



| 2019

# ESG & Impact Report

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Supporting the champions of  
ecological growth



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# Contents

1. Our business purpose: supporting the champions of ecological growth .....	6
2. Demeter, focused on and committed to the ecological transition.....	8
Pioneer and leader in investment for the ecological transition.....	9
Two new funds launched in 2018 .....	10
3. Our ESG Policy .....	11
Demeter actively involved in ESG since inception .....	12
Our commitments at the management company level .....	14
Our commitments to our portfolio companies.....	16
Our commitments to our team .....	17
Our commitment to our investors .....	18
Our commitments to our ecosystem.....	19
Our commitments to society .....	22
4. Our contribution to the UN's Sustainable Development Goals.....	24
Investments consistent with the Sustainable Development Goals.....	26
Portfolio companies that contribute to the Sustainable Development Goals.....	27
5. Assessing our ESG Impact .....	30
Overall ESG performance of our portfolios (in 2018).....	31
Overall environmental performance of our portfolios.....	32
Overall social performance of our portfolios .....	33
Overall governance performance of our portfolios.....	34
Paris Green Fund : a detailed and innovative assessment of territorial impact.....	35
3 Demeter funds receive the TEEC label .....	36
6. Our 2018 achievements and our ESG roadmap for 2019.....	37
7. Appendices.....	39

# Demeter is focused on and committed to the ecological transition

## 1 The ecological transition is at the heart of our investment strategy



Since 2005, Demeter has put the environment at the heart of its investment strategy with this fundamental commitment: “**combine financial performance with environmental commitment.**”

With more than €1 billion under management, Demeter is a **pioneer and a leader** in investment for the ecological and energy transition.

## 2 Demeter is committed to developing ESG initiatives with all its stakeholders



Our ESG policy demonstrates our **strong commitment to developing responsible investing approaches** for all our stakeholders. ESG is integrated into our investment processes, we have a dedicated ESG team, we provide support for the managers of our portfolio companies with the development of responsible approaches and we are involved in the development of such practices for our employees. **Demeter was awarded “Best ESG investment firm 2019” by Private Equity Wire.**

## 3 We actively participate in the development of ESG throughout our entire ecosystem



Demeter is actively involved to **promote ESG within the industry**. We are a Founding member and President of the France Invest Climate Commission, a signatory and co-leader of the IC20 initiative aimed at moving the Private Equity industry in the direction of responsible investing. Demeter is also a signatory of the Carbon Disclosure Project, the manifesto to decarbonize Europe, the PRI and a Founding member of the World Alliance for Efficient Solutions.

## 4 We contribute to the UN’s Sustainable Development Goals



**Demeter contributes to the UN’s Sustainable Development Goals** as an investor by investing in companies that are committed to the environment and society. 94% of our portfolio companies contribute to the Sustainable Development Goals, including 87% contributing to SDG 13 aiming at taking steps to combat climate change and its repercussions.

## 5 We assess the overall impact of our portfolios



We strongly believe that impact assessment is essential in order to develop ESG at management companies. As a pioneer and leader, we assess the overall impact of our portfolios and advocate on behalf of new impact assessment methods. For Paris Green Fund, we have developed with the consulting firm Carbone 4 **an innovative and detailed territorial and environmental impact assessment**. **Three of our funds have also received the TEEC label.**

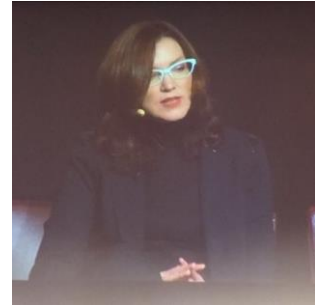
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# Testimonial

«ESG must go beyond the stage of reporting. If we want to win,  
ESG must be directed towards value creation for everyone. »

## Caroline Le Meaux

Head of Delegated management – Caisse des Dépôts et  
Consignations



### Do you feel a raising awareness among investors of the need to address ESG criteria?

In Europe the question no longer arises. Investors do not have to explain why they integrate ESG anymore, but why they do not. There has been an acceleration since the COP21 and the 173 Article of the French Energy Transition and Green Growth law. All institutional investors have appropriated the subject. The awareness is now real and shared.

Pushed by the customer and civil society pressure, **a real virtuous circle has been triggered, representing a systemic move.** Today, all Finance conferences integrate ESG, taskforces and initiatives to share best-practices have been implemented.

### In your view, which mechanisms or actions should be implemented by management companies or investors to enable the Private Equity sector to go further in combining financial performance with ESG?

3 leverages could enable managing companies improve their ESG strategy.

First, we should move towards **greater transparency in the ESG reporting**, regarding the support given to companies in the implementation of their ESG strategy and regarding the deal structure and their ESG compatibility.

Then, implementing methodologies and definitions shared by all the sector's stakeholders (not only investors and management companies) would help standardize practices and improve the efficiency of existing actions.

Finally, a debate should take place on management fees to ensure that all stakeholders' interests are aligned.

### How are UN's Sustainable Development Goals complementary to ESG?

The Sustainable Development Goals are complementary to ESG as they set society transformation objectives for 2030 on specific topics. They highlight the impact of what is produced.

ESG is more global and it applies to all companies. If we want best-practices to spread and have a real impact, ESG must not be punitive but directed towards value creation for all.



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# Testimonial

« **Consideration of ESG criteria is essential to ensure our assets long-term sustainability**

**Philippe Taffin**

**Chief Investment Officer – Aviva France**



**From your perspective, how has the private equity market evolved with respect to adopting ESG criteria in recent years?**

Driven by the 173 Article of the French Energy Transition and Green Growth law, institutional investors have integrated ESG criteria and climate related risk measure in the evaluation of their existing assets and in their investment process. ESG reporting is now essential as it enables **the identification of the most sustainable assets**. Furthermore, investment strategies more focused on thematic funds have flourished. This is a strong trend that will be reinforced in the future.

**As an investor, why is it important for you to support and invest in management companies that integrate ESG in their investment strategy?**

Considering ESG criteria is essential to **prevent climate, social and governance related risks**, which is critical for an investor to ensure the sustainability of its assets. Thus we carefully select management companies that are committed to ESG.

Institutional investors must have a **citizen-oriented policy** and thus integrate UN's Sustainable Development Goals and ESG. This concerns our investment strategy but also all initiatives developed with our stakeholders. It is our duty to promote ESG practices towards our employees and to suggest innovative offers to our clients, which encourage them to reduce their CO2 emissions and to optimize their energy consumptions.

**In your view, what mechanisms or actions should be implemented by management companies or investors to enable the Private Equity sector to go further in combining financial performance with ESG?**

Today it is difficult to compare actions implemented by management companies. To go further, it is necessary to **agree on shared definitions and standards**. The European taxonomy on the subject is a first step but we must go further as there is **a real need for impact measure standardization**.

The definition of shared indicators to evaluate and compare management companies would for instance enable investors offer customers with qualified ESG investment opportunities.



A full-page photograph of a lush green forest. Tall, slender trees with light-colored bark stand amidst a dense canopy of vibrant green leaves. The forest floor is covered in a thick layer of green undergrowth. The lighting is soft and diffused, creating a serene and natural atmosphere.

