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# Investing in Startups Impacting the World Sustainability Report 2023

Cathay Innovation Funds II & III



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# 1. Foreword – Why does ESG matter?





## Foreword from president & co-founder



As the world faces increasingly complex challenges, ESG and sustainability are now essential factors for businesses of all shapes and sizes. In the private equity and venture capital world, this means redefining success around the creation of responsible, resilient companies that not only deliver financial returns but also contribute to a sustainable future. Cathay Capital is an organization built on trust — from the founders we support to the investors and large industrial companies we partner with. We see it as our duty to help entrepreneurs and executives integrate these values, building businesses that drive long-term value and positive impact across industries and society."

MINGPO CAI, FOUNDER AND CHAIRMAN,  
CATHAY CAPITAL & CATHAY INNOVATION






As venture capital continues to support the next wave of groundbreaking technology, particularly with the explosion of AI, it's essential to balance rapid innovation with responsible growth. At Cathay Innovation, we remain committed to integrating sustainability and ESG into our investment processes and practices. In the past year, this materialized in helping our portfolio companies with key issues such as assessing and reducing their carbon footprint and investing in companies pushing the circular economy forward—such as Reebelo or Ghost. Looking forward, as AI brings incredible opportunity across industries, factoring in ESG considerations (like data privacy and bias to energy consumption) in companies from the start has never been more critical. A sustainable economy takes a village, and we're proud to play our part."

DENIS BARRIER, CO-FOUNDER, CATHAY INNOVATION



# Why ESG and Sustainability matter

In a rapidly changing world where sustainability has become a critical global imperative, taking proactive steps to integrate ESG factors is crucial for investment strategies. These considerations are essential for:

-  managing risks,
-  seizing new opportunities,
-  and ensuring long-term value creation.

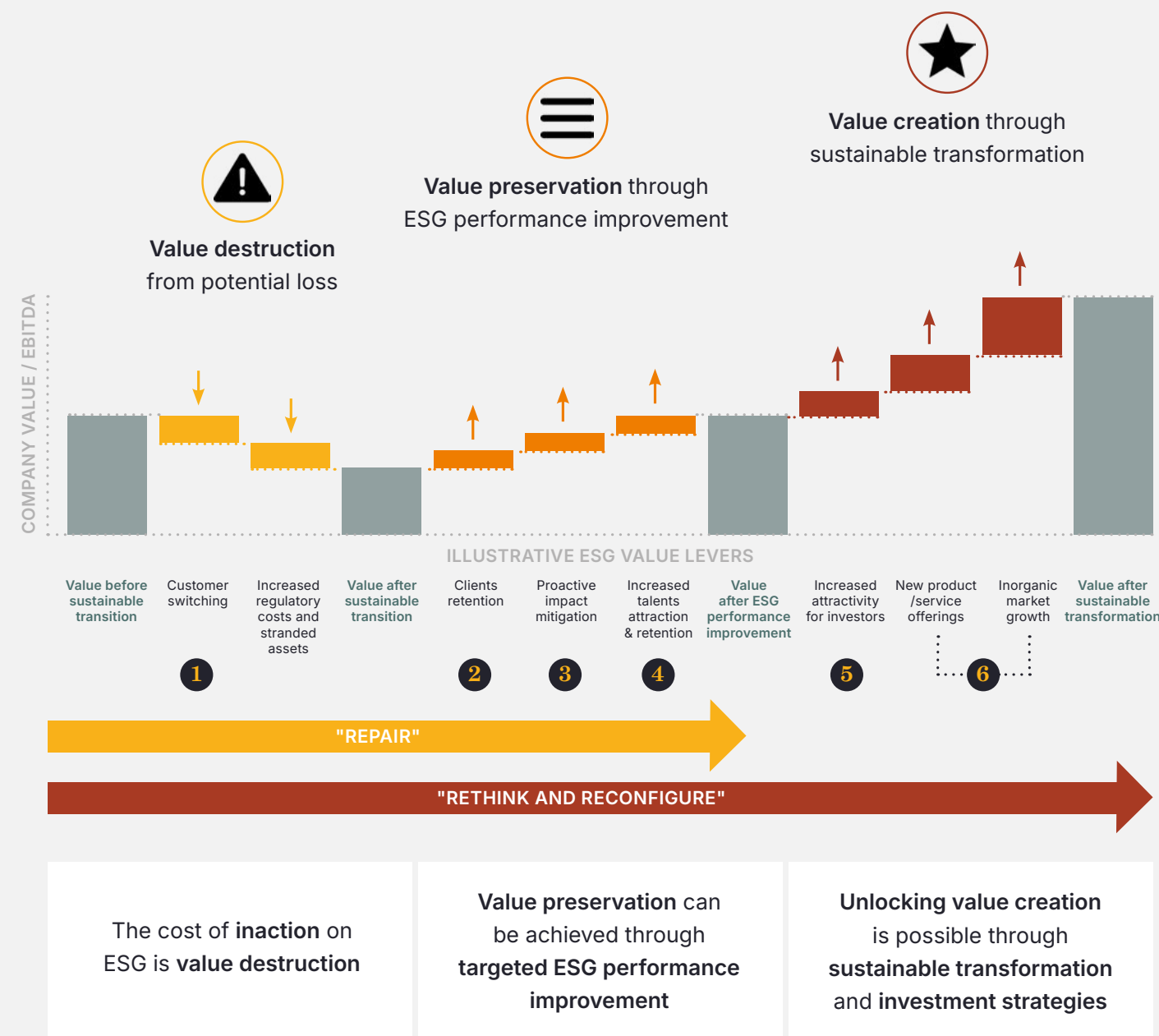
Today, Limited Partners (LPs), employees, and investees acknowledge the importance of implementing ESG best practices and prioritising positive impacts. Regulators are putting pressure on financial actors to report on sustainability matters. As stakeholders place increasing emphasis on ESG factors, as detailed in the graph below, Cathay's commitment to ESG and sustainability becomes a significant differentiator:





# Creating value through ESG and impact

At Cathay, we recognise the importance of integrating ESG into our practices, and especially throughout our investment process. This integration is driven by the understanding that sustainable investing enhances long-term financial performance, value creation, and value protection.



Considering the strong correlation between ESG and value creation, Cathay Innovation has decided to put ESG at the heart of its operations by encouraging portfolio companies to continuously improve on these topics.

## Key figures

78%

of buyers are changing their products/services preferences based on sustainability<sup>1</sup>.

83%

of companies invested in ESG reported improved customer retention<sup>2</sup>.

74%

In 2022, 74% of surveyed CEOs believe that robust environmental sustainability practices improve employee productivity and reduce employee turnover<sup>6</sup>.

100 bp

WACC for top-quartile environmental performers in Europe<sup>4</sup>.

62%

of PE firms ranks risk mitigation as the top of ESG's benefits<sup>3</sup>.

1/3

investors use the UN SDGs to guide their investments<sup>5</sup>.

79%

of companies have implemented an ESG strategy to guide their investment decisions or have it in plan<sup>5</sup>.

12.5%

Moreover, products with ESG claims achieved up to 12.5% more growth, and customer are willing to pay up to 50% more for green products<sup>7</sup>.

55%

Companies abating 55% of emissions experience lower regulatory risks and achieve a +2-12 pp EBITDA margin after the EU carbon border tax implementation<sup>4</sup>.

1. Bain & Company – ESG Shaping PE, 2023  
2. International Accounting - \$4 trillion increase in revenue for businesses placing greater importance on ESG, 2022  
3. PwC – Global Private Equity Responsible Investment Survey, 2023  
4. EU announcement, based on a BCG analysis, 2022

5. European Women in VC -Venture & growth investing empower sustainability & societal change, 2024  
6. KPMG – ESG in a downturn, 2022  
7. McKinsey – Consumers care about sustainability, 2023



# Achieving sustainability through new technologies

At Cathay Innovation, we believe that technology plays a pivotal role in addressing the multifaceted challenges of sustainability. We understand that the path to sustainability is complex and requires a holistic approach. Therefore, our investment strategy is dedicated to fostering technological innovations while prioritising companies that not only develop cutting-edge technologies, but also demonstrate a commitment to resource efficiency, long-term resilience, and the fight against climate change.

The integration of technology and digital solutions has notably accelerated the scalability of circular economy enterprises. Technologies enable companies in the circular economy to optimise the use of resources, track and manage stocks more efficiently, and reduce waste. Cathay's latest investments illustrate this trend, whose business models are based on the reduction of electronic and retail goods waste.

