

| 2021

ESG & Impact Report



Building a decarbonised future

DE▲ETER

CONTENTS

Our vision: <i>Acting for a decarbonised future</i>	3
Key figures for 2020	4
Editorial: A future focused on the decarbonisation of our societies	6
Interview with Christian de Perthuis: <i>2020, a tipping point year</i>	7

DEMETER, pioneer and leader in investment in the ecological transition sectors

Our identity	10
Our investment sectors	11
Our investments in 2020 & 2021	12
Our 3 new funds projects in 2021	13
Our contribution to decarbonisation	
○ Interview with Alexandra Palt – L'Oréal	17
○ Decarbonisation case studies: Plan A, Ynsect, Deepki, Alterea and Cityscoot	19
Our contribution to biodiversity	
○ Interview with Claire Tutenuit – Entreprises pour l'Environnement	25
○ Biodiversity case studies: Kapsara, Jungle & VitiRev Innovation	27
Our contribution to the UN's Sustainable Development Goals	30

Our commitments in our communities

DEMETER, increasing ESG commitments since 2005	33
Our awards & honours in 2020 & 2021	34
8 companies supported by DEMETER labelled "French Tech"	35
Our Environmental, Social and Governance policy	36
Our commitments at the management company level	37
Our commitments to our portfolio companies	39
Our commitments to our employees	40
Our commitment to our investors	41
Our commitments to our ecosystem	43
Our 2020 initiatives for diversity	47

Innovative and in-depth impact measures

Overall ESG performance of our portfolios in 2020	51
Environmental performance of our portfolios in 2020	52
Social performance of our portfolios in 2020	53
Governance performance of our portfolios in 2020	54
Paris Green Fund: a detailed and innovative assessment of territorial impact	55
Innovative impact measures for our new funds projects	59
Three DEMETER funds labelled GreenFin	61
Our achievements in 2020 and our roadmap for 2021	62

Appendices

Key ESG performance figures by fund	64
Correspondence table - Article 173 of the energy transition law	77

OUR VISION: ACTING FOR A DECARBONISED FUTURE



Intentionality

We invest exclusively in companies with a positive environmental impact

Since 2005, DEMETER has put the environment at the heart of its investment strategy. Its core purpose is to "**combine financial performance with environmental commitment**".

With more than **€1 billion in assets under management**, DEMETER is a **pioneer and leader** in investment in the ecological transition. We develop **responsible and impactful investment approaches** with all our stakeholders.



Impact measure

We implement innovative and in-depth impact measures

Measuring ESG impact is **key** to our investment strategy. As a pioneer and leader in the environment sectors, we use **innovative methodologies** to assess the overall impact of our portfolios.

Assisted by external experts, we have set up **territorial and environmental impact audits** for Paris Green Fund with the consultancy firm Carbone 4 and are implementing innovative methodologies for our new funds projects, integrating the two-degree trajectory, the triple top line (People, Planet, Profit) and impact measure regarding biodiversity.



Alignment of interests

Our commitments and initiatives reflect our core purpose

To maximise financial performance and environmental engagement, we believe it is essential to **share our vision, commitments and values** with our investors, the managers of our portfolio companies and our teams. For all our new funds, we therefore include **performance-based remuneration linked to impact objectives**.

KEY FIGURES FOR 2020

€1bn

assets under management focused on the ecological transition

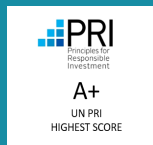
€28m

invested in 15 new companies

€16m

invested in 26 existing portfolio companies

4 ESG honours



3.9 m

tonnes of CO2 emissions avoided
Equivalent to the annual emissions of **2 million cars** (1)

430 GWh

of renewable energy generated
Equivalent to the electricity consumption of **92,000** French households (2)

98

patents registered

(1) Source [E-rse.net](https://www.e-rse.net/): a car emits 2 tonnes of CO2 a year

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



Editorials:

**2020,
a tipping point
year**

EDITORIAL – A FUTURE FOCUSED ON THE DECARBONISATION OF OUR SOCIETIES

2020 was an extraordinary year. In 2020, the health and economic crisis took centre stage, bringing with it a new, uncertain reality. All our teams adapted very quickly, not only at the level of our management company but also to support our portfolio companies through this crisis.

In this context, **the ecological transition sectors in France and in Europe proved remarkably resilient**, driven by the competitiveness of technologies and the awareness by citizens, companies and political decision-makers of the urgency of committing to carbon-neutral trajectories, whether in Europe with the Green Deal, the United States since the election of Joe Biden, or China, etc. For the first time in 2020, green investments exceeded those in fossil fuels; Nextera, the green renewable energy giant, overtook Exxon on the stock exchange; and sales of electric cars to consumers outstripped all expectations (12% of vehicle sales in Europe, compared with 3% in 2019). **We are at a tipping point.** The massive stimulus plans for the ecological transition in France and Europe confirm that the coming decade will be marked by a **sharp acceleration in the decarbonisation of our societies and the dissemination of technologies** that support them.

As a pioneer and leader in investment in the ecological transition, we are more convinced than ever that it is essential to invest over the long term in the sectors key to this transition: environment, energy, agriculture and health. Despite a challenging 2020, DEMETER continued to grow by successfully investing in **15 new companies and reinvesting in 26 existing portfolio companies**. This noteworthy performance reflects our expertise, the uninterrupted growth of our markets and the talent, innovation and know-how of our entrepreneurs.

We are continuing to expand at the national level, with extensive territorial coverage boosted by the opening of a new office in Bordeaux. It is home to **VitiRev Innovation**, which specialises in sustainable wine growing and is one of our **three new projects of funds**. The two others are the **Green European Tech Fund (GET)**, dedicated to technological scale-ups for a sustainable future, and the **Climate Infrastructure Fund (CIF)**, specialising in territorial energy transition infrastructures. Reflecting our ESG policy and demonstrating our strong commitment, these three new projects of funds both include an **innovative and in-depth impact measure** methodology, and link remuneration to performance on ESG objectives.

With **more than €1 billion in assets under management**, we are strengthening our business model, which combines **financial performance and a commitment to demanding ESG standards**. The 2020 indicators of our portfolio companies are testament to this: their activities made it possible to **avoid 3.9 million tonnes of CO2 emissions and to generate 430 GWh of renewable electricity**.

In 2020, we upped our game in all aspects of the ESG approach, with the deployment of ESG Ambassadors for each activity, a **gender equality workshop, a biodiversity focus and impact assessment measures**, in particular the development of a highly detailed territorial impact methodology with Carbone 4. We received **four awards** in recognition of our pioneering and leading role in ESG.

Along with our ecosystem as a whole and with growing assets under management and the launch of new funds, we are determined to accelerate our ESG commitment in 2021, **reconciling the ecological and solidarity-based transition with growth and value creation**.





Stéphane Villecroze


Sophie Paturle


Lionel Cormier


Eric Marty


Philippe Detours


Yann Lagalaye

DEMETER

SUPPORTING THE CHAMPIONS OF ECOLOGICAL GROWTH

INTERVIEW – CHRISTIAN DE PERTHUIS

"For me, 2020 is the year when things changed"

Christian de Perthuis

Professor at Paris Dauphine-PSL University
Founder of the Climate Economics Chair



Dauphine | PSL
UNIVERSITÉ PARIS

In your book *Covid-19 et réchauffement climatique* ("Covid-19 and global warming") you state that "2020 is a tipping point year". What major changes are you talking about?

Christian de Perthuis. With lockdown and the economy at a standstill, the pandemic reduced CO2 emissions in the short-term like no event in history. Beyond this short-term effect, I believe that **Covid-19 is accelerating three major changes:**

- the **digital transition**, with the large-scale use of digital tools made indispensable, in particular for teleworking;

- the **ecological transition**, as the Covid-19 crisis has revealed our vulnerability to global and climate risks and increased the public's awareness of these risks. For example, there has been a general realisation of the environmental impact of the mobility, or rather hypermobility, of goods and people. Similarly, the pandemic accentuates all our concerns related to junk food, obesity and the lack of traceability of food, all sources of vulnerability in the virus context. This contributes to the emergence of practices such as the production and consumption of local products, from short supply chains, and promotes agroecology;

- the **demographic transition** is the last change, in that the health crisis has not only increased mortality but also led to a slowdown in birth rates. This has been observed in both developed and developing countries. The big unknown for demographers is how long this impact on birth rates will last. If it were to persist, it would accelerate the movement towards a stabilisation of the global population.

Do you think that this "tipping point year" concerns only certain players in particular, or all citizens, governments and companies?

CP. It is **global: lockdown has affected more than four billion people** worldwide. Global risks, whether health, climate or environmental, will be a much bigger concern than in the past.

2020 stood out for a number of notable events and statistics, such as the valuation of NextEra (a major US renewable energy company), which overtook that of Exxon Mobil in October. Do you think this is just a trend or a global, irreversible movement?

CP. This is an early warning as to what will happen to any economic assets that fail to keep up with the low-carbon transition: they will end up devalued, or "cast offs", to use the proverbial term. It is worth noting that fossil energy producers are currently suffering much more from this crisis than their green energy counterparts. And this is likely to be a drawn out, irreversible process extending beyond the confines of the Covid-19 crisis. Companies will therefore have to get moving and adapt their business models to the future challenges.

INTERVIEW – CHRISTIAN DE PERTHUIS

As mentioned earlier, 2020 was a tipping-point year. In your opinion, could 2021 be a continuation of 2020 or are we already into a "post-tipping point" period, with the implementation of action plans?

CP. What will be important in 2021 is **how the plans to reboot economies shape up. None of them is completely green, but some are greener than others.** The European Union has structured its stimulus plan around the Green Deal. That's a positive. In the United States, a major change in environmental policies was noted following the presidential elections. Joe Biden's stimulus package, which is more ambitious than the European Union's, was adopted before his infrastructure investment programme, which should include more "green" and less "grey". It's a shame to have separated the two initiatives for political reasons. And there is a great deal of concern about China, which has relaxed its environmental rules limiting investments in coal and where a highly infelicitous recovery is taking place in this sector.

Since DEMETER's creation in 2005, we have supported and advised a large number of energy and ecological transition stakeholders. In your opinion, how could our ecosystem (investors, management company and employees) strengthen its commitment?

CP. **The most effective solution is to measure the CO2 emissions generated by your portfolios and apply a price** that reflects the cost of these emissions to the climate. The higher the price, the faster the switch from carbon intensive to low carbon assets will be.