# 1]

**Our business purpose:  
supporting the champions of  
ecological growth**



# 1. Our business purpose: supporting the champions of ecological growth

2018 was marked by a global awareness regarding the need to build a sustainable economy. One symbol of this awareness was the granting of the Nobel Prize for economics in October 2018 to the American researchers William Nordhaus and Paul Romer for their work on the compatibility between the imperatives of the combat against climate change and economic growth.

This environment is favorable to Demeter, **a pioneer and leader in investment for the ecological transition**. In 2018, Demeter was particularly active, successfully completing **ten new investments and five exits**. This remarkable performance reflects the expertise of our team, the maturity achieved by our markets and the talent of the entrepreneurs and teams that we back.

In 2018 we also launched **two new thematic funds**: Paris Green Fund, a growth fund dedicated to the ecological transition for large cities and Agrinnovation, an innovation fund for sustainable agriculture. The range of our investing activity is expanding, which reflects the growing maturity of sectors involved in the ecological transition.

With **more than €1 billion under management**, Demeter has strengthened its business model that combines financial performance and a high-level commitment to ESG. Our strategy is reflected in the environmental performance indicators of our portfolio companies in 2018 : their combined activities made it possible **to avoid 330,000 tons of CO2 emissions and to generate 600 GWh of renewable electricity**.

We adopted stricter requirements in all areas of our ESG approach and created a dedicated team. We have linked the contribution of our portfolio companies to the 17 Sustainable Development Goals (SDG) defined by the United Nations. We have strengthened our impact assessment and implemented a **detailed and innovative methodology to assess the environmental and territorial impact** for the portfolio companies of Paris Green Fund with the consulting firm Carbone 4. Our ESG approach was also recognized by the fact that three of our funds received the TEEC label (Energy and Ecological Transition for the Climate).

We received the **“Best ESG Investment Firm of the Year 2019”** award, which affirms our role as a pioneer and leader in the integration of ESG into investment strategy.

With an expanded team and growing assets under management, we are determined to accelerate our ESG commitment in 2019, reconciling the ecological and sustainable transition with growth and value creation.



Stéphane Villecroze

Sophie Paturle

Lionel Cormier

Eric Marty



# 2]

**Demeter, focused on and  
committed to the ecological  
transition**



## 2. Demeter, focused on and committed to the ecological transition

### Pioneer and leader in investment for the ecological transition

#### 3 Activities

**Innovation**

**Growth**

**Infrastructure**

Demeter invests in companies in the ecological transition sector at all stages of their development: innovative start-ups, rapidly growing medium-sized company and infrastructure projects.

€1 billion in assets under management

130 investments

35 people

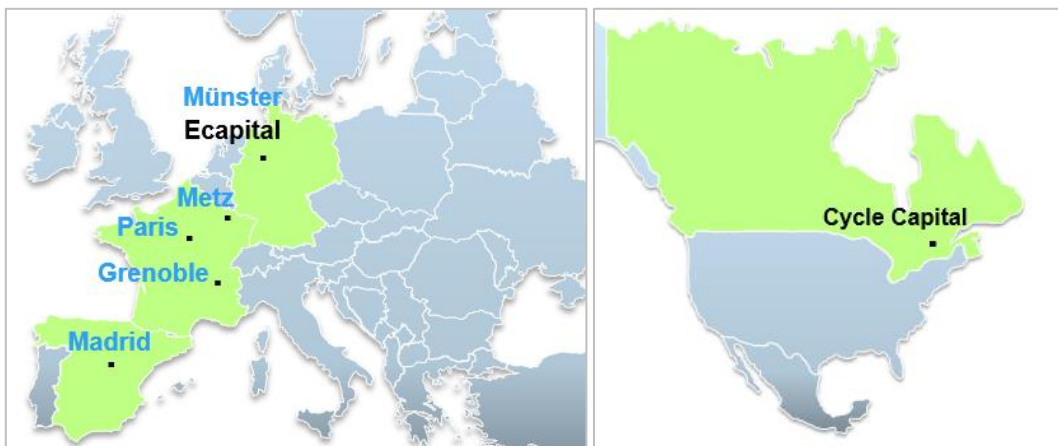
100% independent

#1

**Bloomberg**  
NEW ENERGY FINANCE

The most active investor in the ecological transition in terms of its responsible investing practices since 2014.

#### A strong presence in Europe and strategic international partnerships



Demeter has offices in Paris, Grenoble, Metz, Madrid, Münster and two partnerships in Canada (Cycle Capital) and in Germany (eCapital).

**privateequitywire**

"Best ESG investment firm of the year 2019"

**PRI**

2018 rating : A

**WORLD ALLIANCE**  
for EFFICIENT SOLUTIONS

**THE SHIFT PROJECT**

**iC20**

**CDP**  
DRIVING SUSTAINABLE ECONOMIES

# Two new funds launched in 2018

## Paris Green Fund : a growth fund for the ecological transition of large cities

Demeter launched Paris Green Fund, a territorial investment fund initiated by the City of Paris to support the development of rapidly growing innovative SMEs in order to accelerate the energy and ecological transition of large metropolitan areas.



**Assets under management: €200 M** (private and public investors)



**Sectors :** Sustainable buildings, Sustainable mobility, New Energy, Circular economy and Waste management, Air quality, Digital technology applied to sustainable cities



**Detailed and innovative territorial and environmental impact assessment** performed by the Carbone 4 consulting firm for each portfolio company (more information on page 34).

**Assessed criteria :** Carbon impact, Energy impact, Renewable energy production and consumption, Circularity, Air quality, Fair transition, Resiliency



PARIS FONDS VERT

MAIRIE DE PARIS



carbone 4



## Agrinnovation : an innovation fund for sustainable agriculture

Demeter launched Agrinnovation, an innovation fund dedicated to the financing of young innovative companies contributing to the transition toward more sustainable agriculture and food.



**Assets under management: €80 M** (private and public investors)



**Sectors :** Organic intrants, Precision agriculture, Innovative ingredients, Bio-based chemistry, Safety and traceability







# 31

**Our ESG Policy**



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## 3. Our ESG Policy

### Demeter is actively involved in ESG since inception

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

It is essential for Demeter to play an active role with all stakeholders. In addition to helping the entrepreneurs of our portfolio companies develop their responsible business practices and promote 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**