27%

of Cathay Innovation III's invested portfolio have business models tackling major circular economy issues

(In total € invested 30th of June 2023)

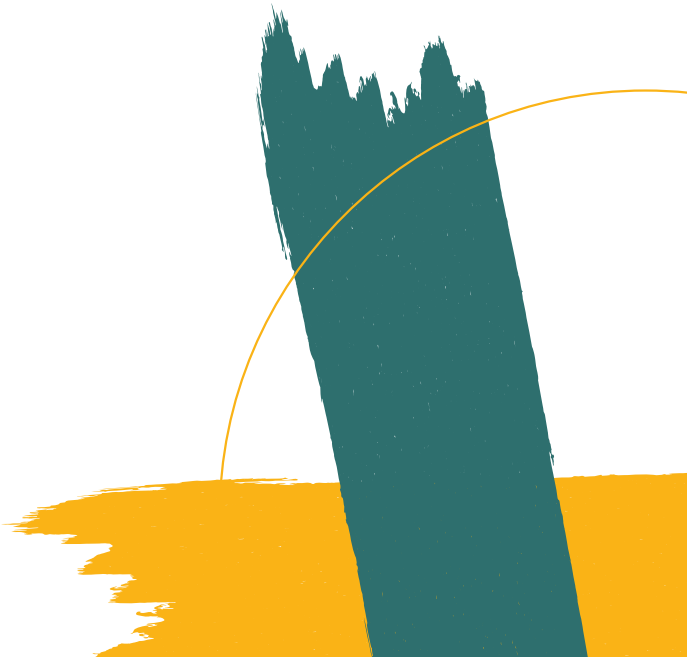
## Cathay Innovation 3 Portfolio



Reebelo is APAC's (Asia-Pacific region) leading marketplace for second-hand technology devices, now expanding in the USA and Europe. The company's vision is to reduce e-waste by creating a circular economy-based market for refurbished electronics (e.g. phone, laptop, gaming hardware, etc.). While doing so, they enable consumers to save up to 70% on their favorite brands.



Ghost is the world's leading B2B platform for brands and retailers to exchange surplus inventory which is discarded and worth \$250bn each year. By combining user-friendly technology with industry data, Ghost is shaping the future of retail and offering an all-in-one solution for businesses to buy and sell goods effortlessly (e.g. shoes, cosmetics, clothes, etc.). Ghost's business model promotes resource efficiency and waste reduction by repurposing and refurbishing garments, with the aim to contributing to a more circular model and reducing CO<sup>2</sup> emissions.





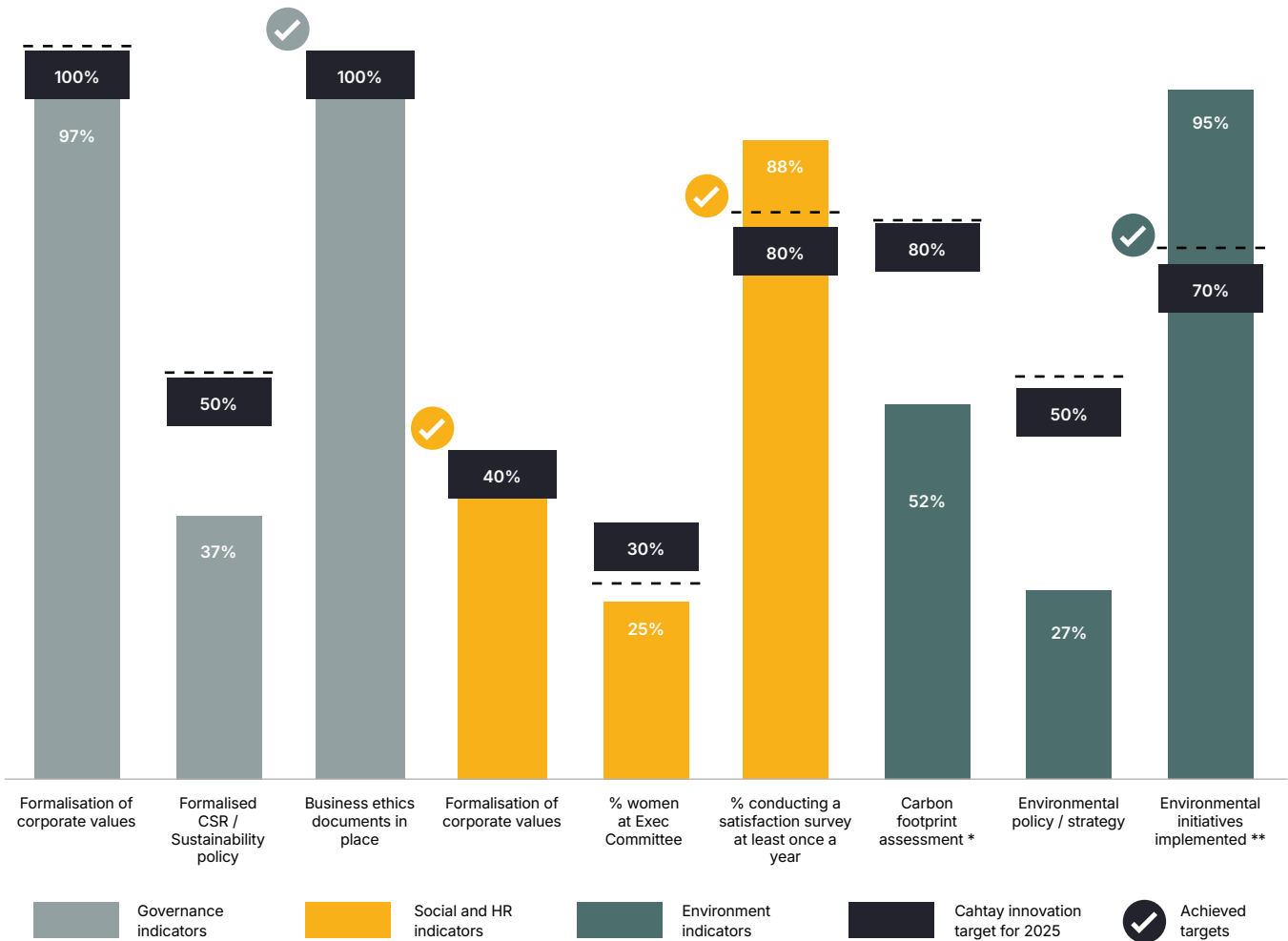
# 2. 2023 ESG performance overview





# ESG overview

The scorecard below provides an overview of Cathay Innovation Fund II’s ESG performance. By providing employment to more than 13,000 individuals, ESG commitment at Cathay Innovation aims at fostering positive impacts for all stakeholders.



(\*) As of end of S1 2024

(\*\*) The environmental initiatives are related to portfolio companies' operations, i.e. circular economy, energy efficiency, waste & water management, remote working policy, low carbon travel policies, etc.

Sustainability is at the heart of our investment philosophy. In 2023, we made some progress in advancing ESG principles and guiding our portfolio companies towards actionable plans that contribute to the SDGs.

## Building a robust governance

### Corporate governance

In 2023, companies in Innovation II Fund upheld their corporate governance practices, including formalised corporate values and mission statements, despite most of these companies being relatively young. This shows that Cathay Innovation’s emphasis on building robust governance alongside strong growth is paying off to help companies develop.

In order to align stakeholders’ interests, promote collaboration and equitable distribution of benefits, most Innovation II companies (91%)

implemented value-sharing mechanism such as incentive plans and employee-profit sharing.

Even if board gender diversity is still a challenge for tech companies, portfolio companies achieved a robust performance regarding diversity in executive committees. This steady progress should lead us to meet our first landmark of having 30% women in portfolio executive committees, which is above the market average.

### Business Ethics & Data protection

The portfolio companies showcased robust business ethics, as 100% of Innovation II companies have essential business documents established, such as a code of conduct, anti-corruption policy, and ethical guidelines.

Across our portfolios, data security breaches (6%) were reported for Innovation II. Furthermore, nearly all companies (94%) have designated roles for data protection.

### Empowering people & Talent



#### Human Resources

Despite their young age, portfolio companies showcase a certain maturity regarding HR management, most of them having assigned HR responsibilities (97%). Most of Innovation II companies have conducted at least one satisfaction survey amongst their employees (88% in 2023), showing a positive evolution throughout time (84% in 2022).