Today, we are in a system, or a world, governed by market rules, with expectations in terms of profitability. For **low carbon solutions to be sustainable and marketable** they have to be **profitable**. Technical progress and innovation help here, but will not be enough. We need a high CO2 price, calculated based on a reliable metric. Governments' role in imposing tradable quota systems or tariffs is key in this regard.

For investors, an additional ecological transition challenge is divestment. We talk a lot about green investment, and that's good. But it is not by adding green to grey that we reduce emissions, it is by **replacing grey with green**. This means rapidly divesting fossil fuel assets and reallocating the associated physical and human capital. I believe this divestment to be a huge hidden cost of the transition.

This year DEMETER is highlighting two causes close to our heart: decarbonisation and the conservation of biodiversity. You have been studying carbon issues for a long time. What in your view are today's major decarbonisation challenges?

CP. The important thing is to link the two issues. There are two stages on the road towards climate neutrality: **rapidly decarbonising energy systems by cutting our addiction to fossil fuels**, and **conserving the carbon sinks that absorb CO2 from the atmosphere – while slashing the methane and nitrous oxide emissions** produced by farming. Agriculture and forestry account for nearly a quarter of global greenhouse gas emissions. The agroecological transition, which consists principally of conserving biodiversity, is the major challenge for the coming decades. Without this transition, which also puts our food security at risk, targeting the climate neutrality required by the Paris Agreement will be impossible.



DEMETER,
pioneer and
investment leader in
the ecological
transition sectors

OUR IDENTITY

3 ACTIVITIES

INNOVATION

GROWTH

INFRASTRUCTURES

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

€1bn

under
management

32

people

186

investments

100%

independent

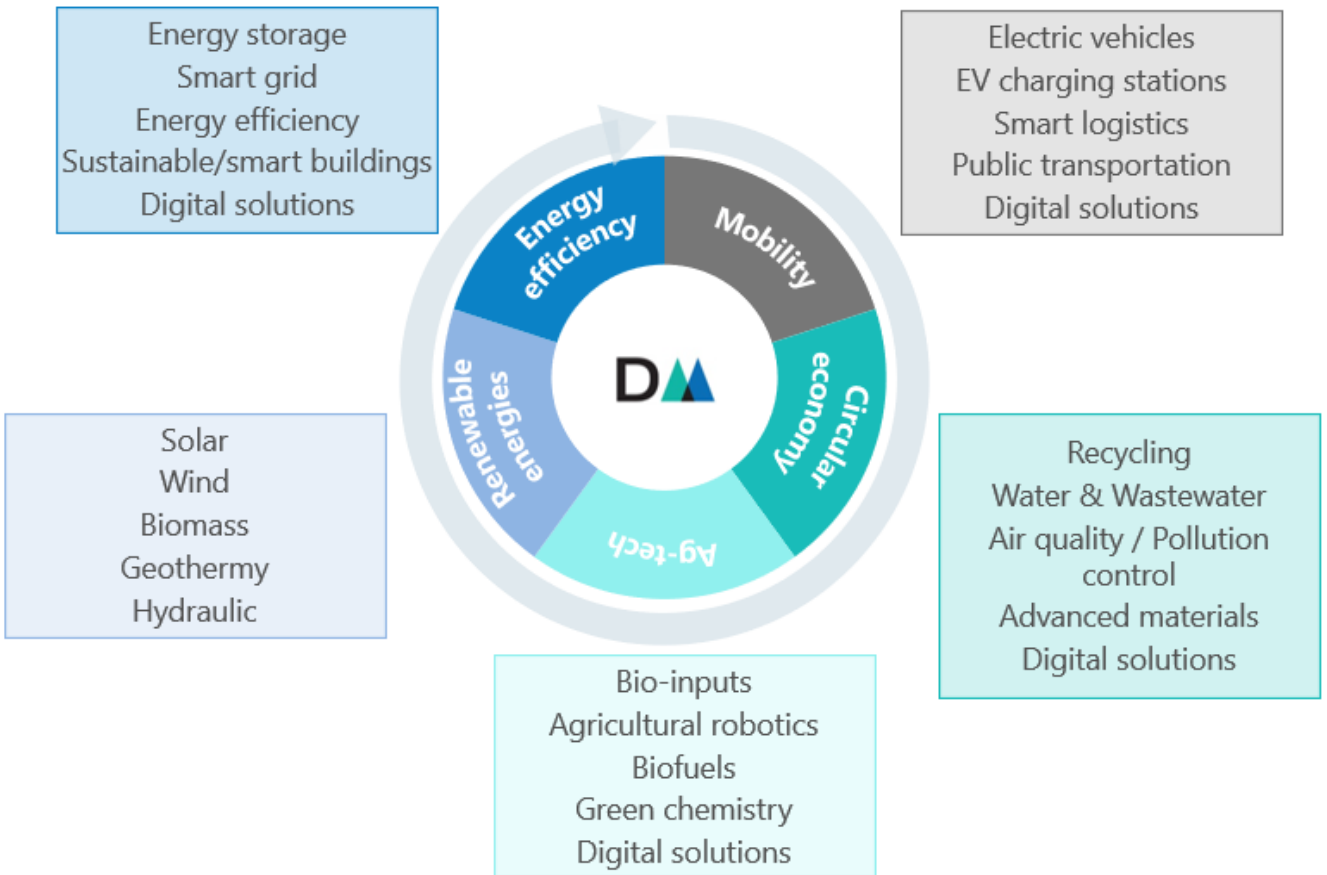
Our **offices** in Europe & our **international partnerships**



DEMETER has offices in Paris, Lyon, Grenoble, Metz, Bordeaux, Madrid and Münster and two partnerships: Cycle Capital in **Canada** and Munich Venture Partners in **Germany**.

OUR INVESTMENT SECTORS

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



OUR INVESTMENTS IN 2020 & 2021

In 2020 and at the start of 2021, DEMETER **invested nearly €28 million** in **15 new companies** in the various ecological transition sectors.



A SaaS platform that optimises **pallet logistics** between businesses



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



Food service payment solution based on food recognition



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

INNOVATION



AI solution dedicated to car **damage detection**



Independent generator of **renewable energy** from **hybrid solar power plants**



SaaS solution for **monitoring welding quality** and predictive maintenance of industrial tools



Generation of **sustainable energy** from paper and enzymes



Intelligent LED lighting system for crop optimization in the greenhouse



Distribution of **photovoltaic equipment** and design of **self-consumption** solutions

GROWTH



Fault diagnosis, spare parts sales and repair support services system



Software for **collecting** and **consolidating** smart meter and energy management data



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

INFRASTRUCTURES



Network of more than **1,200 charging stations** in 11 departments



Personal **electric scooter** **long-term rental** service

* Illustrative sample from our portfolio

OUR 3 NEW FUNDS PROJECTS IN 2021 (1/3)

CLIMATE INFRA FUND (CIF)



€300 million **climate impact** fund project dedicated to **energy transition** infrastructures and SPVs

Investments of
€5 - 30 million

CLIMATE INFRA FUND, in a nutshell ...

*"Our strategy will contribute to the Paris Agreement climate objectives. We will make equity and quasi-equity investments in three areas: **renewable energy production, energy efficiency and smart & sustainable cities**. CIF will invest in **France and Europe**..*

*Our impact will be measured by a trusted third party based on three criteria: observance of the **EU taxonomy, carbon footprint, and compatibility of projects with a two degrees trajectory**.*

*Lastly, the **remuneration** of the management team will be **linked to the achievement of these climate objectives**."*

Philippe Detours

Managing Partner, Climate Infrastructure Fund



OUR 3 NEW FUNDS PROJECTS IN 2021 (2/3)

VITIREV INNOVATION



€50 - €60 million fund project dedicated to financing of companies in the **ecological transition of the wine sector**

Investments of
€1 - 5 million

VITIREV INNOVATION, in a nutshell ...

*"VitiRev Innovation will fund **young, innovative companies** whose solutions will be adapted to the **ecological transition** and will contribute to **the growth of the wine market**.*

*Our objective will be to **adapt** wine-growing companies to **climate change** and **reduce their environmental impact**, in particular by conserving **biodiversity**.
Our support will be designed to help them grow, thereby creating value and impact."*

Amaury Kalt
Investment Director, VitiRev Innovation Fund



OUR 3 NEW FUNDS PROJECTS IN 2021 (3/3)

GREEN EUROPEAN TECH FUND (GET)



A FRENCH-GERMAN INITIATIVE BY

DEAMETER
MVP



€250 - 400 million fund project dedicated to **technological scale-ups** for a sustainable future

Investments of **€5 - 25 million**

GREEN EUROPEAN TECH FUND, in a nutshell...

*"Green European Tech Fund will be a European scale-up fund born of a Franco-German initiative that will invest in growth phase **technological solutions that support the ecological transition.***

*Our objective will be to grow these companies by setting non-financial performance, or '**triple top line**' targets whose main function will be to foster **balanced growth in terms of social, ecological and economic equity.**"*

Yann Lagalaye

General Partner, Green European Tech Fund



OUR CONTRIBUTION TO DECARBONISATION

DEMETER makes a significant contribution to decarbonisation through its investment strategy, by implementing carbon-cutting maximisation processes and initiatives as well as innovative carbon impact measurement methodologies.

Decarbonisation at the heart of our investments *



RENEWABLE ENERGY



Construction and development of a **wind farm**



Production of **photovoltaic energy** for electric mobility



INNOVATIVE & RESPONSIBLE PROCESS



Measures and **reduces** companies' **carbon footprint**

Sensor solutions to measure **air quality**



ENERGY EFFICIENCY



Sustainable **energy storage** from biofuelcell batteries



SaaS solution to **reduce energy consumption** of buildings



SUSTAINABLE AGRICULTURE



Develops **low carbon impact food production**



Micro capsules for **efficient, sustainable bio-inputs**



BIODIVERSITY PROTECTION



Impact fund that finances **ecological wine-growing solutions**



Smart food for **animal nutrition**



GREEN TECHNOLOGIES



Sustainable **micro-algae food solutions**



Micro-algae for **nutrition and well-being**

Our action plan

DEMETER **actively incorporates** decarbonisation into its **investment strategy**:

- **Investments in companies that contribute significantly to decarbonisation**, as indicated above and detailed from page 19;
- Completion of our **annual carbon audit** with Plan A;
- Internal adoption of a sustainable policy to **reduce the company's carbon footprint**;
- Engagement with **Leaders for Climate Action** to promote decarbonisation among investors and investee companies.

* Illustrative sample from our portfolio

INTERVIEW – ALEXANDRA PALT (1/2)

"As far as L'Oréal is concerned, the biggest challenge is to get our entire ecosystem on board in our transformation process. "

Alexandra Palt

Chief Corporate Responsibility Officer, L'Oréal
Senior Vice-President, L'Oréal Foundation



This year, DEMETER is focusing on two themes that have come to the fore with the Covid-19 crisis: decarbonisation and biodiversity conservation. How does a company like L'Oréal adapt to these new constraints and opportunities?