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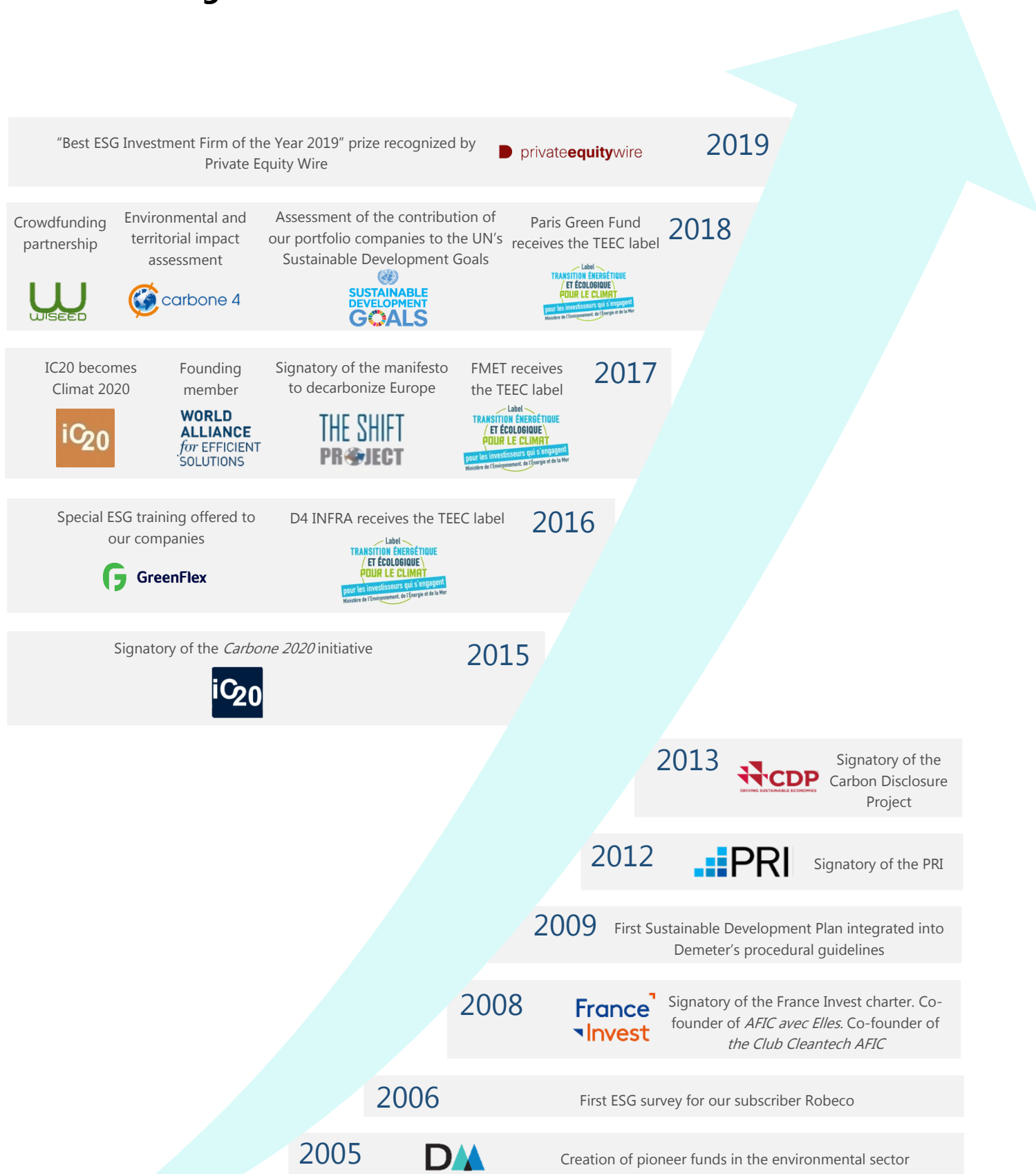
### Our commitments to our stakeholders



- **Management Company**  
An ESG approach integrated into our investment process and a dedicated team to enhance our impact.
- **Portfolio companies**  
A dedicated support to our portfolio companies to accelerate the development of their ESG practices.
- **Employees and internal policies**  
The embodiment of our values among our staff in a collaborative approach.
- **Investors**  
Guaranteeing our ESG commitments to investors and help them with their own reporting.
- **Ecosystem**  
A pioneering and leadership role to promote and develop ESG within our ecosystem.
- **Society**  
A sustainable support for environmentally friendly initiatives.

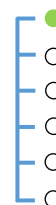


# A strong commitment since 2005



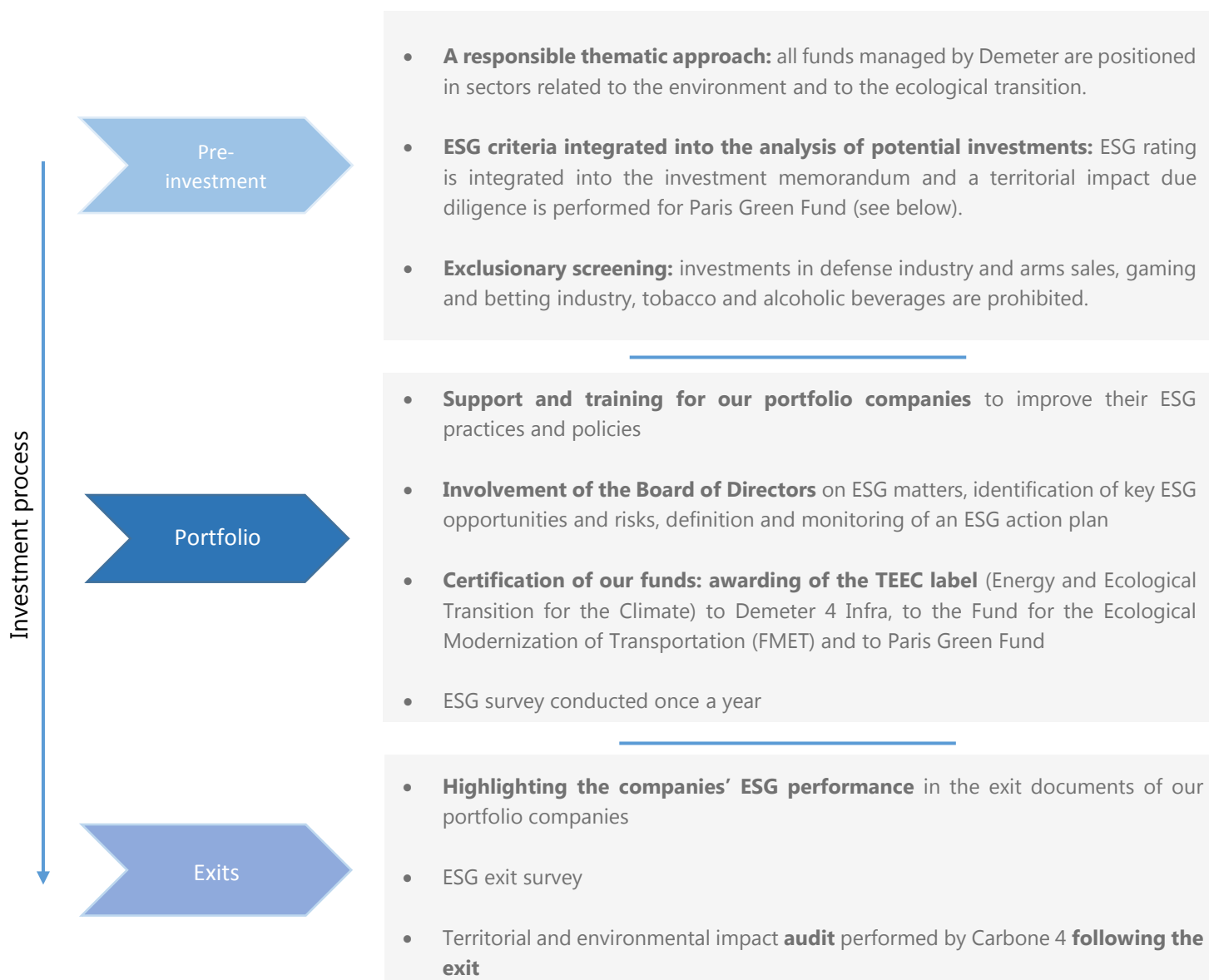
# Our commitments at the management company level

Demeter's ESG policy is formalized in a Sustainable Development Plan integrated into our company's procedural guidelines



## Commitments at all investment stages

### An ESG approach integrated into the life cycle of our portfolios



### A detailed and innovative approach for Paris Green Fund

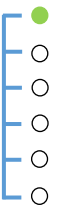
For Paris Green Fund, in addition to these various ESG commitments, **territorial and environmental impact due diligence is performed** in the pre-investment phase, then annually, and finally after exit.