#### Health & Safety

In 2023, more than two thirds (69%) of Innovation II companies have formalised Health and Safety (H&S) policy.



#### Diversity & Inclusion

In Innovation II Fund, companies made progress in fostering Diversity and Inclusion. Cathay Innovation achieved its target of 40% women in total headcount across Innovation II portfolio.



## Engaging in environmental efforts

At Cathay, we are deeply concerned about the environmental impact of our operations and our portfolio. In 2023, we measured our carbon footprint, on scopes 1, 2 & 3. In order to obtain robust data on our scope 3, comprising mainly portfolio companies' carbon footprints, we financially and operationally supported portfolio companies. We financed carbon footprint assessments of portfolio companies, and we connected them with our expert partners in carbon footprint measurement. Moving forward, we will continue supporting companies in measuring their carbon footprint, defining robust decarbonisation strategies and setting emission reduction action plans.

During 2023, companies in Innovation II Fund continued their commitment to environmental sustainability. More portfolio companies

developed environmental policy or strategy in 2023 (27%) compared to 2022 (20%) and we expect a sharp increase in 2024-2025 as we are generalizing the carbon footprint assessment for portfolio companies while helping to finance such assessment.

The achievements made in 2023 have motivated Cathay Innovation, together with all portfolio stakeholders, to commit further in the development of ESG fundamentals and guide the companies toward concrete actions, especially on climate and environment topics. These engagements and next steps for Innovation are detailed in the 5th and 6th parts of this report.

## ESG highlights at Cathay Innovation level

At Cathay Innovation, our teams collaborate closely with entrepreneurs to magnify impact and integrate sustainability across operations and the value chain. In 2022, we formalised and updated our Sustainable Investment Procedure, delineating sourcing criteria, deal flow qualifications, ESG due diligence, tools

for the holding period, and exit procedures. While assessing risks and opportunities occurs before investing, Cathay's main emphasis lies in co-creating actionable roadmaps with portfolio companies, which involves discussing ESG topics at least once a month.





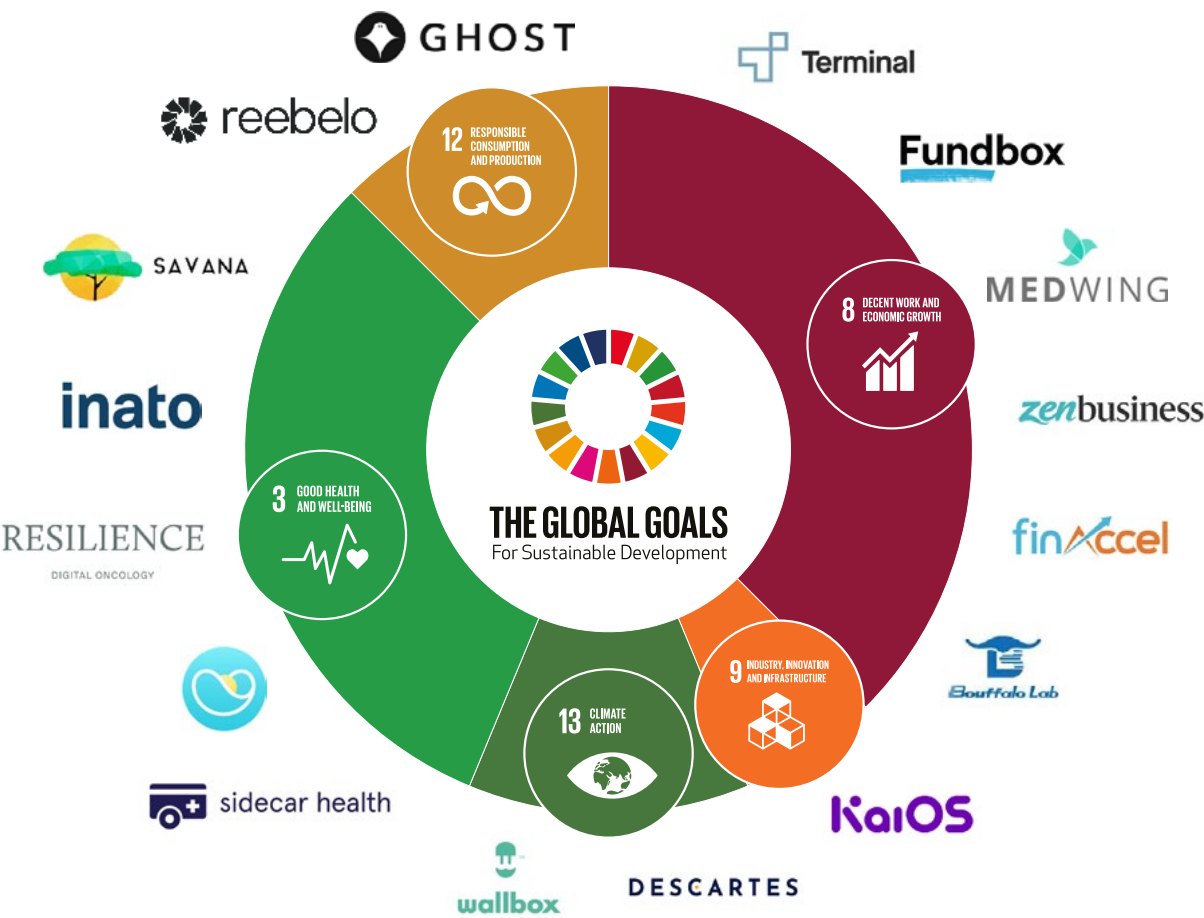
# Impact overview

At Cathay Innovation, we are proud to highlight the commitment and SDG impact of many of our portfolio companies. These companies not only recognise the importance of sustainable practices but also actively strive to enhance their contribution to society. Through their business activities, they play a vital role in working towards broader societal goals.

A significant portion of companies within Cathay Innovation II and III have dedicated efforts towards addressing the United Nations Sustainable Development Goals (SDGs). This demonstrates the transformative power of technology companies as they innovate and take concrete actions to address societal and environmental challenges.

The Impact Management Project (IMP) is a global initiative that provides a framework for measuring, managing, and reporting impacts on sustainability, aligned with the SDGs. It serves as a methodological reference for organizations aiming to comprehensively assess and improve their social, environmental, and economic impacts.

Relying on the IMP approach, the graph below provides an overview of the aggregate impact of portfolio companies on 5 SDGs. As presented below, the portfolio not only mitigates negative impacts but also creates positive outcomes for stakeholders. Portfolio's impact should continue to increase as companies scale.



New participants acquired in 2024



Acquired in 2024 by Cathay Innovation, these participations impact will be detailed in the next year report

