for a low-carbon future
Key figures - 2022

+€1.2bn
assets under management
focused on the ecological and
energy transition

€55m
invested
in 26 new companies

€57m
reinvested
in 44 portfolio companies

7.6Mt
of CO₂ emissions avoided (1)
Equivalent to the annual emissions of
3.5 million cars (2)

37 TWh
of energy consumption avoided
Equivalent to the electricity consumption of
8 million French households (3)

160
patents registered by our
portfolio companies

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(1) Calculation carried out by Carbone 4 on companies in the Paris Fonds Vert portfolio and 6% of companies in other funds managed by Demeter that have calculated their avoided CO₂ emissions.
(2) Source E-rse.net: a car emits 2 tonnes of CO₂ per year. (3) Source https://prix-elec.com/energie/comprendre/statistiques-consommation-France: an average French household consumes 4,710 kWh of electricity per year.
I

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

1) Our identity and our investment sector
   - Our identity
   - Our investment sectors
   - Our investments in 2022

2) Our awards and labels
   - Growing commitments since 2005
   - Our ESG awards and distinctions
   - “French Tech” and “GreenFin” label
   - Focus on the “B Corp” label
Demeter invests in companies at all stages of their development: innovative start-ups, fast-growing SMEs and ETIs, and infrastructure projects.

Our investment sectors:
- ENERGY EFFICIENCY
- SUSTAINABLE MOBILITY
- SUSTAINABLE AGRICULTURE
- RENEWABLE ENERGIES
- SUSTAINABLE INDUSTRY
- CIRCULAR ECONOMY

"Supporting the champions of ecological growth".

Our 3 activities:
- PRIVATE EQUITY
- VENTURE CAPITAL
- INFRASTRUCTURE

Key indicators:
- + €1.2 bn assets under management
- 38 associates
- 233 investments *
- 4 countries

Our investments:
- 4 funds classified as Article 9 in the SFDR
- 27% of assets under management invested in Article 9 funds in the SFDR
- 100% of our assets classified Article 8 or Article 9 in the SFDR

*207 investments before 2021 and 26 new investments in 2022
By 2022, Demeter has invested €55 million in 26 new companies in the various sectors of the ecological and energy transition.

**PRIVATE EQUITY**
- Innovative microalgae synthesis process (CarbonWorks)
- Alternative solution to chemical herbicides (CROP.ZONE)
- Green delivery service (COURIER-78)
- Ventilation, thermal comfort, fire protection and centralised extraction (aldes)

**VENTURE CAPITAL**
- Reforestation and ecosystem monitoring service (MOFCO)
- Precision management for vineyards (CHOUETTE)
- Monitoring crops to safeguard the food chain (Hyperplan)
- Monitoring and forecasting harmful organisms (trapview)
- Intelligent irrigation management system (telaqua)
- Plant-based alternatives to seafood (SEAFOOD REBOOT)

**INFRASTRUCTURE**
- Recovery of waste heat from computer servers (QARNOT)
- Energy efficiency of lighting (PERFESCO)
- Green hydrogen station in Belfort Danjoutin (HYNAMICS)

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[1] Excerpt from our portfolio for illustration purposes
DEMETER's growing commitment since 2005

2005
- Creation of pioneering environmental funds

2008
- France Invest Charter signatory
- Co-founder of AFIC avec Elles

2009
- PRI signatory

2010
- First sustainable development plan integrated into the Demeter procedural guidelines

2011
- ESG training offered to our companies
- Signatory of France Invest's Diversity Charter

2012
- I20 member founder
- World Alliance of Efficient Solutions
- Crowdfunding partnership

2013
- IC20 becomes Climate 2020
- Member founder
- Signatory of the manifesto for the decarbonisation of Europe

2014
- Favourite at the e5t awards
- Commitment to a $1bn fund for women

2015
- SISTA signatory
- A+, the best possible grade "Signatory of the "Leaders for Climate Action" initiative" Demeter in the Stafford Report

2016
- ESG training offered to our companies
- D4 INFRA awarded TEEC label

2017
- Paris Fonds Vert awarded TEEC label
- Evaluation of the contribution to the UN SDGs
- The Shift Project

2018
- Evaluation of the contribution to the UN SDGs
- The Shift Project

2019
- SISTA signatory
- Favourite at the e5t awards
- Commitment to a $1bn fund for women

2020
- ESG Best Practices Honours awarded by SWEN
- Signatory of the 2020 Carbon Initiative

2021
- PRI signatory
- A+, the best possible grade "Signatory of the "Leaders for Climate Action" initiative" Demeter in the Stafford Report

2022
- Best sustainable equity investor 2021
- Member of the French Impact 2021 banner
- Contribution to the launch of the Climate Dividends
- ESG Sustainable Development Awards

2023
- New ESG reporting tool

2024
- Creation of pioneering environmental funds
Our awards and labels in 2022

22 June 2022 - Paris
Demeter has been awarded the ESG and sustainable development prize by Private Equity Magazine. This award recognises the most active investment and advisory teams on the French market.

10 November 2022 - European Investor of the Year 2022
The European Investor of the Year award recognises an investor who has committed to excellence in sustainable innovation and has achieved positive and growing results across all its activities.

A PRI signatory since 2012, Demeter has received the highest rating, A+, for the second year running, in recognition of its overall responsible investment strategy and commitment.

Created by the French Ministry of Ecological Transition and Solidarity, the GreenFin label is one of the public policy initiatives resulting from the August 2015 law on the energy transition for green growth.

3 of our funds have the GreenFin Label. A trusted third party (Novethic and EY) enables us to guarantee our investors the quality of the environmental information.

French Tech initiatives

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 startups, investors and decision-makers. To highlight and promote the diversity of solutions and technologies that exist within French Tech, numerous networks have been created, such as French Tech 120, Next40 and, more recently, the Green20 ranking.

Demeter is proud to have 8 companies in its portfolio (compared to 7 last year) that feature in these French Tech rankings, including 3 in the Green20 ranking.
Our 5 portfolio companies that have already received B Corp certification

- les grappes
- òe
- deepki
- Ynsect
- naïo

B Corporation (or “B Corp”) is a private certification which assesses social and environmental performance of companies. B Corp certification is conferred by B Lab, a global non profit organization. It requires companies to meet social sustainability and environment performance standards, and to be transparent on their activities. B Corp certification applies to the whole company across all product lines and issue areas.

B Corps allows companies to demonstrate their commitment to using business as a force for a more sustainable development, to meet the growing demand from consumers and investors for more socially and environmentally responsible business practices.