Carbone 4, a specialized consulting firm that performs these due diligences, also establishes key watchpoints and identifies areas in need for improvement for each investment, making it possible to identify the areas for improvement and define an action plan on two or three key subjects (more information on page 35).





# Our commitments at the management company level



## A new dedicated team



**Demeter has strengthened its ESG strategy** by appointing Stéphanie Chrétien (Partner at Demeter focusing on Paris Green Fund) to the position of Chief Sustainability and Impact Officer and by recruiting a full-time ESG analyst.

The goal is threefold: strengthen the continuous improvement process for Demeter's non-financial reporting; engage the portfolio companies in improving their ESG footprint; and promote innovative initiatives such as the territorial impact assessment conducted in conjunction with Carbone 4 for Paris Green Fund.

## ESG Committee

In 2018 we created **an ESG committee that brings together investors and Demeter's ESG team.**

The goal of this committee is to facilitate the sharing of ESG best practices and to define the major orientations of our ESG strategy by taking advantage of the outlook and expertise of our subscribers. Next year, **this committee will include CEOs from our portfolio companies.**



## Stéphanie Chrétien, Partner and Chief Sustainability and Impact Officer at Demeter

### What is your role as the Chief Sustainability and Impact Officer at Demeter?

My role is to define and implement Demeter's ESG strategy. This year, for example, **we are focusing our efforts on two main areas: impact assessment and promoting ESG as key value-creation factors** for our portfolio companies.

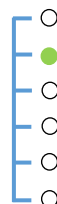
### Why did you choose these two areas in particular?

Our goal is to provide a clear vision to our stakeholders regarding our ESG performance, and we want to be able to assess the impact of our portfolios. Therefore, in 2018 we established an innovative partnership with Carbone 4 for the Paris Green Fund, consisting of an annual assessment of the environmental and territorial impact of our portfolio companies.

We believe that assessing our portfolio companies ESG impact is essential to get CEOs to **make progress on these challenges while creating value.** The recognition of ESG criteria enables a company to limit risks while creating value to win new clients, improve brand image, create opportunities to launch new businesses, attract and retain talent, etc. As an investor, it is our role to promote this value creation.



## Our commitments to our portfolio companies



Throughout the course of our investment, we help **our portfolio companies make progress on their ESG approach**:

- We integrate **ESG into our 100-day plan** as soon as a company joins our portfolio.
- We conduct an ESG survey when companies first join our portfolios and then annually in order to incorporate their answers in our ESG report, as well as during the exit phase.
- **We identify the risk areas and opportunities to create value** related to ESG and we establish an ESG action plan, whose progress is monitored at the level of the Board of Directors.



### ESG Training

In 2016, with support from Greenflex and Bpifrance, we designed and deployed **specialized training on ESG best practices** for our portfolio companies.



The goal for 2019 is to implement a toolbox to help our portfolio companies implement ESG initiatives.



### Club Entrepreneurs Demeter

**Twice a year, Demeter invites management from all its portfolio companies and its investors to the Club Entrepreneurs Demeter.** The 2018 agenda included the following:

- Roundtables led by Patricia Laurent, CEO of Green Univers, on issues involving sustainable building, sustainable mobility, sustainable environment and agriculture.
- Opportunity for the managers of our portfolio companies to share information with a large network of experts on environmental and sustainable development issues.
- Development of potential industrial and commercial synergies between the portfolio companies and investors from various portfolios.



Alain Dinn, CEO of Nexity, discussing the future of sustainable buildings.



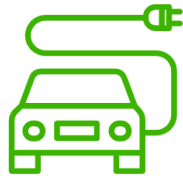
Charles-Edouard Bouée, CEO of Roland Berger, presenting his vision of artificial intelligence applied to energy.



# Our commitments to our team



## Environmental policy



- **Replacement of** the diesel and gas-powered **fleet of company vehicles with hybrid or electric vehicles**
- Recycling of supplies (including ink cartridges and coffee capsules)
- Works to improve the energy efficiency of our offices
- Purchase of refurbished equipment for some IT equipment



## Social policy

- **Company profit-sharing and employee savings plan for 100% of the staff**
- Strengthened responsible healthcare coverage
- Training for 50% of employees in 2018
- Annual company seminar
- Women make up 38% of Demeter's workforce



## Governance policy

- **45% of Demeter's employees are shareholders**
- **5 independent members of the 6 members** of Demeter Partners' Supervisory Board
- Strengthening of our ESG approach recorded in the procedural guidelines
- Dedicated ESG team consisting of a Managing Partner, Partner and an Analyst



## Our commitment to our investors

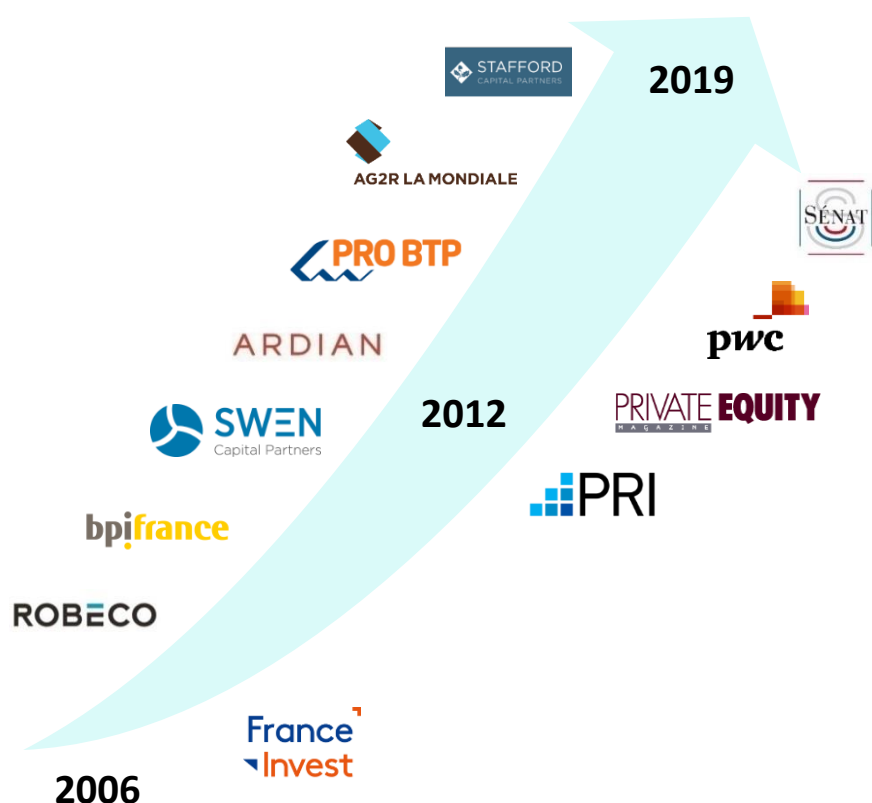
Demeter makes a commitment to its investors by guaranteeing that its funds will be applied toward the ecological transition and by helping them prepare their own reporting.