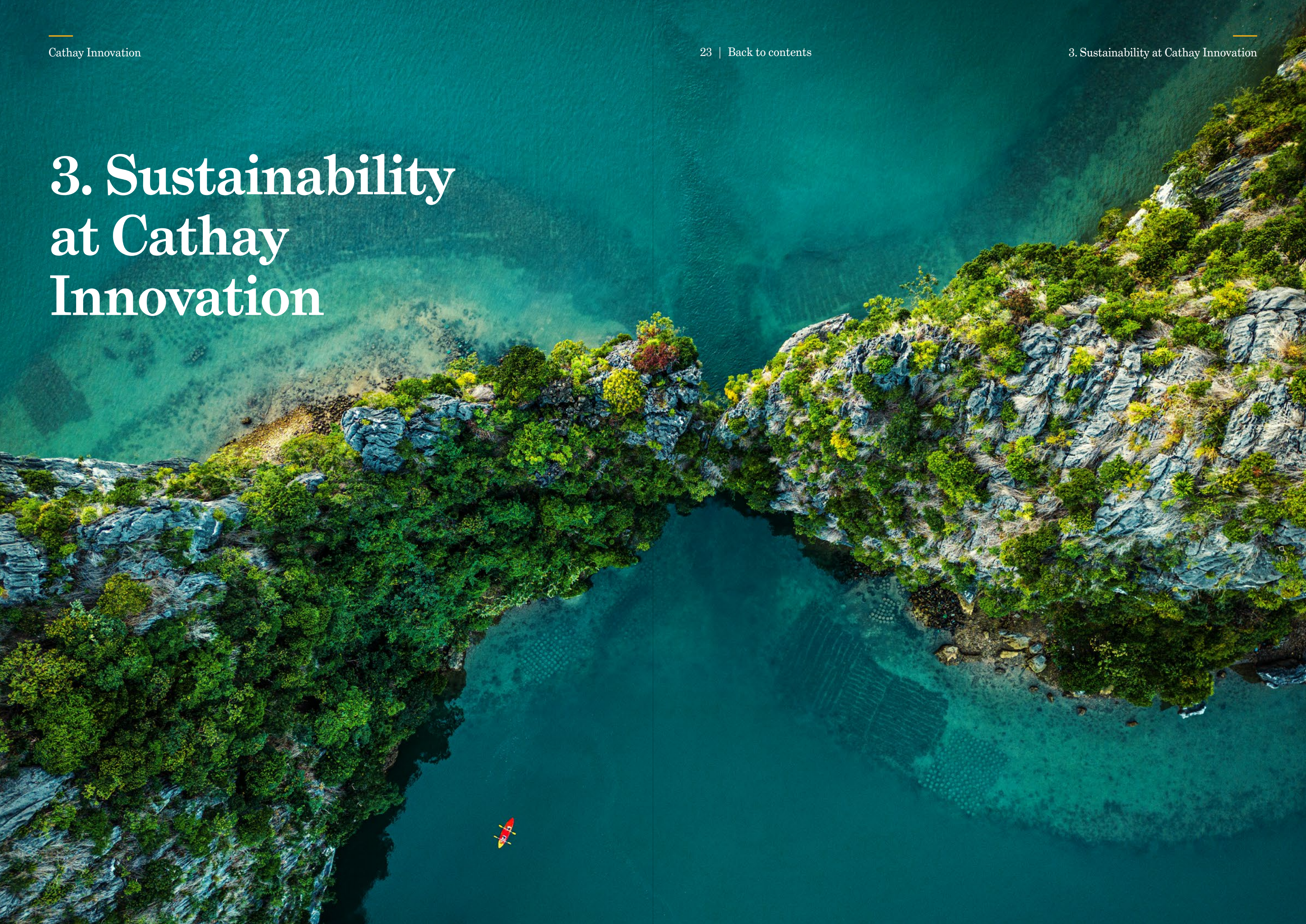


In 2023, 4 new investments have been made in the Innovation III fund: Reebelo, Ping ++, Ghost and Flowdesk. Reebelo and Ghost contribute to SDG 12, target 12.5 which aims at substantially reducing waste generation through prevention, reduction, recycling and reuse. Meanwhile, our portfolio companies within the Innovation II fund continue their contribution to the SDGs.

Please refer to the "Portfolio Impact" section, for more details including short descriptions of companies, key impact metrics and year-on-year progress.



# 3. Sustainability at Cathay Innovation





# Our vision and values

At Cathay Innovation, we envision a future where responsible and purpose-driven companies thrive. As investors, our aim is to identify and support the most promising companies that embrace sustainability principles, operate ethically, and drive meaningful innovation. We firmly believe that by empowering entrepreneurs, we can contribute to the development of resilient businesses that not only lead the markets of tomorrow but also foster a transition to a more sustainable and inclusive economy.

By effectively identifying startups worldwide, we are paving the way for transformative change across industries and society. We believe our vision enables us to create impactful partnerships, scale startups and deliver positive outcomes that benefit both the business world and society at large.



**Be the Change**  
We're committed to leaving the world better than we found it.



**Stay determined**  
We put in hard work every day believing that determination can move mountains.



**Add value, be useful**  
We exist to be useful to our stakeholders and partners in achieving their goals.



**One team for one world**  
A global company's biggest strength is diversity in cultures, backgrounds, perspectives, and knowledge.



**Do what you say**  
Sincerity, transparency, and trust is at the core of how we operate.



**Be grateful**  
When we drink water, we don't forget those who dug the well

# Our ambitions and commitments

At Cathay Innovation, we recognise that compliance is not only a goal to achieve but also a fundamental baseline in our journey towards sustainability. We strongly believe in delivering value with values and endeavour to create a positive impact across all our operations, aspiring to act as a catalyst for sustainable change.

1.

**As a company, we operate globally with agile and diverse teams, with a sense of responsibility everywhere locally**



**DIVERSITY IN ALL FORMS**



**ETHICAL CONDUCT**



**ENVIRONMENTAL FOOTPRINT**



**CYBER RISK & DATA PRIVACY**

2.

**As an investor, we create value for society by ensuring that sustainability is embedded not only in our processes but in every portfolio company.**



We are committed to being a **responsible investor**, working with companies that share our vision and respecting recognised international standards on sustainable investment. As such, we signed the **United Nations Principles for Responsible Investment (UN PRI)**, committing to monitor and report on ESG themes.



Cathay Innovation's **sustainability framework** uses the United Nation Sustainable Development Goals (UN SDGs) with the objective to help portfolio companies measure their positive impact.



Cathay is committed to the **UN Guiding Principles on Human Rights** and the **OECD Guidelines for Multinational Enterprises**. In this context, we address the issue of human rights systematically in our pre-investment due diligence approach. In addition, we encourage our portfolio companies to ensure **compliance with the International Labour Organisation's ("ILO") Core Labour Standards and Basic Terms and Conditions of Work**, as well as the **International Bill of Human Rights**, in line with the **UN Guiding Principles on Business and Human Rights**.



Cathay has been a member of the **iCI (initiative Climat Internationale)** since 2020. The iCI is the first initiative of Capital Investment in favour of companies' management and reduction of greenhouse gas emissions. The signatories of the iCI have decided to contribute to the objectives of COP21 to limit global warming to 1.5°C.



3. As an ecosystem partner, our mindset is to share best practices and proven solutions that are set to enable any entrepreneur willing to drive the transition with us.

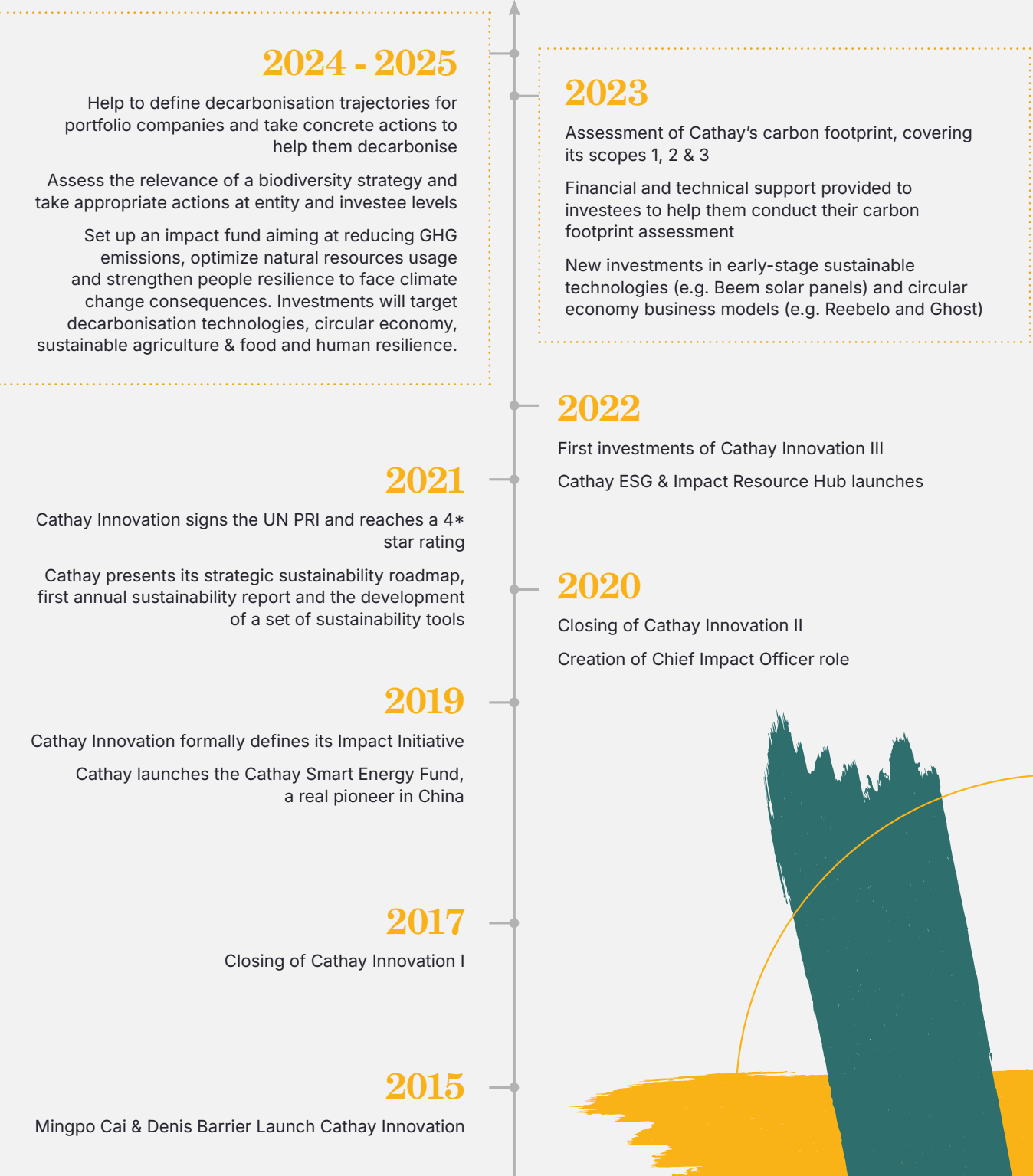
**FRANCE INVEST** Cathay is a member of France Invest network. This network provides access to financing opportunities, strategic support, and a powerful community of investors and entrepreneurs.