As an asset management company committed to sustainable development, we strongly encourage our companies to obtain the B Corp label.

Our 5 portfolio companies in the process of acquiring the B Corp certification

- Nutriearth
- lixo
- KAPsERA
- Jungle
- SEAFOOD REBOOT
A clear intention: investing for the ecological transition

1) Demeter pioneer in SFDR Article 9 funds
   - Our 4 Article 9 funds
   - 2023: launch of a new Article 9 fund, IAM

2) Our contribution to decarbonation & to the Climate Dividends

3) Our contribution to the UN’s Sustainable Development Goals

4) Our contribution to biodiversity
FONDS D’AMORCAGE INDUSTRIEL METROPOLITAIN
TERRITORIAL INVESTMENT FUND FOR SUSTAINABLE INDUSTRY

**Fund size and activity**

- Target fund size of €80 millions.
- Seed and venture capital investments in Lyon and Saint-Étienne metropolises

**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.**
### VITIREV INNOVATION

**INNOVATING FOR THE ECOLOGICAL TRANSITION OF THE WINE GROWING INDUSTRY**

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<th>€70 million fund Seed and venture capital investments in France and Europe</th>
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<td>Investment sectors</td>
<td>![Images of different technologies]</td>
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<td>Biological controls</td>
<td>Agriculture numérique et OAD</td>
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<td>Biofertilizers</td>
<td>Robotique</td>
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<td>Distribution/clients</td>
<td>Procédés</td>
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<td>Data / IOT / IA</td>
<td>Sécurité &amp; traçabilité</td>
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<tr>
<td>Biotech</td>
<td>Economie Circulaire</td>
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<th>Missions</th>
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<tr>
<td>• <strong>Taking into account ecological issues</strong> such as climate change acceleration, reduction of environmental impacts, replacement of inputs and protection of natural resources.</td>
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<tr>
<td>• <strong>Development of digital and biological technologies</strong> using multiple sensors, new tools and artificial intelligence, and development of more advanced biotech interfaces.</td>
</tr>
<tr>
<td>• <strong>New expectations of wine growers and consumers</strong>, such as recognition of the need for sustainable wine growing, consumer health issues, new consumption habits and new distribution alternatives.</td>
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# CIRCULAR INNOVATION FUND

**DEVELOP AND EXTEND INNOVATIVE CIRCULAR SOLUTIONS WORLDWIDE**

## Fund size and activity

Target fund size of €150 millions. Management Demeter advised by a Joint Venture formed by Demeter and Cycle Capital. Contribution from L’Oréal as anchor investor. Direct and indirect venture capital investments.

## Investment sectors

- New Materials
- Circular Packaging
- Eco-efficient Processes
- Logistics
- Waste Innovation
- Recycling
- 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.

Regions covered: North America and Europe

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*Our funds classified Article 9 in the SFDR (3/4)*
CLIMATE INFRASTRUCTURE FUND
ENERGY EFFICIENCY INFRASTRUCTURES

Target fund size of €250 millions.
Investment in infrastructure projects in Europe

Fund size and activity

Investment sectors

- Industrial process
- Sustainable city
- Biomass & biogas
- Storage
- Intelligent networks
- Hydrogen
- Social infrastructure
- Green data centres
- Geothermal
- Heating & cooling networks
- Self-consumption
- Solar
- Waste recovery
- Water networks
- Wind

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
### INNOVATION FOR ADAPTATION AND MITIGATION

**BUILDING A LOW CARBON AND RESILIENT ECONOMY**

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<th>Investment sectors</th>
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<tr>
<td>• Energy</td>
<td>Building a low-carbon and resilient economy, with a focus on:</td>
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<tr>
<td>• Agriculture</td>
<td>▪ Energy technologies, including carbon capture and sequestration, supply chain optimisation, new energy sources and energy efficiency.</td>
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<tr>
<td>• Nature-based solution</td>
<td>▪ Agriculture and nature-based solutions, including new farming methods, input and water control, energy production, crop improvement and protection.</td>
</tr>
<tr>
<td>• Smart buildings</td>
<td>▪ Solutions for intelligent and resilient infrastructures, including clean mobility, air and water quality, energy storage and risk forecasting.</td>
</tr>
<tr>
<td>• Data / IA</td>
<td></td>
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<tr>
<td>• Resilience</td>
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Deepki has developed a SaaS solution that uses AI to help real estate players in their zero-carbon transition. By combining its technology and expertise, Deepki designs effective strategies on all dimensions of ESG: energy, water and waste consumption, social impact and best governance practices in order to accelerate the positive impact, and help its customers improve the performance of their assets and maximise the value of their assets.

Deepki raised a further €155 million in 2022 to:
- accelerate its growth and international expansion through acquisitions,
- recruit over 200 new employees,
- implement a new office in the United States.

With this latest round of financing, Demeter has achieved an exceptional performance, once again demonstrating the strength of its strategy, based on the combination of financial and ESG performance.
Ynsect, a Next40 and Bcorp certified company, is the world’s leading producer and processor of insects for food use. Ynsect transforms insects into high quality, high value-added ingredients for animals, fish, plants and humans. Its ecological, healthy and sustainable solution meets the growing global demand for protein and plant-based foods.

Ynsect's worm meal enables to promote and contribute to the sustainability of the farming system through three key channels:

- reduce the environmental impact of food production to reduce its carbon footprint;
- reduce the quantity of inputs;
- preserve soil and ecosystems and combat deforestation;
- improve the nutritional benefits of food.

- 5 tonnes of fish flour saved per tonne of insect protein
- 40x fewer CO2 emissions than traditional agriculture
- 40x less water used compared to traditional agriculture
Walberg Urban Electrics, founded in 2011 and based in Hamburg, Germany, develops and manufactures innovative folding electric scooters for private consumers (B2C) and, through specific partnerships, for businesses (B2B). With its Egret brand, the company is targeting the lifestyle and premium segments. The brand’s quality, design and technology have made Egret one of the most award-winning electric scooters on the market.

Walberg Urban Electrics contributes to 2 sectoral objectives of the Paris Climate Plan:
- Moving away from diesel-powered mobility
- 100% renewable transport

Impact analysis carried out by carbone4

6 000 (+4 000 vs 2021)

21 GWh (+ 14.1 GWh vs 2021)

- 6 000 tonnes of CO2 emissions avoided by Walberg in 2022
- 21 GWh of energy consumption avoided by Walberg in 2022
Aldes creates high-performance, environmentally-friendly solutions to renew and purify indoor air, heat and cool it, produce domestic hot water and protect on a daily basis homes and all living spaces. Aldes contributes to 8 sectoral objectives of the Paris Climate Plan, including Renovating 1 million homes by 2050.