### Guaranteeing the effective contribution of our funds to the ecological transition

- **Three of our most recent funds raised received the TEEC label** (Ecological and Energy Transition for the Climate)
- Carbone 4 supports Demeter to assess the territorial and environmental impact of companies backed by the Paris Green Fund.



### Contributing to the reporting of our investors



The recognition of non-financial reporting elements is growing among our investors.

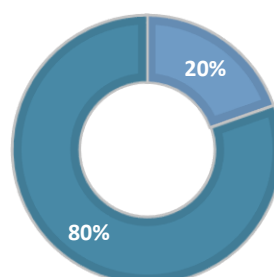
As early as 2006, Demeter Partners responded to an ESG survey submitted by Robeco, a subscriber of the first fund.

For 2018, we responded to 12 ESG surveys, of which 7 were submitted by subscribers representing 22% of all subscription commitments.

### Committed investors

**20% of subscribers** are PRI signatories

**37% of funds managed** come from PRI signatories



- PRI signatories
- PRI non-signatories



## Our commitments to our ecosystem

Working closely with France Invest to promote ESG in private equity, we are also founding members or signatories of numerous initiatives (World Alliance for Efficient Solutions, PRI, CDP, IC20, Manifesto to decarbonize Europe) and we sponsor or participate in numerous research studies, think tanks, associations and conferences on transition issues.

### Climate and IC20 Commissions at France Invest



Demeter is **co-founder of France Invest's Climate Commission, and Sophie Paturle, Managing Partner, is its Chairwoman.** This commission aims to serve as a hub for the growing number of France Invest members involved in clean technologies and to promote eco-industries in France and abroad.



Demeter is a **co-sponsor and signatory of the Climate Initiative 2020**, the first initiative by French private equity in favor of managing and reducing greenhouse gas emissions of their portfolio companies.

### Sponsoring ecological and energy transition research studies, networks and think tanks



**Sponsoring of the 2018 French Cleantech Panorama performed by GreenUnivers and EY.** The study was presented on March 12, 2018 at the National Forum of eco-businesses of the PEXE association at the Bercy center.

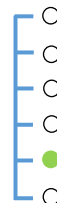


**Sponsoring of the annual forum of Cleantech Group Europe** in Antwerp. Demeter is on the advisory board of Cleantech Group, whose mission is to accelerate innovation by promoting meetings and sharing of knowledge within the worldwide Cleantech network.



**Member of the PEXE association**, which works to develop eco-businesses in France.

# Our commitments on behalf of our ecosystem



## Member of the industry associations and competitiveness clusters



**Member of the French Renewable Energy Association (SER)**, whose goal is to develop the share of renewable energy in France's energy production and to support the companies working in this sector, in France and for export.



**Member of the competitiveness cluster dedicated to the production of decarbonized energy and energy efficiency (CAPENERGIES)**. This cluster brings together more than 1,450 partners and 520 members, companies, research and training organizations and financial providers.



**Member of the energy transition competitiveness cluster (tenerrdis)**. Its mission is to promote the growth of sustainable companies and the creation of long-term jobs in the new energy technologies sector, in accordance with the challenges surrounding the energy transition.



**Financial support for the IAR, cluster for industries and agro-resources**. Its actions mainly involve the production and promotion of organic resources (agricultural, forestry, marine resources, co-products and residues) for food, industrial and energy purposes.

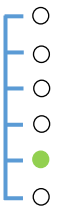
## Sponsoring of events and event participation



**Sponsoring of the European Energy Venture Fair 2018** in Zurich, a major annual European event that brings together financial investors, corporations and energy transition start-ups.



# Our commitments on behalf of our ecosystem



## Sponsoring of events and event participation



**Sponsoring of the 2017 World Materials Forum**, an international conference for materials manufacturers and high-tech start-up companies in the materials sector for the purpose of optimizing the contribution of materials to the success of the ecological transition.



Financing and **organizational support to “Proteins of today and tomorrow: value creation and outlook”** event along with Protéines France, an event held at BPI France on April 10, 2018.



**Sponsoring of the international forum: Energy for Smart Mobility 2018**, dedicated to energy solutions for sustainable and smart mobility.

**Sophie Paturle-Guesnerot represented Demeter at the “Private Equity for Green” roundtable at the Climate Finance Day 2018.**

Sophie Paturle-Guesnerot presented Paris Green Fund, the new growth fund for the ecological transition in large cities.

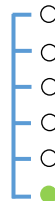


Demeter was a co-sponsor of the conference “Finance innovation to accelerate the ecological transition in cities and territories” held as part of the 11th edition of the Convergences World Forum.

Stéphanie Chrétien (Chief Sustainability and Impact Officer and Partner of Paris Green Fund) represented Demeter.



## Our commitments to society



### E5T Foundation

**Support for the E5T foundation** (Energy, Energy efficiency, Energy conservation and Territories) since 2017.

The E5T foundation is an open platform for thinking about Energies solutions to be implemented in order to protect the environment, respect individual well-being and contribute to the sustainable development of society.



### Plant for the future



Since 2016, **philanthropic support for the “Plant for the Future” foundation.**

This association aims to promote the sustainable management of our forests and contribute to reforestation in France.

Since its inception in 2014, the Plant for the Future foundation has raised €2.7 million to enable the planting of 1 million trees.



Plant for the Future replanting project in the Vosges mountains



## Recognition for our ESG approach

### Demeter named “Best ESG investment firm of the year”

At the recent Private Equity Wire Awards ceremony held in London on March 8, 2019, Demeter received the “**Best ESG Investment Firm of the Year**” award.

This award recognizes Demeter for its pioneering and leadership role involving the integration of Environmental, Social and Governance criteria in its investment strategy.







# 4]

**Our contribution to the UN's  
Sustainable Development Goals**



## 4. Our contribution to the UN's Sustainable Development Goals

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

**94% of our portfolio companies contribute to the UN's Sustainable Development Goals.**

### Demeter's activities

#### Innovation

Smart city  
Sustainable agriculture  
Eco-innovation

#### Growth

Ecological transition of cities  
Eco-industries  
Eco-energies

#### Infrastructure

Renewable Energies  
Energy Efficiency  
Eco-mobility

### Portfolio companies \*



Designs and markets biodegradable plastic products



Produces high-range natural feed made from insects



Specialist in environmental clean-up and site rehabilitation



Optimization of evacuation and recovery of excavated material and construction waste



Charging stations for electric vehicles in the Lyon metropolitan region



Interoperability platform for electric vehicle charging stations



Decision-making support tools for more efficient, profitable and sustainable farms



Urban micro-mobility share service (bicycle, scooter), without docking stations



Independent producer of renewable energy, notably hydro-power



Providing clean drinking water to rural and semi-rural areas



Charging stations for electric vehicles in the Saint-Etienne metropolitan region



Construction and operation of a wind farm in the Somme region



Biodegradable microcapsules to enhance the performance of bio-inputs while making them sustainable and accessible.