Alexandra Palt - L'Oréal chose the path of sustainable development very early on. Our first sustainable development programme was launched in 2013 and completed in 2020, with tangible results. **Last year, we reduced the CO2 emissions of our factories and distribution centres by 81% compared to 2005, and improved the environmental or social profile of 96% of new or revamped products.** Eco-design is already integral to the development of all our products. However, we know that we have to continue to adapt and accelerate our transformation. It is no longer enough for companies to reduce their environmental impact with self-set targets. Our commitment at L'Oréal is to ensure that our activities respect "planetary limits", in other words what the planet can bear, in accordance with what environmental science teaches us. To reconcile our needs with the preservation of a planet with limited resources, we have therefore scaled up our ambitions and launched a new sustainable development strategy through 2030. Reducing climate change and protecting biodiversity (as well as managing water sustainably and conserving natural resources) are at the heart of this programme.

You recently stated that a company's economic performance also depends on its social and environmental performance. How do you develop this threefold performance dynamic at L'Oréal?

AP - Yes, it's true, by 2030 economic performance will not exist without sustainability. At L'Oréal, corporate responsibility is now a key factor in performance measurement and assessment, not only for the Group as a whole, but also for its management. This is a major structural change. While sustainable development had long been part of the Group's strategy, now our company's transformation has become everyone's business. We expect as much in terms of environmental, social or societal performance as in terms of economic and financial results. The proof is that part of top management's bonus is conditional on the achievement of these objectives.

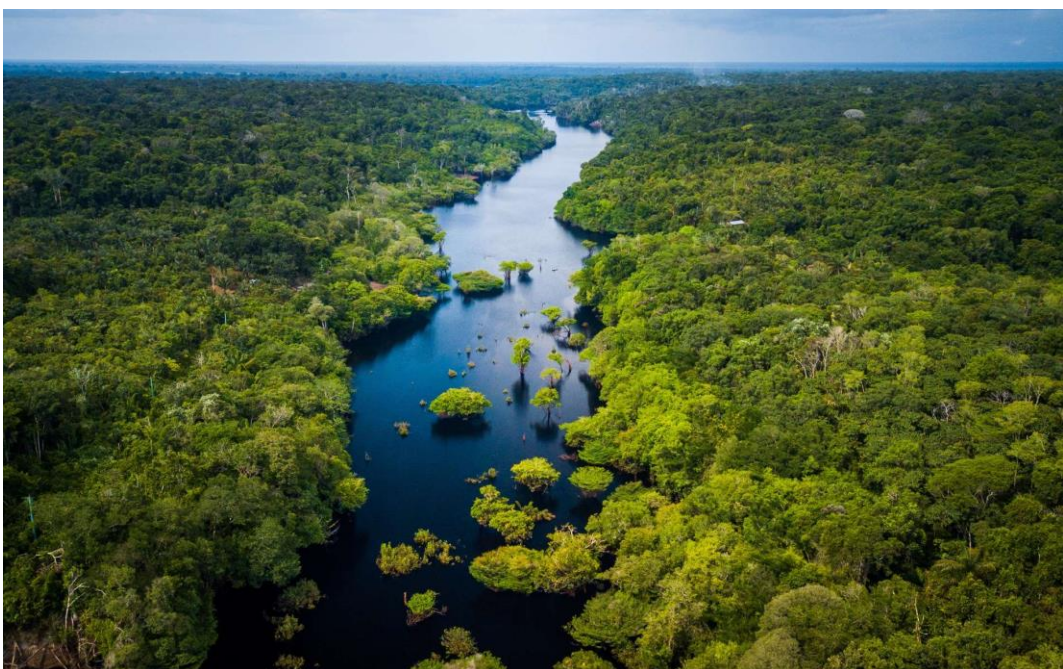
INTERVIEW – ALEXANDRA PALT (2/2)

Innovation is a fundamental factor in understanding future climate challenges. How can economic and financial players actively promote this innovation, which is driven by a plethora of start-ups, SMEs and research centres?

AP - Beyond in-house innovation, we work with a vast ecosystem of partners to ensure access to the best technologies. For example, L'Oréal co-founded a consortium with the plastic waste recycling start-up Carbios to develop the industrialisation of enzymatic PET bio-recycling technology. We also invested in the Swiss start-up Gjosa, with whom we developed a low-flow shower head. Combined with an easy-to-rinse shampoo, this innovation reduces the amount of water needed for rinsing by up to five times (1.5 litres instead of the usual 8) and therefore reduces the CO2 emissions from using our products. We also invested in the green chemistry group Global Bioenergies, a French start-up specialising in biotechnological processes for producing chemical compounds previously derived from oil. Lastly, the Group is due to channel €50 million into impact investing to accelerate the development of the circular economy.

What do you think are the main challenges that economic players will face in this transition to a less carbon-intensive future?

AP - As far as L'Oréal is concerned, the biggest challenge is to get our entire ecosystem on board in our transformation process. We need to involve our consumers, our suppliers and the communities we work with in our sustainable development strategy. Many of our goals for 2030 focus on ensuring that our suppliers' sustainable development policies are as demanding as ours. We are also working to reduce the environmental impact from using our products and to offer greater transparency to consumers so that they can make informed and more sustainable consumption choices. To this end, we have created an environmental and social labelling system for our products, which Garnier launched in France in July 2020 for its hair product ranges and which is being extended to other countries (Germany and the UK have already launched it this year), brands and product categories.



CASE STUDY: PLAN A



Presentation

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



Created in
2017



Lubomila Jordanova
Nathan Bonniseau



Berlin



29 employees



Investment by
DEMETER 6 in 2021

Contribution to decarbonisation -
**Minimising companies'
carbon footprint**

There is no plan B
for our planet.

planA

Key figures

1 M

tonnes of CO₂e measured
using Plan A's technology

+150

companies
assisted

Since the Paris Agreements in 2015, numerous measures and regulations to counter global warming have been put in place. However, a challenge remains for many economic actors: **quantifying their impact** in order to propose **the most effective decarbonization plans**.

This challenge was taken up by Plan A, a Berlin-based company which, thanks to its technology and software, **collects and centralizes all company data, measuring their impact and proposing solutions** to make the company **more compliant** with new environmental regulations. Real support for companies is then ensured with the implementation of defined and measurable objectives according to the **different scopes** taken into account (Scopes 1, 2 & 3) as well as support for the communication of these sustainable development efforts.

CASE STUDY: YNSECT



Presentation

Ynsect **Next 40** company and **certified Bcorp**, is the world leader in the breeding of insects and their conversion into food ingredients. Ynsect transforms insects into **premium ingredients with high added value** for animals, plants and human beings. Its ecological, healthy and sustainable solution meets the **growing global demand** for protein and plant consumption.



Created in 2011



Antoine Hubert, Jean-Gabriel Levon, Fabrice Berro & Alexis Angot



Paris, Dole & Ivry



150 employees



Investment by DEMETER 3 and Emertec 5 in 2014

Contribution to decarbonisation -

Delivering low carbon impact food production



Key figures

6,400

tonnes of CO2e avoided per 81,000 tonnes of produced ingredients

< 0.5

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

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

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

* Source: Ynsect carbon footprint completed in July 2020

CASE STUDY: DEEPMI



Presentation

Founded in 2014, Deepki has developed a SaaS solution to support real estate players in their **zero-carbon transition** through **data intelligence**. Through the combination of its technology and expertise, Deepki designs **effective strategies** across all dimensions of the GSS: energy, water and waste consumption, social impact and best governance practices to accelerate **positive impact**. After the French market, today Deepki extends its business to Europe with new offices in **Great Britain, Germany** and the **Netherlands**.



Created in 2014



Vincent Bryant & Emmanuel Blanchet



Paris, Milan, Madrid & London



103 employees



Emertec 5 investment in 2016

Contribution to decarbonisation -

Making real estate parks virtuous on a large scale



Key figures

180K

tonnes of CO2 of savings identified

+ 400M

of m² monitored with their 250+ customers in 2020

In Europe, the building stock sector generates **40% of energy consumption** and accounts for **36% of CO2 emissions**.

Although the health crisis has slowed its growth, this sector is growing every year, which represents an **environmental and economic risk** for investors. Deepki allows them to position themselves on a zero-carbon trajectory in order to limit their risk of obsolescence and depreciation while fighting global warming. Today, Deepki is active in **more than 34 countries** and helps leading companies, such as Generali Real Estate, Allianz Real Estate, JLL and the French government, to make their **real estate assets more virtuous** on a large scale.

CASE STUDY: ALTEREA



Presentation

ALTEREA Groupe, a **building sector company**, has been **advising and assisting** its clients with the **sustainable renovation** of their buildings since 2004. Its expert teams support its customers in three areas: **ecological transition, energy transition and digital transition**. ALTEREA Groupe is building on a successful track record to continue expanding throughout France.



Created in 2004



Alban Lapierre



Nantes, Lyon, Lille, Paris, Marseille, Strasbourg, Bordeaux & Toulouse



More than 300 employees



Paris Green Fund investment in 2019

Contribution to decarbonisation - Improving the energy performance of buildings



Key figures

3.1 m

tonnes of CO2 avoided in 2020 *

14

tonnes of waste processed in 2020

ALTEREA has been advising and assisting its clients with the **sustainable renovation of their buildings since 2004**. The company provides its clients with a three-phase service for optimising their environmental impact: inventory and diagnosis, needs and strategy assessment and change management and support.

To lock in this environmental and territorial impact optimisation, the company then offers clients **energy performance guarantee contracts enabling them to considerably reduce energy consumption and save large amounts of CO2 over the lifetime of their buildings**.

* For Alterea, the avoided emissions and energy savings are particularly significant because they take into account the impact of the work carried out in 2020 on the life of the buildings concerned. Carbon 4 calculated that Alterea is participating in the 3.1M tCO2e reduction in 2020 through its activity.

Presentation

Cityscoot is the leading **self-service electric scooter rental service** in Europe’s major cities. Now based in Paris, Nice, Barcelona and Milan, Cityscoot aims at expanding to other European cities, including mid-size. Indeed, a growing number of cities are sensitive to the quality of life they offer their residents to offer them a less polluted, less noisy setting with more green spaces.



Created in 2015



Bertrand Fleurose



Paris, Nice, Milan & Barcelona



320 employees



FMET* investment in 2019

Contribution to decarbonisation - Reducing air and noise pollution in cities



Key figures

2 000

tonnes of CO2e avoided thanks to the trips made by Cityscoot users

35.4

tonnes of waste processed in 2020 (tyres, pallets, metal, etc.)