Impact analysis carried out by carbone4:

- 1,400k tonnes of CO2 emissions avoided by Aldes in 2022
- 8,200 GWh avoided by Aldes in 2022
- 12,000 litres of air are breathed by a human being every day
- 8x more pollution in enclosed spaces than outdoors
Qarnot is a French company that has developed a technology that recycles the energy produced by IT servers into hot water. Data centres produce waste heat that is transformed into a resource for other applications. Thanks to this technology, Qarnot is able to reduce the carbon footprint far beyond the optimisation of data centres.

In the current context, data centres are becoming an essential infrastructure of the global economy. 60% of the world’s economy is digital, and 20% of the world’s electricity will be consumed by data centres by 2030.

In addition, energy prices are soaring and having an impact on end-users, while carbon footprint assessment has become almost mandatory.

* Data supplied by Qarnot. This percentage corresponds to the proportion of recovered heat for which the electricity used can be considered to be of renewable origin.
To what extent will extra-financial criteria come to the fore in the years ahead?

Brune Poirson - Today, there is a growing demand from the market and regulators for greater transparency and information on extra-financial impacts. The deadlines for the climate plans (2030-2050) are fast approaching, leading to a proliferation of regulations and obligations to take account of and measure extra-financial impact accurately. It is therefore necessary to develop criteria for complying with these rules and to demonstrate transparently that the stated objectives are being met. Finally, climate change and its impact on companies are becoming increasingly tangible, making it all the more urgent and necessary to measure and anticipate these impacts.

However, there are two major obstacles to the deployment of extra-financial criteria: their lack of uniformity and standardisation, and the fact that they are often perceived (sometimes justifiably) as an additional burden and reporting burden for companies. Fortunately, progress is being made. European advances with the taxonomy and the CSRD, as well as the work of the ISSB, are helping to harmonise reporting and measurement practices (even if the question of their interoperability remains to be resolved). Consideration is also being given to the broader inclusion of extra-financial criteria, with initiatives such as Integrated Reporting, triple accounting and indicators such as Climate Dividends, which will enable companies and investors to place greater value on these criteria, particularly 'climate value'.

How will the Climate Dividend initiative you are chairing help to speed up the decarbonisation of the economy?

Brune Poirson - There is a real need for a financing mechanism and extra-financial criteria to reward investment in decarbonisation. That’s what the Climate Dividend is all about.

A Climate Dividend is extra-financial information claimed by the shareholders of a company whose activity has a positive climate benefit. In practical terms, a climate dividend is equivalent to one tonne of CO2 avoided or sequestered. It’s a tangible and transparent indicator, in line with the various regulations, and therefore easily accessible to many players who are sometimes overwhelmed by the proliferation of new rules. Finally, it is a positive measurement indicator, which promotes investors and low-carbon activities: it differs from reporting, which takes a negative approach.

Lastly, Climate Dividends enable the creation of climate value to be valued in financial terms, like goodwill. A company’s ability to distribute climate dividends can be an indicator that is integrated into the financial valuation of a company. It is therefore an effective lever for encouraging responsible investment and business model transitions.
Investments in companies taking initiatives to preserve biodiversity*

- Telaqua: Intelligent irrigation management system
- MORFO: Reforestation and ecosystem monitoring service
- CROP.ZONE: Alternative solution to chemical herbicides
- Trapview: Monitoring and forecasting harmful organisms

Focus on preserving biodiversity in our infrastructure projects

- We ensure that the renewable energy projects we finance have no significant negative impact on flora and fauna.
- For the H2air project, we have set up monitoring to measure turbine noise and assess the impact of the wind farm on birds and bats. As of 2019, Demeter and H2air have begun monitoring the nesting of hen harriers in order to preserve their reproduction.
- The impact study concluded that the operation will have minimal impact on birds and bats, and is therefore compatible with biodiversity conservation requirements.

Biodiversity impact assessment for the VitiRev innovation fund

- VitiRev Innovation invests in innovations for sustainable viticulture and winemaking. Preserving biodiversity is crucial to this sector.
- VitiRev Innovation has designed an analysis covering the entire life cycle of the investment, based on audits of the environmental and territorial impact of the activity of these companies, using financial and extra-financial criteria. This analysis is carried out with the support of the consultancy firm GreenFlex.
- The measured indicators relate in particular to the decrease in the use of inputs such as plant protection products and nitrogen fertilisers, which impoverish the soil and work against the preservation of biodiversity.

Support of foundations and programmes committed to protecting biodiversity

- Finance for Biodiversity Pledge
- Planets pour l’avenir
- AEON Nature International

* Excerpt from our portfolio for illustration purposes
Seafood Reboot aims at becoming a major player in the transition to a plant-based diet. Seafood markets alternatives to seafood using microalgae. The company is revolutionising the approach to food by introducing new and unique flavours while ensuring that the alternative food options it offers are nutritionally comparable to fish. The seafood substitute also help to limit overfishing, which is affecting marine ecosystems and leading to the collapse of fish stocks.

Today, oceans and seas cover 70% of our planet and account for 97% of the Earth’s water. They connect people, provide food and oxygen and regulate our climate by absorbing almost a quarter of the CO2 produced.
Morfo has designed a global solution to restore ecosystems at high speed by planting forests capable of capturing carbon, preserving biodiversity and combating climate change. Morfo’s technology is based on drones combining seed encapsulation, microbiology and computer vision. A single drone can process up to 50 hectares per day, each capable of planting 180 capsules per minute on steep, difficult-to-access terrain.

Morfo is a mission company committed for the climate, biodiversity and social impact.

900 million trees are already ready to be reforested in the world without competing with human activities (agriculture and urbanisation). 8 million hectares restored per year today. The UN objectives reach 80 millions hectares per year.
Telaqua offers farmers connected solutions for optimizing the irrigation of their crops. The start-up enables farmers to optimize their water consumption via a simple, intuitive application based on artificial intelligence.