Shared parking solution



Microalgae culture intended for human nutrition, animal feed and environmental protection



Water, waste and energy engineering and consulting firm



Building renovation and operation with high energy performance targets



Photovoltaic installations on shopping center roofs

### Sustainable Development Goals



\* For illustrative purposes and non-exhaustive, companies part of Demeter's portfolios

# Investments consistent with the Sustainable Development Goals

The investments made by our funds satisfy the Sustainable Development Goals defined by the United Nations.

Entry Date	Portfolio companies *	Corresponding Sustainable Development Goals
2017	 <p>Production of renewable electricity through salinity gradient power generation</p>	  
2017	 <p>Smart buildings solution enabling facilities management and optimization of energy consumption</p>	  
2018	 <p>Interoperability platform for electric vehicle charging stations</p>	  
2018	 <p>Charging stations for electric vehicles in the Lyon metropolitan region</p>	   
2018	 <p>Building renovation and operation with high energy performance targets</p>	 
2018	 <p>Platform that enables power grid operators to operate their power supply systems (mostly for renewables energies)</p>	  
2019	 <p>Solution enabling autonomous vehicles to perceive their environment over a long distance and in real time</p>	  
2019	 <p>Biodegradable microcapsules to enhance the performance of bio-inputs while making them sustainable and accessible.</p>	   
2019	 <p>Optimization of evacuation and recovery of excavated material and construction waste</p>	   

\* For illustrative purposes and non-exhaustive, companies part of Demeter's portfolios



# Portfolio companies that contribute to the Sustainable Development Goals – *Innovation Activity*

## Présentation of Ynsect

Ynsect processes insects to make high-range ingredients for animal and vegetal feed.

Ynsect's mission is to be a global provider of high-range and sustainable nutrition by using insect natural resources on an industrial scale.

Key figure: **25% of global fishing is intended to feed farm animals and pets**

## ESG Actions

- Seniority awards for employees with five or more years of experience
- **Share warrant program for all employees with more than four months length of service**
- Annual workshop at which employees define Ynsect's values and business purpose
- Welfare charter for farmed insects

## Replace traditional sources of nutrition through insect proteins

By replacing traditional sources of nutrition for aquaculture and pets with insect proteins, Ynsect can **offset the growing demand for live aquatic resources to feed two billion people in 2050.**

As a result, pressure on fish, water and soil resources is eased, as are greenhouse gas emissions from the agricultural sector.



## Corresponding SDGs



"1 ton of protein from our insects makes it possible to save five tons of fish catch"

Antoine Hubert, Chairman and CEO of Ynsect

Insects are a natural part of nutrition for numerous fish, birds and mammals, but they are currently absent from the feed currently given to farm animals. They contain significant proteins and optimal nutritional properties for many animals.

Ynsect aims to restore insects to their proper place in the food chain



# Portfolio companies that contribute to the Sustainable Development Goals – *Growth Activity*

## Présentation of Hesus

Hesus specializes in the optimization of construction site **waste management**, namely the excavation and recovery of soil and materials.

Hesus identifies, selects and negotiates for its customers the best processing and logistics to excavate and reuse waste, and thereby contributes to the circular economy.

Key figure: only 40% of the waste generated by the construction and civil engineering sector is reused in France (the most polluting sector, with **more than 220 million tons of waste generated annually**).

## Key figures

- 1,000,000 tons of inert soil managed in 2018
- 409,000 tons of polluted soil managed in 2018
- **82% of waste reused on Hesus construction sites** (national average 40%)
- €25.6 million in sales (+40% in 2018)

## A core business : reuse the material

Our role is to find solutions to excavate excess soil from a construction site. We find a destination, whether it's a processing center, landfill or reuse site.

**Our core business is simple: we reuse the material.** For example, we recovered 100,000 tons of soil on a construction site at the Millénaire shopping center in Aubervilliers. We removed all the soil by barge and, depending on the level of soil contamination, found appropriate processing centers.



## Corresponding SDGs



Hesus also helps other entrepreneurs who are implementing innovative solutions for cities **thanks to its incubator, The Chantier**, which enables digital start-ups to emerge and grow for the environmental, and construction-public works sectors.

Obviously all this does not just happen at the drop of a hat. We certainly rely on an application, but mostly it takes detailed logistical know-how to make these transfers. We need to re-learn how to work with the soil and materials that we can reuse."

Interview with Emmanuel Cazeneuve, Co-founder and Chairman and CEO of Hesus.





# Portfolio companies that contribute to the Sustainable Development Goals – *Infrastructure Activity*

## Présentation of Eiffigreen



Eiffigreen is a project management company dedicated to the execution of a Partnership Agreement granted to Eiffage Group by the University of Grenoble. The agreement involves the design, financing and completion of the work for the GreEn-ER university cluster, as well as its operation with an **energy performance goal**.

## Corresponding SDGs



### Education along with technology to achieve energy performance targets

“Eiffage performs essential work to raise awareness about energy savings in its energy efficiency projects. Without this work, the energy efficiency targets for buildings could not be achieved. For its energy efficiency projects, Eiffage therefore employs a person whose specific task is to train/raise awareness for the users of its buildings. The human element therefore complements the technology, which makes it possible to achieve meaningful results.”

**Vincent Vettier**  
Chief Investment Officer

### A showcase building of best technologies

The uniqueness of GreEn-ER is to have designed a showcase building of best technologies in terms of energy efficiency. It is intended to become a reference, with a focus on the impact on the planet's resources (low energy consumption, innovative HVAC system, etc.).

**In addition to its design, the building is a place where students and researchers can conduct experiments.**

They can monitor energy consumption and rainwater resources, and they have a laboratory to test the technologies of the future. Students and researchers will thereby be able to enhance the performance of buildings of the future.

### Main characteristics of energy performance

- **Heating by recovering thermal units from the cooling units of the building and server room.**
- Automatic water shut-off in the event of a leak
- Rainwater recovery in a filter bed to limit run-off
- Use of materials to mitigate the environmental impact (gray energy calculation)



For more information on the awareness raising methods used: <https://www.lanouvellerepublique.fr/indre/commune/argenton-sur-creuse/les-lyceens-dans-l-aventure-des-economies-d-energie>





51

**Assessing our ESG Impact**



## 5. Assessing our ESG Impact

### Overall ESG performance of our portfolios (in 2018)

**92 %** of portfolio companies filled out the ESG Survey

**94 %** of portfolio companies **contribute to at least one of the UN's SDGs**

#### Environment



**330,000** tons of CO2 avoided <sup>(1) (2)</sup>



The equivalent of emissions from **160,000** cars in one year <sup>(3)</sup>



**600 GWh** of renewable energy generated <sup>(2)</sup>



The equivalent electricity consumption of **127,000** French households <sup>(4)</sup>

**57 %**

of the companies have a **formalized environmental policy (+10%)** <sup>(5)</sup>

#### Social



**3,600** employees



**615 M€** in sales

**90 %** of employees have long-term employment contracts

#### Governance



**54%** of the companies have **at least 1 independent member** on their Boards of Directors **(+6%)** <sup>(4)</sup>



**54 % of the Board of Directors** or Supervisory Boards of our portfolio companies **have at least one woman (+5%)** <sup>(4)</sup>

<sup>(1)</sup> EIB methodology

<sup>(2)</sup> Excluding Quadran, sold in 2018

<sup>(3)</sup> Source: E-rse.net – a car emits 2 tons of CO2 per year

<sup>(4)</sup> Source: Prix-elec.com – a French household has average annual electricity consumption of 4,710 kWh