The main cause of the air pollution in cities is the pollution caused by road traffic: today, intercity traffic causes **nearly 55% of the air pollution of cities**.

Cityscoot aims at expanding in the French and European metropolises facing this problem of air and noise pollution. The objective is twofold: **contribute to the reduction of inter-urban pollution** caused by road traffic with the reduction of greenhouse gas emissions; then **revolutionize urban travel**, notably by reducing the density of city traffic and noise pollution.

* : Fonds de Modernisation Ecologique des Transports

** : Compared to a car trip, calculation based on the average CO2 emissions of new vehicles sold in France estimated at 112 gr of CO2/Km in 2018 (ADEME calculation).

OUR CONTRIBUTION TO BIODIVERSITY

Demeter is committed to **contributing to the conservation of biodiversity** to ensure the balance of our ecosystems, now and over the long term.

Our action plan

• INVESTMENTS IN COMPANIES WITH A BIODIVERSITY CONSERVATION FOCUS *



Micro capsules for **efficient, sustainable bio-inputs**



HuddleCorp
Smart food for **animal nutrition**



Agricultural robots that **reduce environmental impact**



Vertical farms contributing to the **reduction of agricultural environmental impact**

• FOCUS ON BIODIVERSITY CONSERVATION IN OUR INFRASTRUCTURE PROJECTS

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



• ENGAGEMENT WITH FOUNDATIONS AND PROGRAMMES



* Illustrative sample from our portfolio

INTERVIEW – CLAIRE TUTENUIT (1/2)

"Being a responsible impact player means conserving biodiversity"



Claire Tutenuit

Managing Director
Entreprises pour l'Environnement (EpE)



Conserving biodiversity is one of the major challenges of our time. Do you see the subject as a challenge or more as an emergency for our society – or both?

Claire Tutenuit - Biodiversity is a challenge and an emergency for our society: To quote MNHN president and French naturalist Bruno David, "*We can avoid a sixth mass extinction*". We are totally dependent on the services and products that biodiversity provides. Remember that when ecosystems collapse, disasters happen. For example, the Covid crisis that we have been living through for over a year is, according to several scientific analyses*, the result of a chain of causalities, several of which concern our relationship with nature. It highlights the risks posed by biodiversity loss.

More and more players are becoming involved in biodiversity conservation. In your opinion, what initiatives have been taken with a strong positive impact on biodiversity? Do you have a specific example to share with us?

C.T - Many initiatives are being taken, in a wide variety of sectors. Take the Norwegian fishing industry, for example. For several years, Norwegian fishermen have been using wider-meshed fishing nets in the North Sea and the North Atlantic, a measure that allows only large fish to be caught, leaving fry to carry on growing. This is called corrective action, but the problem is it takes time to implement: to **establish good practice there is a necessary learning process**. Once this good practice has been established, it has to be validated and adopted by the sector concerned and by legislation. As such, knowing your ecosystem well allows you to better manage it. We would urge you to read our guide containing some 60 good practices to promote biodiversity, entitled *Solutions pour la biodiversité d'EpE** ("EpE's biodiversity solutions").

We all impact our ecosystem. In your opinion, must we – citizens, governments and businesses – all play the same role in protecting our ecosystem?

C.T - It's true that these three groups all impact biodiversity, and each not only has a share of responsibility in the decline of biodiversity but can also contribute to the solutions. **The important thing that these three parties have in common is education: education about nature, including understanding how it works and how to integrate this understanding into decisions about our actual, possible and desirable interactions with it.** Public authorities can further biodiversity conservation by establishing protected zones, for example, or by limiting the expansion of certain sectors or land uses.

*: <https://www.fondationbiodiversite.fr/actualite/covid-19-et-biodiversite-la-frb-et-son-conseil-scientifique-sexprimant/>

INTERVIEW – CLAIRE TUTENUIT (2/ 2)

Citizens, meanwhile, can think about the consequences that the various decisions they make have on nature**. The same applies to companies. Before carrying out a project, they can take into account two factors: its **impact** on biodiversity and the possible **alternatives** for avoiding or reducing this impact. Companies in the luxury sector, for example, have created grazing areas for certain species at risk of overexploitation, to preserve their ecosystems. These measures to limit livestock may seem restrictive and costly, but they reduce the impact on local biodiversity.

The 2015 Paris Agreement and the UN Sustainable Development Goals have set targets for biodiversity conservation. What are the major challenges for biodiversity between now and 2030? And what are the priority sectors facing this challenge?

C.T - The main obstacle to taking biodiversity into account comes from the difficulty of quantifying it: there is no universal indicator comparable to the carbon-equivalent tonne. **As a result, biodiversity often takes second place in decisions, despite its importance.** Almost all sectors impact biodiversity more or less directly, with the odd exception such as personal services – and food is of course important.

The agricultural sector needs to adapt, for example, given that the IPBES estimates that 70% of biodiversity loss is due to industrial agriculture. Since the agricultural revolutions, in the 30s in the United States, in the 60s/70s in Europe and today in Africa and Latin America, many systemic causes have emerged: soil impoverishment through monoculture, deforestation for cattle farming, covering over of soils (Almeria market gardens) and pesticide pollution of soil and groundwater. More recently, climate change is causing parasite blooms in certain ecosystems. **One of the challenges for the coming years is the conservation of large animals** such as birds, which are fast disappearing: in 30 years, France has lost one third of its rural birds.

This year, DEMETER joined the Finance for Biodiversity community to affirm its commitment. Do you agree that, to encourage financial players (and others) to take action this way, we need to introduce labels or measurement tools applicable to everyone to assess their impact on biodiversity – whether negative or positive?

C.T - **The problem facing investors is that biodiversity does not follow a specific model or rule, but a vast number of local, variable models.** When they invest in a project, therefore, an impact audit should be carried out to assess its potential positive or negative consequences. **Educating** and **raising awareness** about biodiversity among investment teams and investors is also an excellent solution. Systems such as Act4nature***, for example, encourage companies to involve their employees and departments in initiatives to promote biodiversity. As a result, asset managers regularly introduce the topic into shareholder dialogue, leading other companies to set themselves specific, measurable targets for biodiversity conservation measures.

* : <http://www.epe-asso.org/solutions-des-entreprises-pour-la-biodiversite-changer-dechelle-octobre-2020/>

** : <https://www.rusticaeditions.com/9782815314107-sauvons-la-biodiversite-les-10-actions-pour-re-agir-group.html>

*** : <http://www.act4nature.com/>

CASE STUDY: KAPSERA



Presentation

Kapsera has developed an **innovative micro-fluidic encapsulation technology**. Its solution stabilises the formulation of agricultural inputs, in particular **bio-inputs** such as biostimulants and biocontrol agents. Another feature of its **encapsulation system** is that it is **biosourced** and **biodegradable**, thus ensuring the **durability** of the product and its effects.



Created in 2018



Antoine Drevelle & Jérôme Bibette



Paris



19 employees



Agrinnovation investment in 2020

Contribution to the conservation of biodiversity -

Ensuring the future of agricultural practices



Key figures

100% responsible, with no artificial inputs

10 years of R&D investments and trials

Population growth and lifestyle changes are leading notably to **growing demand for agricultural products**. Agriculture has modernised and in some cases intensified to meet these needs. However, this transition has not been without consequences: a significant proportion of cultivated land today suffers from erosion and a lack of minerals such as phosphate.

The technology that Kapsera offers contributes to the **sustainability of agriculture** while **protecting soil quality** and **biodiversity**. Its capsules **ensure a level of agricultural productivity** in line with modern requirements, while reducing harmful effects on soil. **Soil conservation** is a major issue, for which Kapsera, an engaged company, offers an effective, certified solution.

CASE STUDY: JUNGLE



Presentation

Jungle has developed a **vertical growing** model for producing herbs, young shoots and lettuces. Its concept is geared towards **limiting water consumption** and **CO2 emissions** while ensuring **higher yields** than traditional agriculture. It markets its products to supermarkets, agrifood companies and perfume manufacturers.



Created in 2019



Gilles Dreyfus & Nicolas Seguy



Château-Thierry & Portugal



25 employees



Agriinnovation investment in 2021

Contribution to the conservation of biodiversity -

Providing healthy and sustainable food



Key figures

100%

pesticide and herbicide free

10 to 30x

better yields than greenhouse crops

Feeding humanity is one of the major issues of the 21st century. However, it is often criticized that agriculture is too intensive, too energy-intensive and disrespectful of biodiversity. According to a FAO study, **agriculture today consumes nearly 70% of fresh water**. The objective is to **reduce the impact of agriculture** on the environment while supporting its productivity to meet the current food challenge.

This challenge is the one taken up by Jungle with its vertical farm concept. Its process **increases agricultural yields, reduces the amount of water needed** for plants since the company has relied on a rainwater recovery system, and **contributes to the reduction of CO2 emissions** related to transport by basing its production sites close to consumption basins. Jungle thus participates in a socially and ecologically responsible transition.

CASE STUDY: VITIREV INNOVATION



Presentation

Initiated in 2020 by the Nouvelle Aquitaine region, DEMETER was entrusted with the management of the VitiRev Innovation fund project. The objective of this fund will be to invest in **innovations that will facilitate the ecological transition of the wine sector** and its **adaptability to climate change**. Also, these technologies will enable wine players to **better understand the new regulations** as well as the increasingly **strong expectations of consumers**.



Created in 2021



Launch of VitiRev Innovation in 2021



Bordeaux & Nouvelle-Aquitaine region



Partnership with the Banque des Territoires

Contribution to the conservation of biodiversity -

Preserving and empowering the wine sector



Key figures

5

extra-financial indicators related to environmental and social aspects

5

non-financial indicators related to biodiversity*

Studies by the IPCC point out that an increase in temperatures of **two degrees would threaten to wipe out 50% of wine-growing crops**. The erosion or depletion of soil minerals threatens this industry, which is why action is urgently needed.

VitiRev Innovation has a **unique positioning** in Europe: **its biodiversity impact** is based on the consideration of more than **ten non-financial indicators** as well as compliance with five UN SDGs, in particular SDG 15, "Life on land". Its commitment to protecting biodiversity is part of its investment strategy, which has a threefold objective: (i) take into account **climate issues**, in particular by reducing the use of synthetic inputs, (ii) develop **digital and biological technologies**, and (iii) better meet the **expectations of winegrowers** and consumers, notably as regards health issues.