“We enable our customers to use connected sensors and a simple, intuitive application to control and monitor their irrigation system remotely. It’s a solution that offers smarter and, in some cases, fully automated management of their operations. ”

35% reduced water use by farmers
50% reduced use of high-carbon emission vehicles (quad bikes, tractors, etc.)
+ 30% recycled plastic used in the manufacture of products

Around 70% of the world’s water is used to irrigate farmland and vineyards. The issue of water use in agriculture has therefore become a global priority. Telaqua intends to continue its expansion in France and Europe. The start-up is pursuing its technological development in order to provide its customers with ever more functions, always based on the principle of ease of use. To achieve this, it is working with laboratories and universities to continue its work in artificial intelligence. This will enable it to develop more advanced predictive decision-making tools and go further in the use of blockchain for traceability.
CarbonWorks has developed an industrial platform for capturing CO2 through micro-algal photosynthesis. CarbonWorks enables manufacturers to capture and convert their CO2 emissions into microalgal biomass for applications in animal feed, human food, cosmetics and agriculture. This innovative solution replaces synthetic materials with bio-components. CarbonWorks also contributes to the protection of biodiversity by reducing the use of agricultural land and the water consumption.

2 tonnes of CO2 = 1 tonne of microalgae

the natural ability of microalgae to capture CO2

Industrial photosynthesis of microalgae represents a safe and proven method for capturing CO2 and recycling it into high value-added agricultural bio-inputs and nutritional sources for food, feed and aquaculture. Current agricultural models need to evolve radically towards safer and healthier practices. At the same time, the circular use of available resources (CO2, mineral residues, waste energy, natural potential, etc.) is a new era of innovation in which microalgae, as one of the oldest living and genetically rich photosynthetic micro-organisms, should play a more important role.
As an investor, Demeter contributes to the United Nations Sustainable Development Goals by investing in companies that create value for the environment and society. Each company in our portfolio contributes to the United Nations Sustainable Development Goals. *
III

Impact measure at the heart of our ESG strategy

1) Integrated, in-depth and innovative ESG impact measurement
   - ESG in our portfolio’s life cycle
   - Our risk scoring and impact measure methodologies
   - An ESG team at the service of our strategy

2) Our portfolio’s Environmental performance

3) Our portfolio’s Social performance

4) Our portfolio’s Governance performance

5) Assessment of Demeter’s carbon footprint
Integrated, in-depth and innovative ESG impact measurement throughout our investment process

Demeter has adopted a policy integrating sustainability risks, and risks of negative impact on sustainability factors. At every stage in the life cycle of our investment, we ensure that ESG criteria are respected, measured and compliant with the ESG objectives we set. Throughout our investment, we help the companies in our portfolio make progress in their ESG approach and to add value to it, by identifying ESG-related risks and opportunities for value creation, and we draw up an ESG action plan and follow its progress at the companies’ Board of Directors.

**PRE-INVESTMENT**

- A responsible thematic approach: all our funds are positioned in sectors that have a positive impact on the environment

- ESG criteria integrated into the analysis of potential investments: an ESG rating is included in the investment memorandum and extensive environmental impact due diligence are performed in partnership with expert consulting firms for our Article 9 funds (Carbone 4, GreenFlex, PwC, Axa Climate, etc.).

- Integrated ESG risk scoring: scoring of negative impacts on sustainability factors and ESG risks measures the level of ESG impact.

- Exclusion approach included in funds’ legal documents when applicable: defense industry and arms sales, gaming and betting, tobacco and alcoholic beverages, and human cloning are excluded.

**IN PORTFOLIO**

- Support and training for our investments to improve their ESG practices and policies

- Involvement of the Board of Directors in the identification of key ESG points and related issues, plus definition and monitoring of an ESG action plan.

- Annual ESG survey via our Plan A data collection tool, including the scoring of negative impacts on sustainability factors and ESG risks, for all companies in our portfolios.

- Audit of environmental impact carried out for Paris Fonds Vert and all Article 9 funds every year.

**EXIT**

- Evaluation of our portfolio companies’ ESG performance.

- ESG exit survey.

- Territorial and environmental impact audit carried out by Carbone 4 for Paris Fonds Vert following the exit.
The SFDR (Sustainable Finance Disclosure Regulation), implemented since 10 March 2021, promotes greater transparency in investment products.

Demeter scores the ESG risks for each invested company with 2 tools:

1. Assessment of the NEGATIVE IMPACTS of portfolio companies ON SUSTAINABILITY FACTORS ("Principal Adverse Impacts")

Demeter measures and tracks the negative impacts on the sustainability factors of portfolio companies ("PAIs"), i.e. 14 mandatory indicators and two optional indicators, including greenhouse gas emissions (scope 1, 2 and 3), water emissions, hazardous waste, negative impacts on biodiversity, accident rate, board gender mix, etc.

2. Assessment of ESG RISKS likely to have an impact on portfolio companies

Demeter measures and monitors the negative impacts of ESG risks on the companies in its portfolio, in particular vulnerability to climate change (with regard to regulatory changes, market risks, extreme weather events, global warming, rising sea levels, etc.) or the sensitivity of its activities to raw materials issues (scarcity, prices, supply difficulties, etc.).

This risk measurement is carried out pre-investment and then on an annual basis as part of our annual ESG questionnaire.

Our rating system includes a score from Level 0 (no or little risk/impact) to Level 2 (high risk/impact), which indicates the company’s degree of exposure to these risks or its contribution to the negative impact.

- If a company is rated 3 x Level 1 (moderate risk) or 1 x Level 2 (high risk/impact), the ESG Committee meets to decide on the feasibility of the investment or the corrective measures to be adopted.
- For each Level 1 rating, a roadmap is drawn up with the investment director and the management team to reduce these risks. These recommendations must be implemented over the course of the year for each company, enabling regular monitoring.
The European Taxonomy came into force in January 2022 and aims to direct capital flows towards new ‘green’ projects by introducing a single framework for quantifying the ESG impact of companies subject to it.

Our 4 funds classified as Article 9 in the SFDR, which focus on ecological transition sectors, are committed to achieving a percentage of alignment with the European Taxonomy.

The Taxonomy regulation establishes a precise reference framework for classifying an economic activity as environmentally sustainable. It defines and regulates activities that are part of a low-carbon, resilient and resource-efficient ecological and energy transition. The regulation defines the four criteria hereafter:

1. Eligibility (based on NACE code)
2. Substantial contribution to one or more of the six environmental objectives*.
3. Not significantly harm any of the other five environmental objectives
4. Compliance with minimum labour and human rights guarantees (OECD and UN guidelines)

Share of business aligned with European taxonomy

* - Climate change mitigation
- Adapting to climate change
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protecting and restoring biodiversity and ecosystems

70% target alignment with the European Taxonomy *
In-depth and innovative impact measure methodologies

For each of our funds classified Article 9 in the SFDR, we assess the ESG impact of each company pre-investment, with the support of expert consulting firms that are leaders in measuring environmental impact, such as Carbone 4, Axa Climate, GreenFlex and PwC. Together with these consulting firms, we have developed impact measurement methodologies tailored to each fund, incorporating a sustainable investment objective as well as qualitative and quantitative indicators as described below. These indicators are measured pre-investment, annually and at exit.