**SISTA** Cathay signed the Sista pledge (France), which aims to promote diversity in tech. Through the pledge, the Group commits to measure gender metrics in its investments and adopt inclusive practices in investment and recruitment processes. One of Cathay's Investment Directors is an active member of the Sista Initiative.



# Our sustainability journey

Throughout our sustainability journey starting in 2019, we have continuously strived to refine and enhance our impact initiatives. Our primary focus has been on defining and measuring the economic and social impacts of our portfolio companies. Through these efforts, we have aimed to assess their ability to promote sustainable development and drive meaningful and lasting positive impacts.





Our impact initiative serves several goals:

- 1 Align portfolio, companies, LPs and fund managers with shared sustainability values and ambitions.
- 2 Define qualitative and quantitative measures to assess and measure impact.
- 3 Provide feedback and reporting on a regular basis to fuel progress.
- 4 Ensure accountability.

Empowering Sustainable Action: Introducing the Cathay ESG & Impact Resource Hub

In 2022, we proudly unveiled the Cathay ESG & Impact Resource Hub, an innovative online platform aiming at fostering knowledge sharing, collaboration, and practical guidance among our portfolio companies. This hub serves as a toolbox, equipping organisations with the necessary resources to swiftly and effectively implement new ESG policies and initiatives.

What can portfolio companies achieve through Cathay’s ESG Impact Resource Hub?



Becoming a purpose driven company



Adapting a sustainable Data and AI governance



Learning about ESG & Impact frameworks



Selecting the right business partners



Upgrading the workplace



Acting for the environment & the climate





## Our ESG governance

At Cathay Innovation, ESG is at the core of our investment approach. We prioritise ESG at every level of our organisation, guided by strong governance and decision-making practices.

The leadership team, including the Chairman and Fund General Partner, oversees the management of Cathay, ensuring the integration of ESG principles into our operations, strategy, and decision-making. The Investment Committee plays a pivotal role in driving ESG-focused investment and exit decisions. In addition, Cathay appointed a Chief Impact Officer in 2020, Matthieu Van Der Elst, who is responsible for driving the development of our sustainability vision, roadmap, investment process, and tools for both Cathay Innovation and Cathay Capital.

Sustainability is integrated into every aspect of our work. Front-line investors actively incorporate sustainable practices in deal sourcing, board meetings, and more. Our Sustainability Ambassadors provide guidance to colleagues, ensuring the implementation of sustainable measures during transactions and portfolio reviews.

At Cathay Innovation, we firmly believe that sustainability is not just a separate consideration but an intrinsic part of the investment process. We are dedicated to supporting companies in maximising their impact as they grow, and to achieve this, sustainability is integrated into every step of the investment cycle.



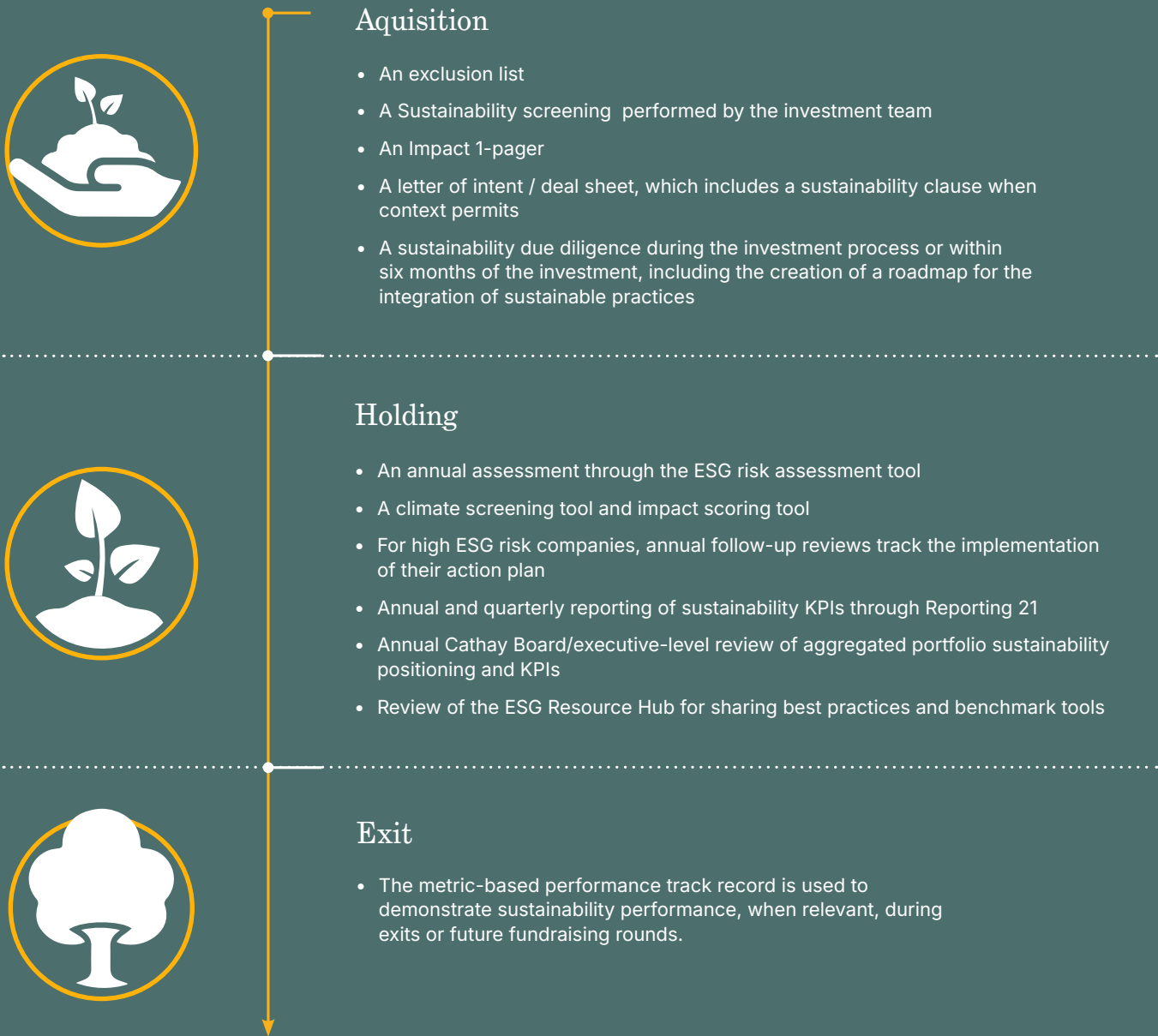


# Sustainability in our investment process

With the launch of Cathay Innovation III in 2022, these procedures were systematically rolled out during the investment process.

This process provides us with a comprehensive overview of each business, enabling us to identify key risks and opportunities in the short and long-term and to create long-lasting positive change while delivering significant value to all stakeholders.

The below table outlines Cathay Innovation’s sustainable investment process:



Please refer to Appendix D for more information on the various tools Cathay Innovation deploys to manage ESG and impact.

# Our sustainable investment framework

Cathay Innovation partners with visionary entrepreneurs leveraging technology for positive impact. Our sustainable investment framework guides pre-investment decisions, evaluating alignment with our goals. This ensures we collaborate with start-ups sharing our commitment to sustainability.