* Developed and validated with CDC Biodiversité

OUR CONTRIBUTION TO THE UN'S SUSTAINABLE DEVELOPMENT GOALS (1/2)

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

95% of our portfolio companies contribute to the UN's Sustainable Development Goals.

INNOVATION

Smart cities
Sustainable agriculture
Eco-innovation

GROWTH

Cities ecological transition
Eco-industries
Eco-energies

INFRASTRUCTURES

Renewable energies
Energy efficiency
Eco-mobility



Highly nutritious insect-based products with strong environmental credentials

Vertical farms contributing to the reduction of agricultural environmental impact



Car fleet management optimisation software

Quick charging solutions for electric vehicles



Construction and development of a wind farm

Long-term e-scooter rental service



Agricultural robots that reduce environmental impact

Micro capsules for efficient, sustainable bio-inputs



Photovoltaic equipment and self-consumption solutions

Optimised management of construction site waste



Designer of filling stations for carbon free mobility

Self-service electric scooter rentals



Intelligent LED lighting system for crop optimization in the greenhouse

Measure and reduction of companies' carbon footprint



Fault diagnosis, spare parts sales and repair support services system

Software for collecting data from smart meters



Production of photovoltaic energy for electric mobility



Roofing adaptation solutions for solar energy production



* Illustrative sample from our portfolio

OUR CONTRIBUTION TO THE UN'S SUSTAINABLE DEVELOPMENT GOALS (2/2)

The investments made by our funds in 2020 are aligned with the United Nations' Sustainable Development Goals



Calculation of the carbon footprint of companies, and support in their low-carbon strategy



SaaS platform that optimises pallet logistics between businesses



Personal electric scooter long-term rental service



Generation of sustainable energy from paper and enzymes



Intelligent LED lighting system for crop optimization in the greenhouse



Production of photovoltaic energy for electric mobility



Distribution of photovoltaic equipment and design of self-consumption solutions



Fault diagnosis, spare parts sales and repair support services system



Independent generator of renewable energy through hybrid solar power plants



* Illustrative sample from our portfolio



Our commitments
to our community

DEMETER, GROWING COMMITMENTS SINCE 2005



OUR AWARDS & HONOURS IN 2020 & 2021



"Best Sustainable Equity Investor 2021"

2 March 2021 - London

This award recognises **DEMETER's leading role in incorporating sustainability into its investment strategy**, implementing innovative impact measure and firmly embedding the United Nations Sustainable Development Goals into Impact and ESG strategy.



"Best management company for ESG practices - small caps"

26 November 2020 – Paris

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



A+

UN PRI
HIGHEST SCORE

UN Principles for Responsible Investment A+ rating

1 September 2020 – Paris

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

DEMETER case study by Stafford Partners: "European Private Equity ESG Engagement Report 2020"

16 September 2020 – Paris

This study is testament to the credit that Stafford Capital Partners accords our **long-term commitment** to supporting sustainable growth and the inclusion of environmental, social and governance factors as value creation drivers.



8 COMPANIES SUPPORTED BY DEMETER RECEIVE THE "FRENCH TECH" LABEL

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

DEMETER is proud to have **eight companies** in its portfolio that are included in these French Tech rankings, **four** of which are **part of the Green20** incubator.

FRENCH TECH 120



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



NEXT 40



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



GREEN 20



Launched in early 2021, Green20 aims to support and promote "the technological champions of the ecological transition". Its aim is to combine innovation, growth and ecological solutions to tackle future challenges. Selection is based on two main criteria: the solution's sustainability and its international expansion potential.



OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

DEMETER actively involved in ESG since its inception

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

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

Our commitments to our stakeholders



At management company level

An ESG approach **incorporated into our investment processes** and a **dedicated team** to measure and enhance our impact.

To our portfolio companies

Dedicated support for our portfolio companies to accelerate the development of their ESG practices.

To our employees

The embodiment of our values in our staff through a **collaborative approach.**

To our investors

Dedicated support to **guarantee our ESG commitments** to investors and help them with their own reporting.

To our ecosystem

A pioneering and leadership role to **promote and develop ESG** within our ecosystem

To civil society

Long-term support for environmentally friendly initiatives.

OUR COMMITMENTS AT MANAGEMENT COMPANY LEVEL (1/2)

DEMETER's ESG policy is formalised in a **Sustainable Development Plan** included in the company's procedural guidelines. At each stage of our portfolio companies' life cycle, we ensure that ESG criteria are **met**, **measured** and **compliant** with the ESG objectives that we set. In particular, DEMETER uses **external consulting firms** to measure the ESG impact of its investments and ensure it is following the most recent regulations.

ESG in our portfolios' life cycle

PRE-INVESTMENT

- **A responsible thematic approach:** all of our funds are positioned in sectors that have a positive impact on the environment.
- **ESG criteria included in the analysis of potential investments:** an ESG rating included in the investment memorandum and extensive environmental and territorial impact due diligence in partnership with Carbone 4 for Paris Green Fund (see page 55).
- **Integrated ESG risk scoring:** scoring of negative impacts on sustainability factors and ESG risks to measure the level of ESG impact.
- **Exclusionary screening:** the defence industry and arms sales, gaming and betting, tobacco and alcoholic beverages, and human cloning are all excluded.

IN PORTFOLIO

- **Support and training for our investees** to improve their ESG practices and policies.
- **Involvement of the Board of Directors** to identify key ESG points and related issues, and definition and monitoring of an ESG action plan.
- **Annual ESG survey**, including the **scoring of negative impacts on sustainability factors and ESG risks**, for all companies in our portfolios.
- **Audit** of territorial and environmental impact carried out by Carbone 4 for Paris Green Fund **every year**.

EXIT

- **Highlighting companies' ESG performance** in our portfolio companies' sale documents.
- **ESG exit survey**
- Territorial and environmental impact **audit** carried out by Carbone 4 for Paris Green Fund **following the exit**.



OUR COMMITMENTS AT MANAGEMENT COMPANY LEVEL (2/2)

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

Two-pronged ESG body: an ESG team and an ESG Committee

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

Reflecting the **strengthening of French and European regulations**, DEMETER has set up an **ESG Committee**.

This committee handles **ESG compliance for our existing and future portfolio companies** and for our **internal activity**. Given our consideration of **ESG risks and negative impacts on sustainability factors**, it is crucial that we measure and interpret the effects of these risks and impacts on the sustainability of investments. The ESG Committee uses the quantitative ESG risks and negative impact on sustainability factors scoring tools put in place by DEMETER as the basis for its observations and investment decisions (*see page 42*).

DEMETER ESG Ambassadors

The ESG Ambassadors hold in-house meetings to implement **initiatives and measures to strengthen** the DEMETER teams' engagement. Their most recent meeting contributed to the implementation of various measures to:

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

INNOVATION



Yann Lagalaye
General Partner

GROWTH



Stéphanie Chrétien
Partner

INFRASTRUCTURE



Vincent Vettier
Partner

MANAGEMENT COMPANY



Aurore Charrier
Middle Office
Manager

OUR COMMITMENTS TO OUR PORTFOLIO COMPANIES

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

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

ESG training

With the support of **GreenFlex** and **Bpifrance**, in 2016 we introduced and made available to our portfolio companies **specific training on best ESG practices.**

DEMETER seeks always to **go one step further in supporting** its portfolio companies: our **objective for 2021** is thus to **create a best practice platform** to help investees implement such practices in their business.



DEMETER Entrepreneurs Club

Twice a year, DEMETER brings together all its portfolio company managers and investors at the DEMETER Entrepreneurs Club, which met just once in 2020 due to the Covid-19 crisis.

The agenda at this **January 2020** event included:

- A presentation by Nicolas Ferrand, Executive Managing Director of **Solidéo**, the Olympics Games Delivery Authority, on the theme *Can we make Paris 2024 sustainable?*
- Presentation of **new portfolio companies**
- Green philanthropy: presentation by Tancrede Neveu, CEO of **Plantons pour l'Avenir**
- Presentation by Andreas Juhlmann, CEO of **DENA** (Germany's equivalent of France's Ademe environmental advisory body)



OUR COMMITMENTS TO OUR EMPLOYEES

ENVIRONMENT

Completion of a carbon audit and implementation of optimisation solutions

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

Waste recycling (including ink cartridges and coffee capsules)

Purchasing of certain **IT equipment refurbished**

SOCIAL

Company profit-sharing and employee savings plan for all staff

Provision of upgraded, responsible **healthcare coverage**

Training of all staff in 2020

Women make up 28% of DEMETER's workforce

Workshop "Women, creating value and performance"

GOVERNANCE

45% of DEMETER's employees own shares in the company.

Five out of the six members of DEMETER Partners' Supervisory Board are **independent**

Promotion of diversity within our governance bodies

Dedicated ESG committee consisting of a managing partner, a partner and a member of the legal team



OUR COMMITMENTS TO OUR INVESTORS (1/2)

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

DEMETER, guarantor of an effective contribution to the ecological transition

- In order to **verify and monitor the compliance** of our investments with the European Taxonomy, we have adopted **two quantitative Impact tools: ESG Risk Scoring & Negative Impact Scoring on Sustainability Factors** (*more details p. 42*).
- **Three of our most recent funds** have received **GreenFin certification**: Paris Green Fund, FMET & DEMETER 4.
- Launch of **three new impact funds in 2021**, monitored using qualitative and quantitative measurement tools: Climate Infrastructure Fund, Green European Tech Fund & VitiRev Innovation.
- **Carbone 4**, a leading environmental impact consultancy, helps DEMETER measure the territorial impact of Paris Green Fund companies (more details on page 55).



Contributing to our investors' reporting

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

Taking ESG criteria into account is key for DEMETER; as far back as 2006, for example, we responded to an initial ESG survey submitted by Robeco, an investor in our first fund. In 2020, we responded to **18 ESG surveys**, a number that increases every year.



Engaged investors



37%

of our funds under management come from PRI signatories

20%

of our investors are PRI signatories

OUR COMMITMENTS TO OUR INVESTORS (2/2)

Our investments meet the requirements of the EU taxonomy

The Taxonomy Regulation has been introduced to define and regulate activities that comply with a low-carbon, resilient and resource-efficient ecological transition. It lays down the following three criteria:



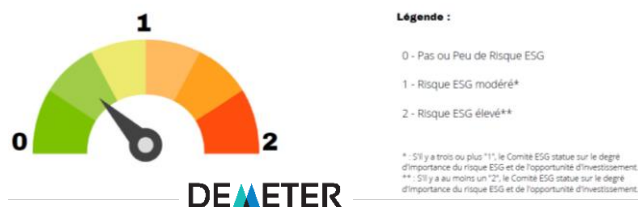
Measuring our impact: ESG risk scoring & scoring of negative impacts on sustainability factors

We have adopted **two scoring systems** to ensure the quality of our monitoring and the assessment of our funds' impact and regulatory compliance:

- **ESG risk scoring**
- **Scoring of negative impacts on sustainability factors**

These systems **measure the materiality of any ESG risks or negative impacts on sustainability factors** that our portfolio companies carry. They are applied in the **pre-investment phase** and also included in our **annual ESG survey**.