### Sustainable investment objective of the fund

<table>
<thead>
<tr>
<th>Objective</th>
<th>Indicator</th>
</tr>
</thead>
</table>
| Promote the development of a large-scale circular economy | - Tonnes of CO2 avoided  
- Tonnes of waste recycled or reused  
- Tonnes of recycled or biosourced plastic  
- Tonnes of packaging recycled/reused  
- Tonnes of petroleum-derived products replaced by bio-based products sold  
- Number of permanent jobs created...  
- % of female managers... |
| Investing in young companies that provide solutions for tomorrow's winegrowing | - Impact of innovation on reducing the use of plant protection products  
- Impact of innovation on the availability and viability of natural habitats  
- Impact of innovation on the spread or control of invasive species  
- Impact of innovation on reducing waste and/or food waste... |
| Investing for sustainable industry:  
4 objectives of economic sustainability, inclusion and social justice  
2 environmental sustainability and health objectives;  
2 objectives of well-being at work, governance and cooperation;  
2 objectives of the "public perception and positive impact" activity. | - Impact of the companies in the fund's portfolio on energy or waste savings, and/or on resource conservation and/or on improving well-being.  
- Number of direct jobs created by companies in the fund's portfolio on exit... |
| Investing in energy efficiency infrastructure | - Alignment of the fund to the limiting trajectory of the +2°C scenario (measured by Carbone 4)  
- Alignment of the fund with the European Taxonomy at 70% |

### Qualitative and quantitative indicators
Climate Infrastructure Fund: an in-depth impact assessment

With the support of the Carbone 4 consultancy firm, Demeter has put in place an in-depth and innovative impact assessment methodology based on the alignment with the two-degree trajectory using three criteria: the carbon footprint of the project, the compatibility of projects with a global warming trajectory limited to 2°C and the comparison of the climate performance of a portfolio of assets with temperature trajectory scenarios.

<table>
<thead>
<tr>
<th>Carbon footprint</th>
<th>Alignment with the 2°C trajectory</th>
<th>Alignment with the EU taxonomy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculated from data disclosed by companies and energy-consumption figures.</td>
<td>According to Carbone 4’s CIARA methodology and other proxies (depending on the type of activity)</td>
<td></td>
</tr>
<tr>
<td>Energy efficiency in lighting</td>
<td>700 tCO2e per year</td>
<td>Aligned</td>
</tr>
<tr>
<td>Data center and fatal heat recovery</td>
<td>600 tCO2e per year</td>
<td>Aligned</td>
</tr>
</tbody>
</table>

* For an illustration of our portfolio companies
With the support of the Carbone 4 consultancy, Demeter has put in place an in-depth and innovative methodology for assessing the territorial and environmental impact of the Paris Fonds Vert.

**Paris Fonds Vert: an in-depth environmental and territorial impact assessment**

7.5M (+2.5M vs 2021) tonnes of CO2 avoided across the entire business value chain in 2022, including 2.3 million in Paris (1)

37 TWh (+14.3TWh vs 2021) of energy consumption avoided in 2022, including 13.9 TWh in Paris (1)

Before each investment, Carbone 4 carries out an environmental and territorial. Its analysis is based on measuring the quantitative and qualitative impact of each company according to the seven criteria mentioned below. In addition to measuring the impact, this due diligence makes it possible to establish specific points to watch and recommendations in order to identify areas for improvement and define measures.

Each year thereafter, and when the investment is sold, Carbone 4 assesses its environmental and territorial impact, enabling it to calculate the overall impact of Paris Fond Vert.

(1) For Alterea, the emissions avoided and energy savings take into account the impact of the work carried out each year over the lifetime of the buildings concerned - Source Carbone 4
Since 2019, DEMETER has strengthened and accelerated its ESG strategy with a dedicated team including an ESG Committee and ESG ambassadors representing each activity.

This Committee ensures the ESG compliance for our existing and future portfolio companies, and for our internal activity.

The ESG ambassadors organise internal meetings to implement initiatives and measures aimed at strengthening the commitment of the Demeter teams. In particular, they have contributed to the implementation of various measures aimed at:

- Reducing our carbon footprint,
- Encouraging our portfolio companies to carry out carbon audits,
- Applying for new responsible awards and labels,
- Developing a responsible internal charter focusing on actions in favour of soft mobility and responsible purchasing...
Environmental performance of our portfolio in 2022 (1)

ENERGY SAVINGS

37 TWh of energy consumption avoided overall (+14.3 TWh vs 2021)

13.9 TWh of energy consumption avoided in Paris (+5.7 TWh vs 2021)

TONNES OF CO₂ AVOIDED

7,6 M tonnes of CO₂ avoided (+2.5M tonnes vs 2021)

7.5M tonnes, measured by Carbone 4 for Paris Fonds Vert companies (2)

0.1 M tons, measured by 6% of companies in Demeter portfolios that have calculated their avoided CO2 emissions.

R&D AND INNOVATION

€267M invested in research and development by 2022 (+€137M vs 2021)

1,900 patents,

including 160 registered in 2022 (+11 vs 2021)

including 1,000 patents filed by companies involved in our INNOVATION activity

Given the evolution of our ESG policy and our partnership with Carbone 4, our results have been verified by a third-party expert who measures the full environmental and territorial impact of each company financed by Paris Fonds Vert, across its entire value chain.

(1) 75% of portfolio companies responded to the ESG survey
(2) 8% of companies responding to the questionnaire (excluding Paris Fonds Vert) calculated their avoided CO2 emissions.
Economic, social and governance performance of our portfolio in 2022

Demeter has supported **233 companies** since its creation in 2005, representing **total turnover** of **1.4 billion euros** (+0.3 billion euros vs. 2021).

**SOCIAL**
- **5,400** people employed by our portfolio companies (+1,900 people vs 2021)
- **91%** of employees have permanent contracts or contracts lasting more than 18 months
- **1,475** new hires in 2022

**GOVERNANCE**
- **69%** of executive committees have at least one woman member (+16pts vs 2021)
- **65%** of companies have ESG discussions at board level (+5pts vs 2021)
- **79%** of companies have at least one independent member on their board of directors (+4pts vs 2021)

**CERTIFICATIONS AND LABELS**
- **60%** of companies have received at least one certification or label
- **10** companies that have been awarded the B Corp label or are in the process of obtaining it
- **28** philanthropic projects supported

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(1) 75% of portfolio companies responded to the ESG survey
Demeter has established a longstanding partnership with PlanA, a platform dedicated to the calculation of companies’ carbon emissions. PlanA has merged our activity data with their databases related to emission factors to calculate our corporate emissions. This methodology, certified on an annual basis, is compliant with the GHG Corporate Protocol.