<sup>(5)</sup> After adjusting for joint investments made by Demeter 5 and Emertec 3 funds



# Overall environmental performance of our portfolios

## Renewable energy installed capacity



**870 MW** of renewable energy installed capacity



Of which, **154 MW** installed in 2018

Source of installed capacity

**430 MW** of installed wind power capacity

**300 MW** of installed solar power capacity

**40 MW** of biomass capacity

**100 MW** of installed hydroelectric capacity



## Tons of CO2 avoided



**330,000** tons of CO2 avoided <sup>(1)</sup>

**325,000** tons through renewable energy generation



**600 GWh** of renewable energy generated



**5,000** tons through energy efficiency in buildings



**17 GWh** energy saved



## R&D and innovation



**555** patents, of which **122** filed in 2018\* **(+5%)** <sup>(2) (3)</sup>

**DEAMETER**  
PARTNERS



**326** patents, of which **80** filed in 2018

**DEAMETER**  
VENTURES



**273** patents, of which **53** filed in 2018

(1) Excluding Quadran, sold in 2018

(2) After adjusting for joint investments made by Demeter 5 and Emertec 3 funds

(3) Excluding Contenur and Cooltech

## Overall social performance of our portfolios

### Social



**3,600** employees across all portfolio companies



**615 M€** of turnover across all portfolio companies



**19** philanthropic projects backed

**90%** of employees have **long term contracts**

**90%**

**66%** of employees receive an **annual performance review or an annual interview (+6%) (1)**

**66%**

**40%** of employees receive **training (+6%) (1)**

**40%**

**28%** of management employees are women

**28%**

### Microphyt: a company growing while enabling its employees to develop themselves

- ✓ **100%** of employees received training during the year
- ✓ **6%** of sales invested in employee training
- ✓ **87%** of employees received an annual performance review or an annual interview

(1) After adjusting for joint investments made by Demeter 5 and Emertec 3 funds



# Overall governance performance of our portfolios

## Gouvernance



**290** Board of Directors or Supervisory Board meetings were held in 2017



**54%** of companies have **at least 1 independent member** on their Board of Directors **(+6%)** <sup>(1)</sup>

**54%** of the Boards of Directors or Supervisory Boards of our portfolio companies have **at least one woman as a member** **(+5%)** <sup>(1)</sup>

54%

**43%** of our portfolio companies enable **non-management employees** to have **access to share capital**

43%

## Deepki : a portfolio company with a committed governance

- ✓ **100% of employees** who have been with the company for more than one year receive share warrants
- ✓ 1 Board of Directors consisting of **one independent member and one woman**
- ✓ **Internal protocol intended to prevent conflicts of interest**

(1) After adjusting for joint investments by the Demeter 5 and Emertec 3 funds

# Paris Green Fund : a detailed and innovative assessment of territorial impact

## An innovative impact assessment

For Paris Green Fund, our new growth fund for the ecological transition of large cities, we developed and implemented **a detailed and innovative environmental and territorial impact assessment methodology** with the Carbone 4 consulting firm.

During the pre-investment phase and concurrent with our business and financial due diligence, Carbone 4 performs environmental and territorial impact due diligence for each company. Before Paris Green Fund invests, this detailed due diligence analyzes and quantifies the following for each company:

- Energy impact
- Carbon impact
- Renewable energy generation and consumption
- Circularity
- Air quality
- Fair transition
- Resiliency

This due diligence provides each company with a baseline for their environmental and territorial performance indicators, which are useful **to identify areas for improvement and implement action plans**.

Over the course of the investment, Carbone 4 also performs an annual territorial and environmental impact audit for each company. **When Paris Green Fund closes down, Carbone 4 will perform a final audit to analyze and quantify the fund's overall territorial and environmental impact.**

## Hesus's territorial and environmental impact assessed by Carbone 4

Hesus optimizes the excavation and reuse of construction site waste.





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## 3 Demeter funds received the TEEC label

Three of our most recent funds received the TEEC (Ecological and Energy Transition for the Climate) label from EY and Novethic, **thus providing our investors with a guaranteed effective contribution to the ecological transition.**

Created by the Ministry of the Environment, Energy and the Sea, the TEEC label is among the public policy initiatives arising from the August 2015 law related to energy transition for green growth.



This label seeks to:

- Promote investment funds that finance the green economy
- Incentivize the creation of new green funds
- Promote company reporting on the “green part” of their activities

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### Our 3 funds with the TEEC label



Infrastructures for the environmental and energy transition sector



PARIS FONDS VERT

Ecological transition of big cities

FMET

Fund for the ecological modernization of transportation

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

The criteria for the label include:

- The green portion in the fund allocation
- Exclusions
- ESG controversies
- **The effective impact on the energy and ecological transition**

They certified us :



A person is silhouetted against a bright, orange-hued sunset sky, rappelling down a rope. Above them is a large, dark, craggy rock overhang. The scene conveys a sense of challenge and achievement.

# 6]

**Our 2018 achievements and our  
ESG roadmap for 2019**



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## 6. Our 2018 achievements and our ESG roadmap for 2019

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### Progress made in 2018

2018 was a year in which we were able to implement **6 major actions** in Demeter's ESG policy and thereby enhance our actions among various stakeholders:



- **Designation of a partner responsible for ESG and Impact** at Demeter and recruitment of an ESG analyst
- **Establishment of environmental and territorial impact assessment of our portfolio companies for Paris Green Fund through Carbone 4.** The assessment occurs at the pre-investment stage, then annually until the company exits our portfolio.
- Assessment of the contribution of our portfolio companies to the UN's Sustainable Development Goals.
- **Creation of an ESG committee** comprising subscribers (BPI France and Caisse des Dépôts et Consignations) as well as Demeter's ESG team.
- **TEEC label for two additional funds:** the Fund for the Ecological Modernization of Transportation (FMET) and Paris Green Fund.
- **Demeter elected "Best ESG investment firm of the year"** by the magazine Private Equity Wire.

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### Our 2019 goals



#### Strengthen our support to accelerate ESG-related value creation

- Integration of Demeter's business purpose in its by-laws.
- **Expansion of our ESG committees** by integrating CEOs of our portfolio companies
- **Establishment of a toolbox to help portfolio companies establish their ESG action plans and initiatives**
- **Establishment of workshops for sharing best practices** among our portfolio companies.