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



OUR COMMITMENTS TO OUR ECOSYSTEM (1/4)

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

Founding commitments: Climate Commission, IC20 & Leaders for Climate Action



DEMETER is **co-founder of the France Invest Climate Commission**. Sophie Paturle, Managing Partner, is the President. In 2020, the Climate Commission celebrated **its 10th anniversary** and published the **Cleantech Barometer**, produced with GreenUnivers and EY. 2020 was a second record year for Cleantech in France: €1.2 billion invested in 94 companies.

DEMETER is co-facilitator and signatory of the **2020 Climate Initiative**, the first initiative by French private equity firms to seek to manage and reduce the greenhouse gas emissions of their portfolio companies.

In September 2020, DEMETER engaged alongside **Leaders for Climate Action for the decarbonisation of the digital industry**. This declaration brings together more than 500 companies committed to fighting global warming by making a carbon neutrality pledge.

Sponsorship of ecological and energy transition research studies, networks and think tanks



Sponsorship since 2017 of **Cleantech Group Europe's annual Forum** in Luxembourg. DEMETER is on the Advisory Board of Cleantech Group, whose mission is to **accelerate innovation** by promoting networking and **knowledge sharing** within the global clean technology ecosystem. The 2021 Forum will take place online due to the Covid-19 crisis.

Sponsoring the annual Energy for Smart Mobility Forum in Marseille. DEMETER is a historic partner of this forum dedicated to energy solutions for sustainable and intelligent mobility. Organised by Capénergie and Greenunivers, it brings together every year all the key players in the ecological transition of mobility in Europe. It makes it possible to bring out innovations and exchange on topics as varied as electro-mobility, CNG, hydrogen, the production and recycling of batteries.

DEMETER works closely with IFPEN, a longstanding key partner with whom we promote **academic and industrial research to build a genuine cleantech ecosystem**.

OUR COMMITMENTS TO OUR ECOSYSTEM (2/4)

Member of 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 companies in this field, in France and for export.



Member of CAPENERGIES, a **competitiveness cluster dedicated to the production of decarbonised energy and energy efficiency.**

This cluster brings together **more than 1,450 partners and 520 members,** including companies, research and training organisations and funders.



Member of the tenerrdis energy transition competitiveness cluster.

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



Financial support to the IAR, the French bio-economy competitiveness cluster for industries and agro-resources.

IAR's initiatives essentially cover the **production and promotion of organic resources** (agricultural, forestry and marine resources, co-products and residues) for food, industrial and energy purposes.

Event sponsorship and participation



February 2020

1/ DEMETER took part in IPEM 2020, the International Private Equity Market fair, to promote the launch of two of its new funds: GET and CIF.

2/ Participation in the annual **Aderly** digital-themed conference.

3/ Presentation by Stéphane Villecroze, Managing Partner, at the *Energy transition: Auvergne-Rhône-Alpes, at the forefront of a global challenge* conference.

OUR COMMITMENTS TO OUR ECOSYSTEM (3/4)

Event sponsorship and participation



March 2020

Participation in Les Rencontres du Private Equity ("Private Equity Meetings") on the subject of the growing importance of non-financial criteria.



April 2020

Interview of Lionel Cormier, Managing Partner, by GreenUnivers on management companies' ecological transition strategy.

May 2020

Participation in the seventh edition of the Eco-innovation Factory, dedicated to ambitious ecological and innovative projects.



September 2020

Participation in Think Smart Grids and presentation by Sophie Paturle, Managing Partner, at the round table *Energy consumption and its influence on networks during Covid-19*, alongside France Invest and Maddynews.



October 2020

Presentation by Sophie Paturle, Managing Partner, at the colloquium *Digital and Environment, making the transitions converge* on the subject of *Digital, a tool for ecological transition*.

Presentation by DEMETER on the new outlook for farming arising from recent technological and industrial innovations, at the e5t Foundation's Summer University.

Sponsorship of the 2020 Price of Young Entrepreneur by the Université de Grenoble -Projet Pépite Ozer-



November 2020

Presentation by Stéphanie Chrétien, Partner, at the *Climate Risk Metrics* conference.

Presentation by Stéphanie Chrétien in the webinar *ESG due diligence, integration of sustainable development in the investment process*, on the different practical approaches to reasonable ESG due diligence.

Organisation by Stéphanie Chrétien of a webinar entitled *Women executives and investors, creating value and performance*, with the participation of Agnès Bricard, President of the Federation of Women Directors, and Yann Mauchamp, Founder of Mutual Benefits.

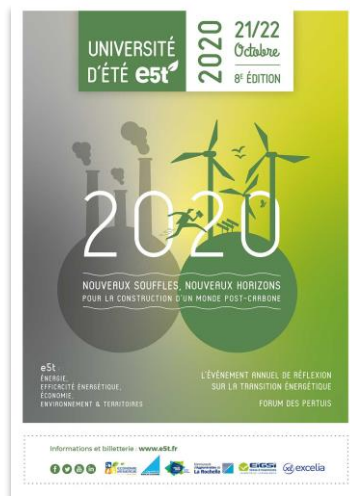


OUR COMMITMENTS TO OUR ECOSYSTEM (4/4)

Supporting the e5t Foundation since 2017

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

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



Patronage of the "Plantons pour l'avenir" foundation

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

Since its inception in 2014, the Plantons pour l'avenir ("Plant for the Future") foundation has raised €2.7 million to enable the planting of one million trees.

At its **annual seminar** in 2019, DEMETER took its employees on a volunteering trip to help Plantons pour l'avenir, which involved taking part in a reforestation project in Nouvelle Aquitaine.



Photo of the DEMETER team at the seminar in 2019, before the Covid-19 crisis



OUR 2020 INITIATIVES FOR DIVERSITY (1/3)



Key figures



women in Demeter's teams



women in Demeter's investment teams

23% of investments in 2020 were made in companies **founded or co-founded by women**



Nadine Pesonen,
Founder, President and CEO



Connected objects for **stock monitoring of plant materials** (grain, fodder, compost, etc.)



Lubomila Jordanova,
Founder, President and CEO



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



Stéphanie Gosset,
Co-founder, President and CEO



Personal **electric scooter long-term rental** service



Ondine Suavet,
Co-founder, President and CEO



Distribution of **photovoltaic equipment** and design of **self-consumption** solutions

* Illustrative sample from our portfolio

OUR 2020 INITIATIVES FOR DIVERSITY (2/3)



Our commitments

In addition to our investments, we strive to apply **measures in favour of diversity**. Clearly underscoring our commitment to action in this area, as well as supporting The Billion Dollar Fund for Women association, we are a **signatory to two Charters**:



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



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

The Billion Dollar Fund for Women

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

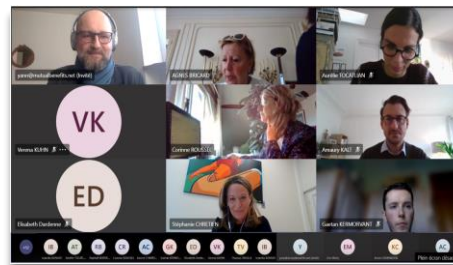
In 2020, Demeter **affirmed its commitment** to invest more than \$10 million in businesses founded or co-founded by women. We ultimately went beyond our commitment by investing a total of **\$12 million** in such businesses.



OUR 2020 INITIATIVES FOR DIVERSITY (3/3)



Our workshop: Women executives and investors, creating value and performance



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

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

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

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



Women executives and investors, creators of value and performance

5% Operating results
Companies with the highest stage of women in their Executive committees generate 55% more in operating results (1)



5% Profitability
Companies with a higher percentage of women in executive positions generate 5% more in profitability (2)

+10%
VC US funds having increased their women's teams by +10% improved their fund returns by 1.5% each year and obtained +10% on outflows (3)

18%
of women in the CAC40 Executive Boards (25% in the European Union) (1)



8%
of women CEO/Managing Director in the SBF120 (2)

2%
of women CEO/Managing Director in the Next40 (3)

15%
of women CEO/MD of SMEs/Midcaps (4)

3%
of women CEO/MD of SMEs/Midcaps held by funds (4)



Innovative,
in-depth and
impactful measures

OVERALL ESG PERFORMANCE OF OUR PORTFOLIOS IN 2020

90% of portfolio companies completed the ESG survey

95% of portfolio companies **contribute to at least one of the UN's SDGs**



ENVIRONMENT

3.9m

tonnes of CO2 avoided

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

Equivalent to the annual emissions of **2 million cars** (1)

430 GWh

of renewable energy generated

Equivalent to the electricity consumption of **92,000** French households (2)



SOCIAL

3,200

people employed by our portfolio companies

95%

of employees have **permanent contracts** or contracts lasting more than 18 months (+1 point vs. 2019)

98

patents registered in 2020



GOVERNANCE

21%

of our portfolio companies have a **woman president and CEO or co-founder** (+2 points vs. 2019)

58%

of our portfolio companies have at least one **independent member** on their Board of Directors (+18 points vs. 2019)

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

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

ENVIRONMENTAL PERFORMANCE OF OUR PORTFOLIOS IN 2020



RENEWABLE ENERGY INSTALLED CAPACITY

880 MW

renewable energy installed



318 GWh

renewable energy produced in 2020



6 MW of installed wind power capacity



4.03 MW of installed solar power capacity



23 MW of renewable energy installed capacity



5.5 MW of installed thermal power capacity



TONNES OF CO2 EMISSIONS AVOIDED

3.9m tonnes of CO2 emissions avoided

3.8m tonnes, measured by Carbon 4 for Paris Green Fund companies

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



R&D AND INNOVATION

€120 million invested in research and development in 2020

1,250 patents, of which **98 filed in 2020**

Of which, **900** patents filed by investees in our **INNOVATION** business

(1) * Conversion ratio used: 1KW = 0.09 kg CO2e (source: Greenit.fr)

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

SOCIAL PERFORMANCE OF OUR PORTFOLIOS IN 2020



- €460m** of **revenue** generated by our portfolio companies
- 3,200** **people employed** by our portfolio companies
- 95%** of employees have **permanent contracts or contracts lasting more than 18 months**
- 700** **new hires** in 2020
- 66%** of companies have a **budget for training** their employees
- 70%** of executive committees have **at least one woman member**
- 28** **philanthropic projects** supported and **€120k** invested (+€30k vs. 2019)

FOCUS on Ynsect: people at the heart of development



Production of insect-based, highly nutritious worm flour

- 100%** of employees had an annual review in 2020
- 5.9%** of revenue invested in employee training
- Increase** in the minimum wage at Ynsect of 35% more than the minimum wage
- 3** social projects supported, for a budget of €20,000

GOVERNANCE PERFORMANCE OF OUR PORTFOLIOS IN 2020



- 46%** of our portfolio companies **review ESG issues at least once a year** at Board of Directors' meetings
- 58%** of our portfolio companies have **at least one independent member** on their Board of Directors
- 48%** of our portfolio companies have **at least one woman** on their Board of Directors
- 65%** of our portfolio companies offer non-management employees **the opportunity to own shares**
- 21%** of our portfolio companies' **CEOs** or co-founders are **women**

FOCUS on Fermentalg: committed governance



- 50%** of the Board of Directors' members are women
- 50%** of the Board of Directors' members are independent
- 44%** of managers are women
- Appointment of a **CSR manager**
- Establishment of **specific committees** (Remuneration, Audit, Scientific and Appointments)

PARIS GREEN FUND: IN-DEPTH AND INNOVATIVE TERRITORIAL IMPACT MEASURE

For the Paris Fonds Vert growth capital fund, Demeter has set up with the support of the consulting firm Carbone 4, an **in-depth and innovative methodology for measuring territorial and environmental impact**.