Demeter is **fully dedicated to reducing its GHG emissions and regularly set new goals in order to produce less carbon.** An overview of all our achievements for our employees and to improve this carbon footprint is detailed in page 44.

### 2022 total emissions = 53.6 t CO2e

- **SCOPE 1**
  - 3.91 t CO2e
- **SCOPE 2**
  - 19.9 t CO2e
- **SCOPE 3**
  - 29.75 t CO2e

Demeter has emitted **53.6 tones of CO2 equivalent.** Demeter’s largest emissions sources are «Facility supply» and «Employee commute» (scope 3 emissions).

In order to encourage portfolio companies to carry out and follow carbon footprint assessments, Demeter has negotiated with Plan A so that these ones can benefit from preferential conditions for the use of the platform.
Alignment of interests, reflecting our purpose
"Supporting the champions of ecological growth“

1) Our commitments to our portfolio companies
2) Our commitments to our employees
3) Our commitments to our investors
4) Our commitments to our ecosystem
5) Our commitments to diversity
Throughout the course of our investment, we help our portfolio companies move forward with their ESG approach:

- **We perform detailed ESG due diligence before investing**, including external consulting firms specialized on environmental impact for our Article 9 funds, allowing us to share with managers for each company the ESG value creation factors and ESG-related risk areas to work on and to follow.

- **We integrate ESG into our 100-day plan** right after investment, deriving from the ESG due diligences.

- **ESG-related risk areas and value creation opportunities** action plan is monitored at the level of the Board of Directors (minimum once per year).

- **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 pre-investment, then **once a year** and at the exit phase. The PLAN A platform gives the portfolio companies access to dashboards for monitoring their ESG indicators and strategy. PLAN A is also able to support our portfolio companies in calculating their carbon footprint and their low-carbon strategy.

**Demeter Entrepreneurs Club**

Twice a year, Demeter **gathers together all its portfolio company managers and investors**. A great occasion of networking with peers and developing key business relationships in the ecosystem of the ecological transition. The last Demeter Entrepreneurs Club in **July 2022** included a presentation of the **Deepki success story plus new portfolio companies**: Carbonworks, Lixo, MyBacchus, Seafood Reboot, Stockpro, Telaqua, Coursier, Open Data Soft, Easy Charge Services and e-Vadea.
Our commitments to our employees

ENVIRONMENT

Carrying out the management company carbon assessment and implementing optimisation solutions
Business vehicle fleet replaced by hybrid/electric vehicles
Waste recycling (including ink cartridges and coffee capsules)
Purchase of second-hand IT equipment

SOCIAL

Profit-sharing agreement and company savings plan for 100% of employees
Enhanced responsible health cover
100% employee training by 2022
37% women at Demeter
Women, creators of value and performance” workshop

GOVERNANCE

33% of employees are Demeter shareholders
6 independent members out of 8 members of the Supervisory Board of Demeter Partners
Promoting gender diversity within our teams
Dedicated ESG Committee, comprising a Managing Partner, 3 Partners and the RCCI

45
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 guarantees an effective contribution to the ecological and energy transition**

- **All the funds we have launched since 2021 are Article 9 in the SFDR** so they have an environmental objective (as described on page 36).

- **We monitor the impact using qualitative and quantitative measure tools co-developed with external consulting firms** (Carbone 4, GreenFlex, PwC, Axa Climate) experts and leaders in the measure of environmental impacts.

- In order to **verify and monitor the compliance of our investments with the SFDR and the EU Taxonomy**, we have adopted **2 quantitative impact tools**: ESG risk scoring & the negative impacts on sustainability factors scoring (as described in pages 33 – 38).

- **3 of our funds have received GreenFin label**: Paris Green Fund, FMET & Demeter 4.

**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 our stakeholders** (investors, investment teams and management), Demeter has introduced carried interest linked to the achievement of impact objectives.

For all our new funds - Climate Infrastructure Fund, VitiRev Innovation, FAIM, Circular Innovation Fund and IAM -, specific impact indicators have been defined for each fund, along with a **percentage of carried interest linked to this objective** (ranging from 25% to 50%).
Contribute to our investors' reporting

Our investors are paying increasing attention to the extra-financial criteria of their investments, and more particularly to their impact.

Taking ESG criteria into account is key at Demeter. As early as 2006, we responded to the first ESG questionnaire submitted by Robeco, investor of our first investment fund.

In 2022, we had responded to 18 ESG questionnaires, including *:

Committed investors

38% of funds under management come from PRI signatories

20% of our investors are PRI signatories

* For illustration
Sophie Paturle, Ambassador for France 2030

Sophie Paturle, "Qualified Personality of the France 2030 Ministerial Committee on Decarbonised Energies", has taken on the status of France 2030 Ambassador.

Demeter is a co-founder of France Invest's Ecological Transition Commission, and Sophie Paturle is its chairwoman.

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.

National initiatives: France 2030 and the Climate Commission

Sophie Paturle, Ambassador for France 2030

Sophie Paturle, "Qualified Personality of the France 2030 Ministerial Committee on Decarbonised Energies", has taken on the status of France 2030 Ambassador.

Demeter is a member of the Advisory Board of the Cleantech Group, whose mission is to accelerate innovation by promoting networking and knowledge sharing within the global cleantech ecosystem.

DEMETER has joined the Finance pour la Biodiversité (Finance for Biodiversity) initiative, a sign of its strong commitment to preserving biodiversity.

Competitiveness clusters

Demeter is a member of CAPENERGIES, a competitiveness cluster dedicated to low-carbon energy production and energy efficiency.

DEMETER is a member of the Finance for Biodiversity initiative, a sign of its strong commitment to preserving biodiversity.

Close links with leading research centres

CNRS (Centre National de la Recherche Scientifique)
Sophie Paturle is a member of the Board of Directors and Eric Marty a member of the Valorization Committee.

Demeter works closely with IFPEN, encouraging academic and industrial research to build a genuine Cleantech ecosystem. Sophie Paturle is a member of the Board of Directors.

INRAe (French National Research Institute for Agriculture, Food and the Environment)
Demeter is an active member of INRAe, participating in various start-up selection juries.
Our commitments to the ecosystem (2/3)

Demeter also sponsors or participates in numerous studies, think tanks, consortia and conferences on subjects linked to the ecological and energy transition.