71

## Appendices



## 7. Appendices: key figures by fund

### Overall ESG performance by Demeter Partner funds (in 2018)

**92 %** of portfolio companies completed the ESG survey

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

#### Environment



**330,000** tons of CO2 avoided <sup>(1) (2)</sup>

== The equivalent of emissions from **160,000** cars in one year <sup>(3)</sup>



**600 GWh** of renewable energy generated <sup>(2)</sup>

== The equivalent electricity consumption of **127,000** French households <sup>(4)</sup>

**68%**

of the companies have a **formalized environmental policy (+10%)**

#### Social



**2,500** employees



**€465M** of turnover

**92%**

of employees have **long-term employment contracts**

#### Governance



**51%** of companies have **at least 1 independent member** on their Board of Directors



**57%** of the Boards of Directors or Supervisory Boards of our portfolio companies have **at least one woman**

- (1) EIB methodology
- (2) Excluding Quadran, sold in 2018
- (3) Source: E-rse.net – a car emits 2 tons of CO2 per year
- (4) Excluding Quadran, sold in 2018

## 7. Appendices: key figures by fund

### Overall ESG performance by Demeter Ventures funds (in 2018)

**91** % of portfolio companies completed the ESG survey

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

#### Environment



**48%** of companies have an **eco-design approach**

**43%**

of the companies have a **formalized environmental policy**



**€25M** invested in R&D in 2018

#### Social



**1,270** employees



**€150M** of turnover

**83%**

of employees have **long-term employment contracts**

#### Governance



**63%** of companies have **at least 1 independent member** on their Board of Directors



**52%** of the Boards of Directors or Supervisory Boards of our portfolio companies have **at least one woman**



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## 7. Appendices: key figures by fund

### Overall ESG performance by Demeter 1 (in 2018)

**67%** of portfolio companies completed the ESG survey

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

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#### Environment

**50%** of the companies have a **formalized environmental policy**



**€55k** invested in R&D in 2018

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#### Social



**294** employees



**€69M** of turnover

**83%** of employees have **long-term employment contracts**

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#### Governance



**270** Board of Directors held in 2018



**50%** of the Boards of Directors or Supervisory Boards of our portfolio companies have **at least one woman**

## 7. Appendices: key figures by fund

### Overall ESG performance by Demeter 2 (in 2018)

**100** % of portfolio companies completed the ESG survey

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

#### Environment



**530 GWh** of renewable energy generated

**75%**

of the companies have a **formalized environmental policy (+10%)**



**184 patents** of which, **52** filed 2018 **(+90%)** <sup>(1)</sup>

#### Social



**1,776** employees



**€322M** of turnover

**98%**

of employees have **long-term employment contracts**

#### Governance



**63%** of companies have **at least 1 independent member** on their Board of Directors **(+9%)** <sup>(1)</sup>



**63%** of the Boards of Directors or Supervisory Boards of our portfolio companies have **at least one woman**

## 7. Appendices: key figures by fund

### Overall ESG performance by Demeter 3 (in 2018)

**92** % of portfolio companies completed the ESG survey

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

#### Environment



**64%** of companies have an **eco-design approach**

**58%**

of the companies have a **formalized environmental policy**



**137 patents** of which, **24** filed in 2018

#### Social



**371** employees



**€17M** of turnover

**87%**

of employees have **long-term employment contracts**

#### Governance



**92%** of companies have **at least 1 independent member** on their Board of Directors



**58%** of the Boards of Directors or Supervisory Boards of our portfolio companies have **at least one woman**



## 7. Appendices: key figures by fund

### Overall ESG performance by Demeter 4 Infra (in 2018)

**100** % of portfolio companies completed the ESG survey

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

#### Environment



**55MW** of renewable energy installed : **30,6MW** solar  
**24,4MW** wind



**68 GWh** of renewable energy generated



**17,5 GWh** saved thanks to energy efficiency



**47,000** tons of CO2 saved \*



**TEEC Label** (Ecological and Energy Transition for the Climate)

#### Financial Indicators



IRR on realised investments **>15%**



**Distributions** : Income received throughout the project



**590M€** of capital expenditures financed

(1) EIB methodology

## 7. Appendices: key figures by fund

### Overall ESG performance by FMET (Fonds de Modernisation Ecologique des Transports, in 2018)

**92** % of portfolio companies completed the ESG survey

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

#### Environment



**€800k** invested in R&D in 2018



**100%** of companies recycle their waste



**TEEC Label** (Ecological and Energy Transition for the Climate)

#### Social



**16** employees



**€0,634M** of turnover

**100%** of employees benefitted from **an annual review**

**75%** of employees have **long-term employment contracts**

#### Governance



**100%** of the Boards of Directors or Supervisory Boards of our portfolio companies have **at least one woman**

## 7. Appendices: key figures by fund

### Overall ESG performance by Demeter 6 Amorçage (in 2018)

**75** % of portfolio companies completed the ESG survey

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

#### Environment



**€1,38M** invested in R&D in 2018



**100%** of companies recycle their waste



**5 patents** of which, **4** filed in 2018

#### Social



**35 employees**



**€1,45M** of turnover

**48%** of employees benefitted from **an annual review**

**82%** of employees have **long-term employment contracts**

#### Governance



**67%** of the Boards of Directors or Supervisory Boards of our portfolio companies have **at least one woman**



**7** Board of Directors held in 2018



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## 7. Appendices: key figures by fund

### Overall ESG performance by Emertec 2 (in 2018)

**100** % of portfolio companies completed the ESG survey

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

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#### Environment



**100%** of companies recycle their waste



**14 patents**

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#### Social



**26 employees**



**€2,9M** of turnover

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#### Governance



**100%** of companies have **at least 1 independent member** on their Board of Directors



**6** Board of Directors held in 2018

## 7. Appendices: key figures by fund

### Overall ESG performance by Emertec 4 (in 2018)

**100** % of portfolio companies completed the ESG survey

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

#### Environment



**€5M** invested in R&D in 2018



**23 patents** of which, **2** filed in 2018



**100%** of companies recycle their waste

#### Social



**125** employees



**€18M** of turnover

**91%** of employees have **long-term employment contracts**

#### Governance



**67%** of the Boards of Directors or Supervisory Boards of our portfolio companies have **at least one woman**



**19** Board of Directors held in 2018

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## 7. Appendices: key figures by fund

### Overall ESG performance by Emertec 5 (in 2018)

**100** % of portfolio companies completed the ESG survey

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

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#### Environment



**€19M** invested in R&D in 2018



**218 patents** of which, **47** filed in 2018



**81%** of companies recycle their waste

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#### Social



**400** employees



**€11M** of turnover

**73%** of employees benefitted from **an annual review**

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#### Governance



**75%** of companies have **at least 1 independent member** on their Board of Directors



**63%** of the Boards of Directors or Supervisory Boards of our portfolio companies have **at least one woman**



## 7. Appendices: key figures by fund

### Overall ESG performance by Fonds Lorrain de Matériaux (FLM, in 2018)

**33%** of portfolio companies completed the ESG survey

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

#### Environment



**€1M** invested in R&D in 2018



**21 patents** of which, **2** filed in 2018



**100%** of companies recycle their waste

#### Social



**62 employees**



**€8M** of turnover

#### Governance



**100%** of companies have **at least 1 independent member** on their Board of Directors



**50%** of the Boards of Directors or Supervisory Boards of our portfolio companies have **at least one woman**

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## 7. Appendices: key figures by fund

### Overall ESG performance by Fonds Européen de Matériaux (FEM, in 2018)

**88%** of portfolio companies completed the ESG survey

**63%** of portfolio companies **contribute to at least one of the UN's SDGs**

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#### Environment



**€0,8M** invested in R&D in 2018



**11 patents** of which, **2** filed in 2018

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#### Social



**713** employees



**€119M** of turnover

**94%** of employees have **long-term employment contracts**

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#### Governance



**25** Board of Directors held in 2018



**40%** of companies have **at least 1 independent member** on their Board of Directors









## SUPPORTING THE CHAMPIONS OF ECOLOGICAL GROWTH

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