Our sustainable investment framework guides decisions and supports companies on their sustainability journey. We address ESG, climate, and impact across the value chain, fostering innovation and driving positive change. With our partner start-ups, we aim to create a more sustainable future.

	What is assessed?	Associated sustainability themes
IMPACT	<b>VALUE PROPOSITION</b> Impact of company products and/or services? Value it creates for society? Does it address objectively defined societal needs?	<ul style="list-style-type: none"><li>• Societal need addressed</li><li>• Contribution to SDG target(s) including, when relevant, contribution to a low-carbon economy transition</li><li>• Relative company impact performance</li></ul>
	<b>BENEFICIARIES</b> Which stakeholders benefit from company products and services? How underserved are they? What impact are these products and/or services on them?	
ESG	<b>FUNDAMENTALS</b> In a rapid growth context, what practices and measures are in place to ensure that the company is built upon solid ethical grounds, which in turn inform transparent decision-making?	<ul style="list-style-type: none"><li>• Vision and governance</li><li>• Business and data ethics</li></ul>
	<b>HUMAN RESOURCES</b> How are key, strategic human resources issues addressed and managed by the company?	<ul style="list-style-type: none"><li>• Talent attraction, retention, and development</li><li>• Diversity, equity, and inclusion</li></ul>
	<b>KEY BUSINESS PARTNERS</b> What is the company buying or outsourcing and what is the impact of this supply chain? Which business partners is the company working with?	<ul style="list-style-type: none"><li>• Environmental &amp; social impact of supply chain</li><li>• Supply chain management</li><li>• Human rights</li><li>• Climate risks and opportunities</li></ul>
	<b>KEY ACTIVITIES</b> What activities is the company handling directly? How can it limit or offset potential adverse environmental impact of its activities? How is the company engaging with its community?	<ul style="list-style-type: none"><li>• Operational eco-efficiency</li><li>• Circular economy and eco-conception</li><li>• Carbon footprint</li><li>• Climate risks and opportunities</li><li>• Community relations and thought leadership</li></ul>

CLIMATE



# Our collaborations

In order to build and refine our methodologies, along with the compilation of this report, Cathay received guidance, collaboration and recognised industry expertise from 4 complementary partners (PwC, Sirsa, Greenly and Skytech) to help portfolio companies with specific topics (carbon footprint, biodiversity, etc.).



## PwC: Sustainability Strategy

Founded in 1993 in France, PwC's Sustainability Strategy team now counts more than 70 dedicated experts and consultants. Our team relies on a strategic Global Sustainability platform, which brings together more than 2,000 sustainability professionals across 70 countries and manages a Sustainability Community of 150 sector and subject-matter experts within PwC France (finance, risk, transformation, supply chain, blockchain, data intelligence, economic modelling, etc.). Building on expertise spanning across all sectors of activity, our consultants support investors, banks, and companies of all sizes, to anticipate, integrate and implement the most innovative sustainability approaches.

Learn more:

<https://www.pwc.fr/fr/vos-enjeux/conseil-en-developpement-durable.html>



## Cority (ex-Sirsa): Reporting 21

Founded in 2014 in France, Sirsa is a consulting firm specialised in sustainable transformation. Its method is based on data activation to help organisations become more transparent and impactful. A team of over 30 consultants guides financial actors and companies of all sizes on ESG issues across their value chains, from analysing risks to reporting results. Sirsa's SaaS platform Reporting 21 facilitates data collection and analysis, among many other functionalities.

Learn more:

[www.sirsa.io/en](http://www.sirsa.io/en) | [www.reporting21.com](http://www.reporting21.com)



Founded in 2019, Greenly is a company dedicated to helping businesses and individuals track and reduce their carbon footprints. They offer a platform that automatically calculates carbon emissions, providing actionable insights for sustainability improvements. With a team of over 100 employees, Greenly combines expertise in environmental science, data analysis, and software development to deliver comprehensive sustainability solutions. They have expanded their presence internationally, assisting clients across various countries in their efforts to achieve greener practices and reduce their environmental impact.

Learn more:

[www.greenly.earth.fr](http://www.greenly.earth.fr)

# SKYTECH

Founded in 2018, Skytech is the carbon accounting platform of Sinosoft Technology. It offers a full range of products and solutions:

- Software as a service (SaaS): the Group provides enterprise customers with Monitoring, Reporting, Verification, and Optimization (MRVO) solutions, which includes emission data monitoring, reporting, verifying and carbon asset operating
- Platform as a service (PaaS): oOperations middle platform (account management, customer service, operations overview, etc.) + carbon database (standards, emission factors, modeling, forecasting, etc.)
- Infrastructure as a service (IaaS): all-in-one product solution with sensors and intelligent devices installed in factories to fulfill credibility requirements

Skytech's platform has served more than 6,000 enterprise customers from different industries such as steel, oil & gas, coal, electricity, photovoltaic, etc. and provided 36,600+ carbon emission reports.

Learn more:

[www.sinosoft-technology.com](http://www.sinosoft-technology.com)



# 4. 2023 Portfolio impact





# Portfolio impact

In this section, we highlight the impactful companies supported by Cathay Innovation that leverage technology to address sustainability challenges and contribute to the UN SDGs. Guided by six impactful investment themes, we support companies reshaping industries and improving crucial aspects of the economy and society. In 2023, these portfolio companies achieved consistent growth, enabling them to expand their influence and contribute to key UN Sustainable Development Goals (SDGs).

## 1. THE FUTURE OF FINTECH

SDGs Supported:



Our mission is to empower individuals and businesses through improved access and affordability of financial products. From credit services to addressing the financial implications of climate change, we make financial empowerment a reality.

Cathay Innovation II Portfolio Companies:



Beneficiaries:  
SMBs

### The solution

Unleashing the potential of SMBs by revolutionising the flow of B2B funding.

Fundbox's AI-powered financial platform empowers SMBs with a robust B2B payments and credit network

### The impact

**\$ 3 billion**

Total working capital unlocked for SMBs

Provided Flexible Working Capital Solutions to

**500,000+**  
Small Business



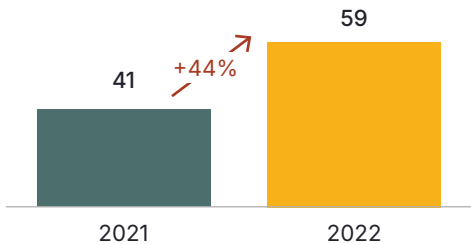
Beneficiaries:  
Global environment, governments, businesses

Descartes offers tech-driven insurance solutions to contribute to a more resilient world.

Innovative, customised, and affordable parametric insurance solutions to enhance resilience against climate change and other emerging risks

### The impact

Total number of public and private sector clients insured<sup>1</sup>



<sup>1</sup>To date, 2023 data are not available

## In-depth focus



Beneficiaries:  
Individuals

### The challenge

Formal financial services are inadequate in meeting the needs of a large portion of the global population. In Southeast Asia, particularly in Indonesia, 130 million people (half of the country's population) lack access to traditional bank accounts, and only 9.8% have access to credit, the lowest in the region. This underscores the urgent need to enhance financial inclusion<sup>1</sup>.

### The solution

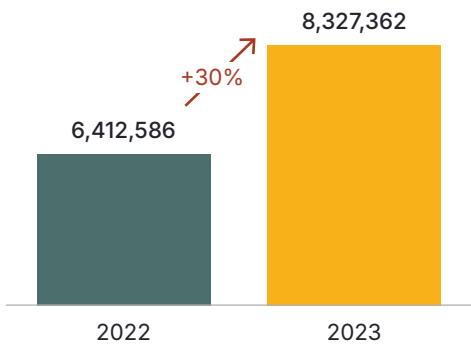
FinAccel is dedicated to delivering faster, more affordable, and easily accessible financial services to the underbanked population in Southeast Asia.

As the leading AI-enabled consumer credit platform in the region, it provides instant credit financing for ecommerce purchases and personal loans. By leveraging deep data analytics, FinAccel helps consumers build credit scores and improves financial inclusion.

### The impact

FinAccel is enabling a growing number of individuals throughout Southeast Asia to access credit by offering instant point-of-sale financing and personal loans.