Sponsorship of events and talks

**June 2022: Vivatech 2022: Sophie Paturle chosen as godmother of Denis Spitzer, one of the four 2022 winners of the CNRS innovation medal**

**March 2022: Olivier Usureau takes part in the "DealMakersTalk: Lead with Insight" organised by KPMG on the subject of creating value by integrating ESG aspects into operations.**

**September 2022: Philippe Detours represents Demeter at the Global Infrastructure Dialogue 2022, taking part in two round tables: "Energy Transformation" and "Green Mobility and Electrification of Transport".**

**October 2022: Sophie Paturle presents the theme of EARTH at "La Deeptech voit Big" organised by bpifrance.**

**November 2022: Philippe Detours takes part in the Horizons Hydrogène 2022 conference to talk about the future of the hydrogen subsidiary.**
Events sponsorship and participation

October 2022: Eric Marty took part in the 70th anniversary of Exel Industries, a leading industrial group in the group’s field.

On this occasion, he took part in a round table devoted to sustainable development, which gave him the opportunity to explain the importance of innovation in meeting the challenges of transforming the agricultural and energy sectors.

November 2022: Stéphanie Hillard, Olivier Bordelanne and Amaury Kalt took part in the ViniTech trade fair with the Vitirev Fund.

November 2022: Stéphane Villecroze took part in the EDF Group’s regional management seminar and presented to all EDF’s regional directors the many joint actions for the ecological transition in the regions between EDF and the funds managed by Demeter.

December 2022: Geoffroy Dubus and Olivier Bordelanne have strengthened the partnership between Demeter and the Microsoft Environmental Start-up Accelerator by participating in the selection panel for the Microsoft Environmental Start-up Accelerator.

Long-standing partners

Partner of the e5t Foundation since 2017

Created by Myriam Maestrioni, the eSt Foundation for Energy Efficiency and Local Energy Savings is an open platform dedicated to thinking about the energy solutions that can be implemented to protect the environment, safeguard the well-being of individuals and contribute to the sustainable development of society.

At the Université d’Eté in La Rochelle, Demeter hosted a series of conferences on technological and industrial innovations to help agriculture adapt to climate change and achieve carbon neutrality.

Sponsorship from the "Planting for the Future" foundation.

The aim of this association is to promote sustainable forest management and contribute to reforestation in France. Since its creation in 2014, the Planting for the Future foundation has helped to plant 2,600,000 trees.

VitiRev Innovation and the Aquitaine region

By actively supporting innovative and promising companies in the Aquitaine region, the VitiRev Innovation fund stimulates economic activity and contributes to the emergence of sustainable solutions for biodiversity.

FAIM and the Lyon and Saint-Etienne metropolises

The launch of the new FAIM fund is designed to encourage the emergence of young, innovative industrial companies in the Lyon and Saint-Etienne metropolitan areas that have an impact on the environment, reduce energy consumption and create jobs.
25% of investments made in 2022 in companies founded or co-founded by women (1)

Caroline Durand  
Co-founder

Adele James  
Co-founder and Technical Director

Ondine Suavet  
Co-founder and Co-CEO

Medical technology developing a regenerative and biodegradable breast prosthesis

Solution for treating bacterial diseases

Solar self-consumption solutions

Ondine Suavet, Co-founder and Co-CEO of MyLight150, was a winner at the « Women Forum 40 » in November 2022.

BNP Paribas and the Women’s Forum have launched the "French Women Entrepreneurs 40", the first list of 40 French growth companies run by women. Ondine Suavet is one of the 40 female managers on the list, who will benefit from a year of dedicated support from each of the partners (Women’s Forum, BNP Paribas, Be A boss, Bpifrance, EcoVadis and HEC Paris).

In addition to our investments, we strive to implement measures to promote diversity. As a clear sign of our commitment to action in this area, we have signed two charters:

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

A charter designed to reduce financing inequalities between women and men entrepreneurs.

Demeter is also partner of the "Beyond the Billion" fund.

(1) Excerpt from our portfolio for illustration purposes

(2) Source: annual parity barometer (FranceInvest and Deloitte)
Our progress in 2022

In 2022, Demeter strengthened its ESG policy and intensified its engagement with stakeholders:

(1) We launch a new Article 9 fund focused on the ecological and energy transition: the Innovation for Adaptation and Mitigation fund.

(2) We have innovated and developed new impact measurement methodologies to meet the expectations of our investors and in particular to ensure that our funds comply with Article 8 and Article 9 of the SFDR.

(3) We have invested in companies that are making a significant contribution to decarbonisation.

(4) We have strengthened our ESG policy and risk assessment throughout the investment process, in particular by rolling out a new assessment of ESG risks and negative impacts on sustainability factors.

(5) We promoted ESG practices within our ecosystem through our talks during the France Invest Ecological transition Commission, Finance for Biodiversity, Change Now or Horizons Hydrogène.

(6) We have co-developed the Plan A ESG indicator consolidation platform to encourage ESG engagement by portfolio companies.

(7) We won two awards from Private Equity magazine and the CleanTech group, demonstrating the evolution of our ESG practices.

Our objectives for 2023

For 2023, we aim at renewing and strengthening our support to accelerate ESG value creation:

(1) Launching new funds focused on the ecological and energy transition and compliant with the Article 9 of the SFDR.

(2) Continuing to train and engage our teams and portfolio companies to maximise impact, with dedicated ESG progress plans, ESG risk assessment, promotion of carbon footprint measurement with Plan A, etc.

(3) Launching new initiatives to preserve biodiversity by strengthening our support with trusted partners,

(4) Continuing to implement our ESG reporting tools and processes, as well as strengthening and monitoring our action plans.