PARIS FONDS VERT



carbone 4



OVERALL IMPACT OF PARIS GREEN FUND IN 2020

3.8m

tonnes of CO2 avoided over companies' entire value chain, of which **1.6 million tonnes of CO2 in Paris** ⁽¹⁾

17,500 GWh

avoided, of which **7,700 GWh in Paris** ⁽¹⁾

An overall, impactful measurement



CARBON
reduction



ENERGY
gain



RENEWABLE ENERGY
production & consumption



CIRCULARITY



AIR
quality



FAIR
transition



RESILIENCE

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

Each subsequent year, and at exit, Carbone 4 assesses its environmental and territorial impact, enabling it to calculate **Paris Green Fund's overall impact**.

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

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

PARIS GREEN FUND IMPACT MEASURE CIME CAPITAL



Cime Capital is a French leader in the **distribution of photovoltaic equipment and designer of innovative, integrated solutions for individual and collective self-consumption.** Through its subsidiaries Alaska Energies and Mylight Systems, the group provides optimised renewable energy solutions for residential and tertiary uses.



Impact analysis carried out by  carbone 4



Cime Capital develops and distributes solutions contributing to **make existing buildings less carbonated and to develop photovoltaic electricity production.**

Alaska Energies provides with transitional equipment, including solar panels and heat pumps to replace less efficient systems. MyLight Systems' solutions make it possible to optimise the management of buildings' energy consumption (reduction of final consumption and a 30 to 100% improvement in self-consumption thanks to an innovative virtual battery solution).

250K

tonnes of CO2 emissions avoided in 2020

550

GWh avoided in 2020

Contribution to 9 sectorial objectives of the Paris Climate Plan

"Building" objective

- Completely eco-renovate Paris with ultra low consumption
- Renovate 1 million homes by 2050
- Boilers emitting less GHG
- Renovate the most energy-intensive buildings
- Performance of new and renewable energy buildings
- Halve energy consumption
- Reduce energy poverty by 20%

"Energy" objective

- 20% of Parisian roofs producing solar energy by 2050
- Guarantee 100% renewable energy-compatible energy supply based on smart grids (Paris 100% renewables)

PARIS GREEN FUND IMPACT MEASURE SPAREKA



Created in 2012 as part of Télécommande Express, Spareka offers a **self-repair system suitable for all types of electric devices** (household appliances, automatic gate systems, swimming pools, gardens and, more recently, TVs, bathrooms and portable electric devices).

Its services include **fault diagnosis** using an interactive, dynamic tool capable of diagnosing thousands of faults and a **spare parts and accessories sales system**, as well as **repair assistance** based on YouTube online videos.

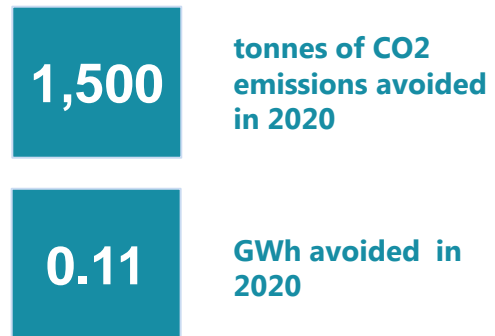


Impact analysis carried out by carbone 4

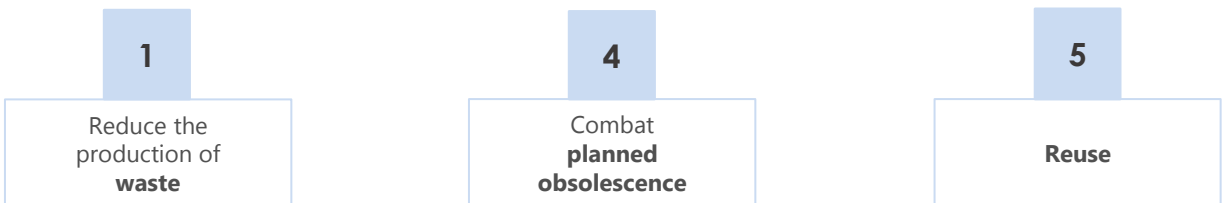


Spareka helps **avoid around 5,800 tonnes of household appliance waste**. The company makes a positive contribution to **reducing CO2 emissions** and **energy consumption** by extending product lifespans. Its repair video service has an unquestionably beneficial impact. In terms of **fair transition**, Spareka's activities **make it easier** to repair items, at a lower cost than through other companies in the sector.

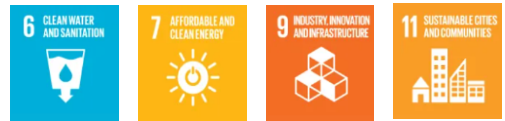
Spareka is committed to **promoting a repair culture** in France, in particular through its Repair Tours, organised with ADEME.



Contribution to three sectoral objectives of the Paris Climate Plan



PARIS GREEN FUND IMPACT MEASURE CUCULUS



Cuculus is a German software company that has developed Zonos, a critical infrastructure software platform that facilitates the implementation of **smart city, smart metering and smart grid projects and applications.**

These functionalities make it possible to:

- **centralise and analyse** collected data;
- **monitor and manage** the status of energy networks in real time and;
- provide **smart metering** services.



Cuculus helps to **optimise** and **reduce urban energy consumption.**

Impact analysis carried out by



Thanks to its software, Cuculus is fully involved in **reducing CO2 emissions** and **improving the management of water and energy** resources thanks to its ZONOS software.

Its software **analyzes** and **optimizes** energy data management. Cuculus is also involved in the **integration and use of renewable energy** since its system adapts to data from renewable energy.

70K

tonnes of CO2 emissions avoided in 2020

170

GWh avoided in 2020

Contribution to 2 sectorial objectives of the Paris Climate Plan

2
Halve energy consumption by 2050

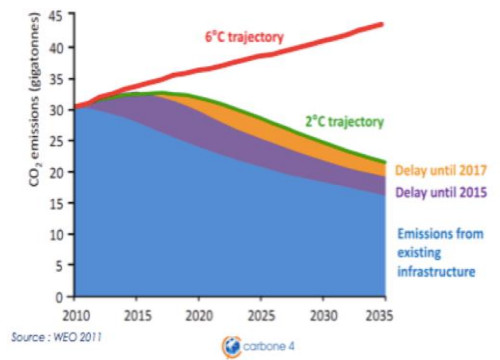
6
Ensure an energy approach fully compatible with smart grids

INNOVATIVE IMPACT MEASURE FOR OUR NEW FUND PROJECTS (1/2)

As a pioneer and leader in responsible investment, DEMETER develops **innovative impact measures specific to the sectors concerned.**

Impact measure based on alignment with the 2 degree trajectory

For our new CIF fund project, we co-develop with the support of expert consulting firms an impact measurement methodology based on three fundamental criteria: compliance with the **EU taxonomy** (i), **carbon footprint** of the project (ii), and **compatibility of projects** with a global warming trajectory limited to 2°C (iii). The third criterion is assessed by comparing an **asset portfolio's climate performance** (e.g. its carbon footprint) with temperature trajectory scenarios.



Impact measure with a focus on biodiversity

VitiRev Innovation will invest in innovations for sustainable wine growing. **Biodiversity conservation** is crucial for this industry. VitiRev Innovation will design an analysis covering the entire **investment life cycle** based on **audits of the environmental and territorial impact** of winegrowing companies' activity, using financial and non-financial criteria. The analysis will be carried out by an independent consulting firm.



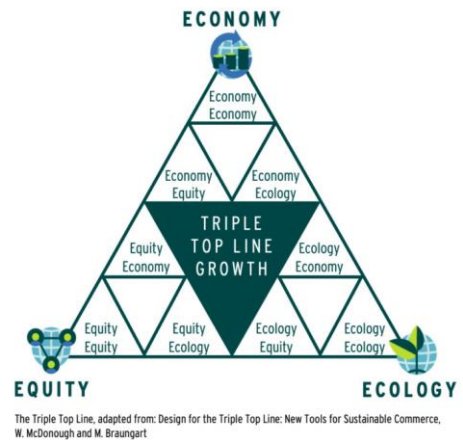
INNOVATIVE IMPACT MEASURE FOR OUR NEW FUND PROJECTS (2/2)

Triple top line-based impact measure

Our GET fund project will implement impact measure **combining 9 economic, ecological and social equity indicators** to monitor and influence before, during and after investment the impact of the companies invested and in the end of the fund.

First mentioned by William McDonough and Michael Braungart in their 2002 book *Cradle to Cradle*, the TTL method is overtly inclusive.

This analysis will be carried out by an independent consulting firm and rounded out by in-house expertise.