Number of FinAccel customers accessing credit



...with a **94%** repayment rate in 2023 (vs. 91% in 2022)

<sup>1</sup>The World Bank 2022, Adoption of digital financial services



## 2. THE FUTURE OF HEALTHCARE

SDGs Supported:



Our mission is to enhance healthcare accessibility by providing support to companies involved in every aspect of the value chain. This includes accelerating research, expanding coverage, and facilitating efficient monitoring and treatment of chronic illnesses.

Cathay Innovation II Portfolio Companies:



BIOPTIMUS

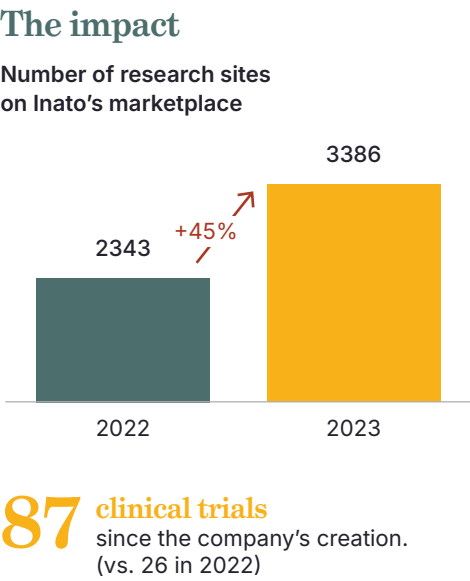
Acquired in 2024 by Cathay Innovation, this participation's impact will be detailed in next year report

Beneficiaries:  
Hospitals/  
Pharmaceutical  
companies

**The solution**

Accelerating clinical trials through AI, delivering new therapies faster and more affordably to patients.

Enabling biopharmaceutical companies to expand their patient base in clinical trials by unlocking untapped research opportunities.

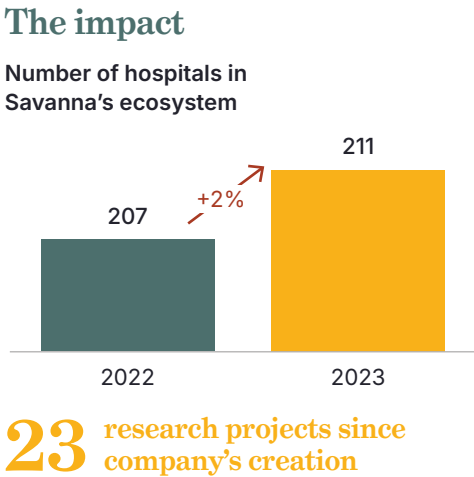


Beneficiaries:  
Hospitals/  
Pharmaceutical  
companies

**The solution**

Transform health records into valuable big data driving the acceleration of health science breakthroughs

Empowering providers with the ability to extract clinical value from electronic health records, ensuring maximum privacy and security.

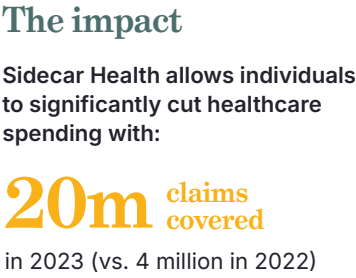


Beneficiaries:  
Patients

**The solution**

Affordable and inclusive insurance

Enabling consumers to make informed decisions about their healthcare by providing price transparency, choice, and customisation through a mobile app and debit card.

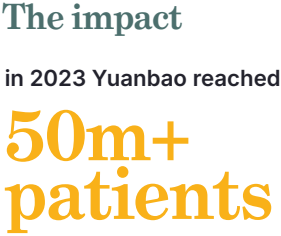


Beneficiaries:  
Patients

**The solution**

Facilitating the connection between patients and affordable, comprehensive health insurance products and services.

Yuanbao Insurance leverages the power of big data and AI to seamlessly connect users with tailored health coverage programs at the most competitive prices.





In-depth focus



Beneficiaries:  
Patients

The challenge

The healthcare system is facing immense challenges with an overwhelming number of cancer patients worldwide. With 67 thousand oncologists caring for 18 million new cancer cases annually, causing disparities in care<sup>1</sup>.

Patients spend an average of 7 minutes with their oncologists every 6 months, leading to treatment discontinuation<sup>2</sup>.

Additionally, there is a projected 52% increase in new cancer cases worldwide by 2040, rising to 29.5 million<sup>3</sup>.

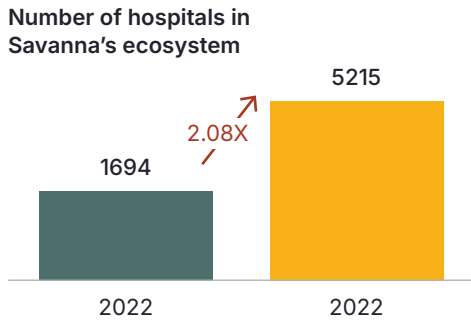
The solution

Introducing an advanced remote patient monitoring platform specifically designed to enhance support for cancer patients.

Resilience offers cancer patients a remote monitoring platform that connects them with their medical team, provides educational content, and fosters a supportive community.

Resilience provides Remote Patient Monitoring (RPM) solutions that deliver significant improvements in patients' health outcomes, catering to Southeast Asia's credit needs by offering instant point-of-sale financing and personal loans.

The impact



In almost  
**80%**  
of cases, patients feel better off after using Resilience's application <sup>4</sup>

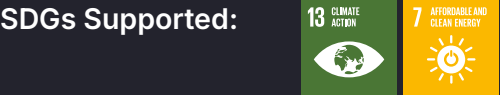
**-9.3%**  
Treatment-related toxicities (grade ≥ 3) <sup>4</sup>

**-1.62 days**  
of hospitalisations per patient per year <sup>4</sup>

**+5.2 %**  
of months overall survival for patients <sup>4</sup>

<sup>1</sup>IQVIA (OneKey) survey  
<sup>2</sup>Information provided by Resilience  
<sup>3</sup>American Cancer Society, World Health Organisation and Cancer.Gov  
<sup>4</sup>based on Resilience's website, For caregivers  
NB: Treatment-related toxicities refer to the adverse effects or side effects that occur as a result of medical treatments

3. THE FUTURE OF MOBILITY & ENERGY



Our mission is to expedite the shift towards a sustainable transport system by investing in companies that actively support the decarbonisation of the sector.

Cathay Portfolio Companies:



Acquired in 2024 by Cathay Innovation, this participation's impact will be detailed in next year report

In-depth focus



Beneficiaries:  
Customers

The challenge

Global electric car sales are soaring, exceeding 14 million in 2023. Electric car sales in 2023 were 3.5 million higher than in 2022, a 35% year-on-year increase<sup>1</sup>.

Despite the consumer demand driven by economic, climate, and environmental factors, the widespread adoption of EVs faces obstacles, including:

- Insufficient charging infrastructure (81 % in February 2024 for AC terminals current charging points, with disparities depending on terminal power<sup>2</sup>)
- Dysfunction of chargers
- Time-consuming charging process (30 minutes to an hour for a full charge)
- High costs associated with EV ownership.

The solution

Developing robust EV charging infrastructure to diminish the world's reliance on fossil fuels.

Wallbox designs smart EV chargers and a cloud platform called "My Wallbox" for real-time monitoring, control, and optimisation of charging. They play a key role in the EV market, driving sustainable mobility.

The impact

Wallbox is rapidly installing a growing number of EV chargers. As of 2023:

More than  
**1 million**  
chargers installed <sup>3</sup>

**4,3 billion**  
clean kilometres travelled by electric vehicles <sup>3</sup>

**564 000**  
tonnes of CO<sup>2</sup> avoided thanks to electric vehicles <sup>3</sup>

<sup>1</sup>IEA Global EV Outlook 2023  
<sup>2</sup>Beev the problem of public charging stations in France 2024  
<sup>3</sup>Information provided by Wallbox's website



## 4. THE FUTURE OF WORK

SDGs Supported:



We are committed to empowering companies that drive economic development by enabling entrepreneurs to transform their ambitions into reality and providing access to employment opportunities.

Cathay Innovation II Portfolio Companies:



Beneficiaries:  
SMBs

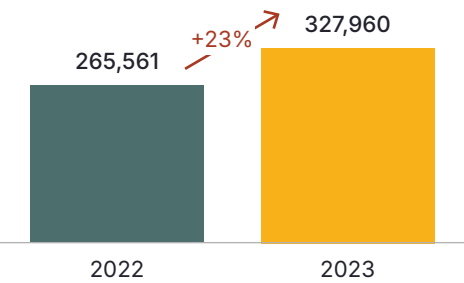
### The solution

Empowering aspiring entrepreneurs as business owners.