(5) Training our investment teams in ESG risk assessment and biodiversity, with the support of our ESG ambassadors.
APPENDICES

ESG Performance in 2022 per fund

Note: funds in liquidation are not integrated
**ENVIRONMENT**

- 20 patents filed in 2022
- €7.2M invested in R&D in 2022 (+€4.3m vs 2021)
- 80% of companies have introduced initiatives to reduce their carbon footprint

**SOCIAL**

- 180 employees on 31/12/2022 (+64 employees vs 2021)
- 35% of women in the total workforce of companies
- 91% of employees on permanent contracts
- €17.6M of turnover in 2022 (+€10m vs 2021)

**GOVERNANCE**

- 46% of companies formally examine ESG within their Board of Directors
- 70% of companies have at least one independent member on their board of directors (+10pts vs 2021)

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(1) 87% of portfolio companies responded to the questionnaire
**ENVIRONMENT**

- 50% of companies have assessed their carbon emissions
- €3M invested in R&D in 2022
- 100% of companies have introduced initiatives to reduce their carbon footprint

**SOCIAL**

- 47 employees on 31/12/2022
- 28% of women in the total workforce of companies
- 100% of employees are on permanent contracts
- 0% accident rate percentage
- €6M of turnover in 2022

**GOVERNANCE**

- 100% of companies have introduced a system for sharing value with employees
- 50% of companies have at least one woman on their board of directors

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(1) 100% of portfolio companies responded to the questionnaire
ENVIRONMENT

75% of companies have assessed their carbon emissions

€68M invested in R&D in 2022 (+€8m vs 2021)

100% of companies have introduced initiatives to reduce their carbon footprint

SOCIAL

469 employees on 31/12/2022

34% of women in the total workforce of companies

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

€193M of turnover in 2022 (+€7.1m vs 2021)

GOVERNANCE

75% of companies have at least one woman on their board of directors (+18pts vs 2021)

100% of companies formally examining ESG within their board of directors (+14pts vs 2021)

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(1) 60% of portfolio companies responded to the questionnaire
ENVIRONMENT

- 56 patents filed in 2022
- €11.6M invested in R&D in 2022
- 100% of companies have introduced initiatives to reduce their carbon footprint

SOCIAL

- 670 employees on 31/12/2022 (+316 employees vs 2021)
- 34% of women in the total workforce of companies
- 91% of employees are on permanent contracts
- €34.1M of sales generated in 2022
- 6 projects of a social or societal nature

GOVERNANCE

- 100% of companies have at least one woman on their board of directors (+29pts vs 2021)
- 100% of companies have at least one independent member on their board of directors (+12pts vs 2021)
100% of companies in the portfolio responded to the ESG survey.

**ENVIRONMENT**
- 40% of companies have assessed their risks related to the raw materials sensitivity.
- 100% of companies have implemented initiatives to reduce their impact on the environment.

**SOCIAL**
- €52.4M of turnover generated in 2022.

**GOVERNANCE**
- 63% of companies have at least one woman on their board of directors.
- 100% of companies formally examine ESG within their board of directors.

(1) 100% of companies in the portfolio responded to the ESG survey.


**ENVIRONMENT**

- 4 patents filed in 2022 (+2 vs 2021)
- 42 patents filed in total
- 100% of companies have implemented initiatives to reduce their impact on the environment

**SOCIAL**

- 189 employees on 31/12/2022 (+37 employees vs 2021)
- 42% of women in the total workforce of companies
- 86% of employees are on permanent contracts
- €28.3M of turnover generated in 2022

**GOVERNANCE**

- 100% of companies have introduced digitisation initiatives (data protection, security policy, etc.)
- 67% of companies have introduced a profit-sharing mechanism

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(1) 53% of portfolio companies responded to the ESG survey
**ENVIRONMENT**

- 21 patents filed in 2022
- €13.5M invested in R&D in 2022
- 100% of companies have implemented initiatives to reduce their impact on the environment

**SOCIAL**

- 819 employees on 31/12/2022
- 34% of women in the total workforce of companies
- 92% of employees on permanent contracts
- €46M of turnover generated in 2022 (+€12.8M vs 2021)

**GOVERNANCE**

- 71% of companies have at least one woman on their board of directors
- 87% of companies have at least one independent member on their board of directors (+4pts vs 2021)
- 63% of companies have introduced a profit-sharing mechanism

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(1) 67% of portfolio companies responded to the ESG survey
**ENVIRONMENT**

- **€1.6M** invested in R&D in 2022
- **5 patents** filed in total
- **100%** of companies have implemented initiatives to reduce their impact on the environment

**SOCIAL**

- **19 employees** on 31/12/2022
- **60%** of women in the total workforce of companies
- **74%** of employees are on permanent contracts
- **€260K** of turnover generated in 2022

**GOVERNANCE**

- **66%** of companies have at least one woman on their board of directors
- **100%** of companies have introduced a system for sharing the creation of value for their employees

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(1) 100% of companies in the portfolio responded to the ESG survey
50% of companies have carried out a carbon assessment

£6M invested in R&D in 2022

100% of companies have implemented initiatives to reduce their impact on the environment

639 employees on 31/12/2022 (+328 people vs 2021)

95% of employees on permanent contracts

£112M of turnover generated in 2022

47% of companies have set up a complaints handling system

67% of companies have at least one woman on their board of directors

50% of companies have at least one independent member on their board of directors

(1) 75% of portfolio companies responded to the ESG survey
**ENVIRONMENT**

- 241 patents filed in total
- 16 patents filed in 2022
- €133M invested in R&D in 2022 (+130M€ vs 2021)
- 100% of companies have implemented initiatives to reduce their impact on the environment

**SOCIAL**

- 584 employees at the end of 2022 (+56 people vs 2021)
- 25% of women in the total workforce of companies
- 97% of employees are on permanent contracts (+2pts vs 2021)
- €87M of turnover in 2022 (+€33m vs 2021)

**GOVERNANCE**

- 50% of companies have at least one woman on their board of directors
- 50% of companies have set up a profit-sharing scheme for their employees

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(1) 75% of portfolio companies responded to the ESG survey
**ENVIRONMENT**

- 7.5M tCO2eq avoided (+2.5M vs 2021)
- 37,040 GWh of energy saved (+14,340 GWh vs 2021)
- €18M invested in R&D in 2022
- 100% of companies have implemented initiatives to reduce their impact on the environment

**SOCIAL**

- 3,495 employees on 31/12/2022 (+2,030 people vs 2021)
- 51% of women in the total workforce of companies
- 98% of employees have a permanent contract (+3pts vs 2021)
- €854M of turnover generated in 2022 (+€204M vs 2021)

**GOVERNANCE**

- 100% of companies have at least one woman on their board of directors (+40pts vs 2021)
- 70% of companies have introduced a profit-sharing mechanism

*(1) 92% of portfolio companies responded to the ESG survey*
### ENVIRONMENT

- **€3.4M** investment in R&D in 2022
- **100%** of companies have implemented initiatives to reduce their impact on the environment

### SOCIAL

- **121 employees** on 31/12/2022
- **34%** of women in the total workforce of companies
- **0%** accident rate percentage
- **30%** of companies have set up a complaints handling system
- **€14.3M** of turnover generated in 2022

### GOVERNANCE

- **100%** of companies formally examine ESG within their board of directors
- **67%** of companies have introduced a profit-sharing mechanism

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*(1) 80% of portfolio companies responded to the ESG survey*
Supporting the champions of ecological growth

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