Alignment of interests: for our new funds, carried interest is linked to impact objectives

Responsible carried interest

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

3 DEMETER FUNDS RECEIVE THE GREENFIN LABEL



France Finance Verte GreenFin label

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

FMET

Fund for the ecological modernisation of transportation



PARIS FONDS VERT

Ecological transition of cities

DM4
INFRA

Environmental and energy transition infrastructures

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

This label seeks to:

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

GreenFin certification

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

The certification criteria are:

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



have awarded **GreenFin** certification to our funds

OUR ACHIEVEMENTS IN 2020 AND OUR ROADMAP FOR 2021

Our progress in 2020

In 2020, Demeter strengthened its ESG policy and ramped up its engagement with stakeholders:

- (1) **We launched three new fund projects focused on the ecological transition.**
- (2) **We invested in companies that contribute significantly to decarbonisation.**
- (3) **Our ESG policy and analyses have been strengthened throughout the investment process:** we put in place two scoring tools concerning ESG risks and negative impacts on sustainability factors; we carried out 19 pre-investment environmental and territorial due diligence audits for Paris Green Fund; we introduced innovative impact measurement methodologies and linked remuneration to performance on ESG objectives for all our new funds.
- (4) **We promoted ESG practices within our ecosystem** through our presentations on behalf of the Climate Commission, France Invest, Finance for Biodiversity and Climate Risks, and for our employees through the workshop to promote diversity (*Women managers and investors, creating value and performance*) and the implementation of tangible measures to reduce the management company's carbon footprint.
- (5) **We won four awards** reflecting the progress of our ESG practices.

Our 2021 goals

In 2021, we aim at renewing and strengthening our support to **accelerate ESG value creation**:

- (1) **Finalize the raising of our sustainable fund projects and launch 2 new fund projects:** a regional fund for sustainable industry and an international fund dedicated to the circular economy.
- (2) **Innovate and develop new impact measure** methodologies to meet the expectations of our investors and guarantee in particular the compliance of our funds with Articles 8 and 9 of the SFDR.
- (3) **Develop alignment of the interests** of all our stakeholders by monitoring compliance with the ESG process and indexing our compensation to performance with ESG objectives for all new funds.
- (4) **Develop the education and engagement of our teams and portfolio companies to maximize the impact** with an ESG workshop that creates performance value, a Diversity workshop, a workshop on ESG risk scoring, promoting carbon footprint measurement with Plan A...
- (5) **Launch of new biodiversity conservation** initiatives with Finance for Biodiversity.



Appendices

OVERALL ESG PERFORMANCE OF AGRINNOVATION (2020)

100% of portfolio companies completed the ESG survey

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



ENVIRONMENT

16 patents filed, of which **6** in 2020

€1.6m invested in **R&D**



SOCIAL

53 employees, of whom **24 hired** on a permanent FTE basis in 2020

92% of employees have **permanent contracts** or contracts lasting more than 18 months



GOVERNANCE

50% of portfolio companies' Boards of Directors have **at least one woman member** (+10 points vs. 2019)

50% of portfolio companies have **a female chair person and CEO or co-founder, or both** (+10 points vs. 2019)

OVERALL ESG PERFORMANCE OF DEMETER 1 (2020)

100% of portfolio companies completed the ESG survey

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



ENVIRONMENT

100%

have initiatives in place to **reduce their environmental impact**

67

tonnes of waste processed in 2020



SOCIAL

74

employees, of whom **14 hired** in 2020

92%

of employees had a **performance review** in 2020



GOVERNANCE

100%

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

27%

of Executive Committee members are **women**

OVERALL ESG PERFORMANCE OF DEMETER 2 (2020)

100% of portfolio companies completed the ESG survey

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



ENVIRONMENT

296

patents filed, of which **33** in 2020

€57m

invested in **R&D** (+€22m vs. 2019]

71%

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



SOCIAL

100%

of portfolio companies have a **profit sharing** mechanism in 2020

96%

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



GOVERNANCE

71%

reviewed **CSR issues** at at least one Supervisory Board or Board of Directors meeting in 2020

86%

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

OVERALL ESG PERFORMANCE OF DEMETER 3 (2020)

89% of portfolio companies completed the ESG survey

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



ENVIRONMENT

6,400

tonnes of CO2 saved thanks to their operations

€13m

invested in **R&D**

100%

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



SOCIAL

387

employees, of whom **111 hired** on a permanent FTE basis in 2020

93%

of employees have **permanent contracts** or contracts lasting more than 18 months (+6 points vs. 2019)

6

social or societal **projects**



GOVERNANCE

80%

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

60%

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

OVERALL ESG PERFORMANCE OF DEMETER 4 INFRA (2020)

100% of portfolio companies completed the ESG survey

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



ENVIRONMENT

54 MW

of **installed renewable energy** capacity

67 GWh

of **renewable energy** generated

46.000

tCO2e avoided in 2020



SOCIAL

Distribution

of **income** throughout the project



GOVERNANCE

63%

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

100%

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

OVERALL ESG PERFORMANCE OF DEMETER 6 (2020)

78% of portfolio companies completed the ESG survey

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



ENVIRONMENT

37 patents, of which **12** filed in 2020

€7.2m invested in **R&D**



SOCIAL

113 employees, of whom **70 hired** on a permanent FTE basis in 2020

71% of portfolio companies have implemented a **profit-sharing mechanism**



GOVERNANCE

57% of portfolio companies' Boards of Directors have **at least one woman member**

57% of portfolio companies have at least **one woman on the Management Committee**

OVERALL ESG PERFORMANCE OF EMERTEC 2 (2020)

100% 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**

15

patents filed



SOCIAL

20

employees, of whom more than half have **permanent contracts**

100%

of employees are eligible for a **profit-sharing mechanism** in the form of an incentive plan



GOVERNANCE

100%

of portfolio companies have **at least one woman** on their Board of Directors and on their Executive Committee

100%

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

OVERALL ESG PERFORMANCE OF EMERTEC 5 (2020)

93% of portfolio companies completed the ESG survey

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



ENVIRONMENT

€17.8m

invested in **R&D**

85 GWh

saved by our investees for their customers

427

patents, of which **32** filed in 2020



SOCIAL

478

employees, of whom **87%** are employed on **permanent contracts** or contracts lasting more than 18 months

67%

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



GOVERNANCE

71%

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

80%

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

OVERALL ESG PERFORMANCE OF FONDS EUROPEEN DES MATERIAUX (2020)

100% of portfolio companies completed the ESG survey

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



ENVIRONMENT

44,3

tonnes of waste processed in 2020

€11m

invested in **R&D** (+€7m vs. 2019)



SOCIAL

271

employees, of whom **40 hired** in 2020

99%

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



GOVERNANCE

67%

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

33%

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

OVERALL ESG PERFORMANCE OF FONDS LORRAIN DES MATÉRIAUX (2020) ⁽¹⁾

100% of portfolio companies completed the ESG survey

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



ENVIRONMENT

100%

of portfolio companies have introduced initiatives to **reduce their environmental impact**

€1.2m

invested in **R&D**



SOCIAL

98%

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

95%

of employees had **an annual review**



GOVERNANCE

50%

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

100%

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

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

OVERALL ESG PERFORMANCE OF FMET* (2020)

100% of portfolio companies completed the ESG survey

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



ENVIRONMENT

5,163

tonnes of CO2 saved through their infrastructures

€2.2m

invested in **R&D**



SOCIAL

424

employees, of whom **75 hired** in 2020

95%

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



GOVERNANCE

75%

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

88%

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

* FMET: Fund for the ecological modernisation of transportation

OVERALL ESG PERFORMANCE OF PARIS GREEN FUND (2020)

100% of portfolio companies completed the ESG survey

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



ENVIRONMENT

3.8m

tCO2e avoided including **1.6m** in Ile-de-France in 2020

17.500 GWh

of energy **consumption** avoided in 2020

100%

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



SOCIAL

690

employees, of whom **234 hired** on a full-time equivalent basis

91%

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

86%

of portfolio companies support **charitable projects**



GOVERNANCE








43%

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






71%

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

CORRESPONDENCE TABLE – ARTICLE 173 OF THE ENERGY TRANSITION ACT (1/2)

Description of information to be presented		Included in this report or in our internal ESG policies	Section reference
1	Presentation of the general approach of the entity or asset management company		Pages 9, 10 & 35 to 45
2	Content, frequency and means used by the entity or asset management company to inform investors of the ESG criteria taken into account in the investment policy and, where applicable, the risk management policy		Pages 40 & 41 - Commitments to investors
3	For asset management companies: list of UCIs concerned and percentage of their outstandings in the total amount of outstandings managed by the asset management company		Not applicable
4	Any subscription to an ESG charter, code, label or initiative		Page 33 – DEMETER, growing commitments since its creation
5	General description of risk management procedures used to identify ESG risks, the exposure of activities to these risks and general description of these risks		Page 41– Commitments to our investors & see our Risk Policies (available on our website under <i>Legal information</i>)
6	Nature of ESG criteria taken into account and reasons for choosing these criteria		
6.1	ESG criteria: description of the nature of the main criteria taken into account and reasons for choosing these criteria		Page 41– Commitments to our investors & see our Risk Policies (available on our website under <i>Legal information</i>)
6.2	Environmental criteria: <ul style="list-style-type: none"> – Risks associated with climate change (physical risks and transition risks) – Assessment of the contribution to meeting the international objective of limiting global warming and the objectives of the energy and ecological transition 		Page 41– Commitments to our investors & see our Risk Policies (available on our website under <i>Legal information</i>)

CORRESPONDENCE TABLE – ARTICLE 173 OF THE ENERGY TRANSITION ACT (2/2)

Description of information to be presented		Included in this report or in our internal policies	Section reference
7	Information used in the analysis of criteria: for ESG criteria & environmental criteria, details of the nature of the information used, which may be financial or non-financial data, internal analyses, external analyses or ratings.		Page 41– Commitments to our investors & see our Risk Policies (available on our website under <i>Legal information</i>)
8	Methodologies & results of this analysis		
8.1	ESG criteria: descriptions of the analysis methodology		Pages 12 to 14 - Our 3 new funds - and Page 41
8.2	Environmental criteria: Accounting with the international objective of limiting global warming Methodology & scope used Analysis results – exposure to climate change risks		Pages 12 to 14 - Our 3 new funds - and Page 41
9	Integration of the results of this analysis into the investment policy		
9.1	ESG criteria: description of changes made following the analysis and implementation of a strategy of engagement with issuers and portfolio management companies		Pages 40 & 41 as well as the Risk Policy (available on our website under <i>Legal information</i>)
9.2	Environmental criteria: contribution to meeting the international objective of combating global warming and the objectives of the energy and ecological transition		Pages 49 to 68



**SUPPORTING THE CHAMPIONS
OF ECOLOGICAL GROWTH**

CONTACTS

Sophie Paturle-Guesnerot, Managing Partner
sophie.paturle@demeter-im.com

Stéphanie Chrétien, Chief Sustainability and Impact Officer, Partner Paris Green Fund
stephanie.chretien@demeter-im.com