The platform acts as a one-stop solution, simplifying and making the process of starting, running, and growing a business accessible to entrepreneurs.

### The impact

Number of new businesses created since ZenBusiness' launch



Zenbusiness has helped start over **500,000** businesses<sup>4</sup>



Beneficiaries:  
Workers

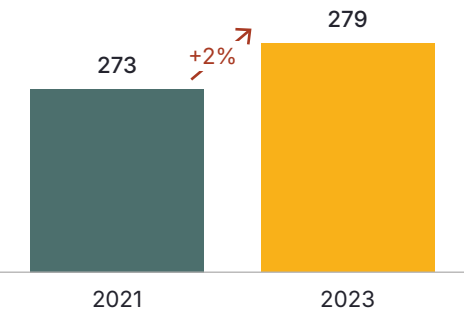
### The solution

Enabling remote teams to collaborate effectively and achieve remarkable growth

Introducing the world's first tech-enabled engine for remote teams, connecting companies with exceptional talent regardless of their location.

### The impact

Number of engineers on Terminal's platform<sup>1</sup>



<sup>1</sup>The data for 2021 and 2023 are compared to give a better perspective of the trend



Beneficiaries:  
Healthcare staff

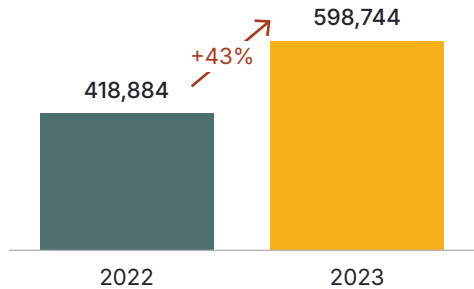
### The solution

The combination of technology and recruitment provides a solution to the global healthcare talent shortage.

Europe's leading job matching and career consulting technology company for healthcare professionals, offering unparalleled services and support in the industry.

### The impact

Number of new applications on Medwing's platform





## 5. THE FUTURE OF TECH & DIGITAL

SDGs Supported:

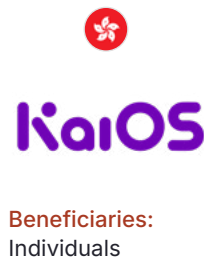


We are committed to supporting companies that develop software and hardware solutions to address a wide array of societal challenges, ranging from reducing greenhouse gas emissions to ensuring universal internet access for all.

Cathay Innovation II Portfolio Companies:



### In-depth focus



#### The challenge

Despite internet usage growing to reach 63% of the global population, over 2 billion people still lack access to the internet.

5% of the world's population cannot connect to the Internet. In Africa, the share is 18%. A further 32% of people on the planet (49% in Africa) are within range of a broadband network but are not online, due to lack of affordability, lack of access to a device, and/or lack of awareness, skills, or purpose<sup>1</sup>.

#### The solution

Internet access for the next billion people, creating opportunities for global connectivity.

KaiOS develops lightweight operating systems, enabling affordable digital products and services for global connectivity. Recognised on FastCompany's Most Innovative Companies list, KaiOS aims to bring mobile connectivity to billions in emerging markets. KaiOS is particularly well developed in India where the affordable digital connectivity challenge is the most pressing.

#### The impact

KaiOS is playing a vital role in connecting an increasing number of users to the internet with, in 2023<sup>2</sup>:

**175m**  
devices connected worldwide  
Active in more than **180 countries**

**898m hrs**  
of internet usage/month

**>64.63m**  
GB data delivered/month

<sup>1</sup>ITU; UNCTAD database; UNESCO-UIS database  
<sup>2</sup>Information provided by KaiOS



Beneficiaries:  
Individuals

#### The solution

Driving the rapid transition towards a smart economy.

Bouffalo Lab offers a single-chip solution that integrates multiple technologies. This innovative approach leads to cost reduction and lower power consumption, benefiting their customers.

#### The impact

In 2023,

**Only 5**

Bouffalo chips are needed to cover the Internet of Things (IoT) needs of an entire house, significantly less than conventional IoT chips.

Bouffalo chips are

**up to 2 times**  
**more energy-efficient**  
than comparable products.





## 6. THE FUTURE OF CONSUMER & RETAIL

SDGs Supported:



Our mission is to empower companies that aim to revolutionise the consumer experience and expedite the transition towards a sustainable consumption model. This includes initiatives such as diverting surplus e-commerce stock from ending up in landfills, reducing waste and promoting circular economy practices..

Cathay Innovation II Portfolio Companies:



GHOST



reebelo



GHOST

Beneficiaries:  
B2B

### The solution

#### Revolutionising Inventory Management with Access to Excess

Ghost is a B2B platform for brands and retailers to exchange surplus inventory, especially in the textile, cosmetics, and electronics sectors. Ghost's business model promotes resource efficiency and waste reduction by repurposing and refurbishing garments, with the aim of reducing CO<sup>2</sup> emissions and increasing circular economy practices and initiatives.

### The impact

Ghost's mission is to unlock the potential of the 92 million tonnes of garments that end up in landfills.

During the second half of 2023,

**\$10.3 million**

of garments avoided landfills/incineration thanks to Ghost's platform.



reebelo

Beneficiaries:  
Individuals

### The solution

#### Building APAC's (Asia-Pacific) circular economy for refurbished electronics

Founded in 2019, Reebelo is APAC's leading marketplace for second-hand technology devices. Their mission is to refresh the way consumers buy and use tech. Reebelo wants to reduce e-waste by building the circular economy platform for refurbished electronics. The platform sells electronic devices that have been refurbished.

### The impact

Since 2019, Reebelo has already helped to save

**20 tonnes**

of e-waste which is equivalent to

**5,000**

fewer greenhouse gas emissions and

**824 million**

litres of drinking water.



# 5. 2023 ESG performance results

Disclaimer: The published numbers are on a respondent basis, which means that the percentages provided refer to the companies that gave a response on specific questions or indicators in a given year (2022 or 2023) using the Reporting21 platform. This data may not represent companies that did not report anything for the particular indicator in question.

The results presented in this report are categorised based on the portfolio companies of Cathay Innovation Fund II and Fund III. Fund II comprises a total of 39 companies in the portfolio, while Fund III currently has only 5 portfolio company. As a result, the report primarily focuses on Innovation II results but will also outline Fund III results whenever relevant.



# Building a robust governance

## Best practices: Governance for startups

A strong board enhances early-stage companies by challenging founders, forming partnerships, and ensuring long-term growth. To maximise impact, follow these best practices.



**INDEPENDENT BOARD MEMBER**  
Have at least one independent member in the overseeing governance body to provide an external point of view and sectorial expertise.



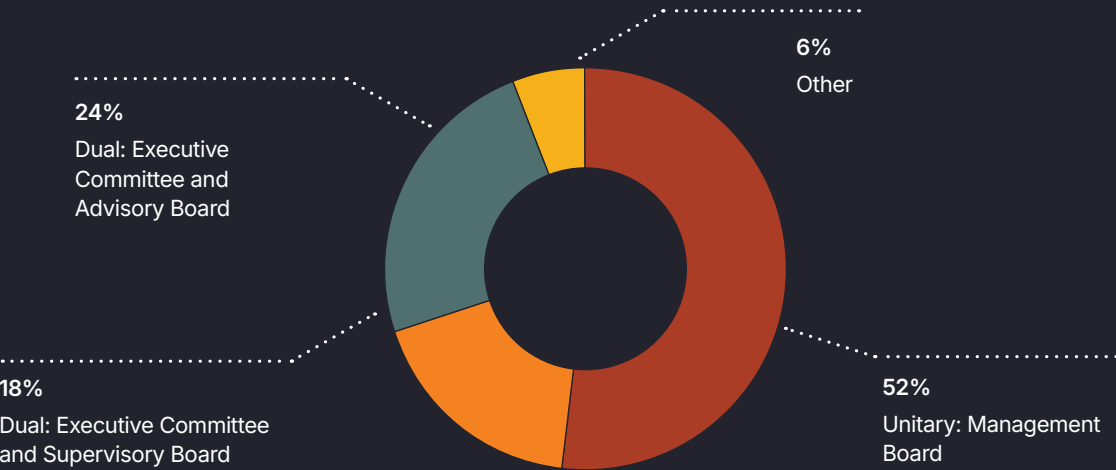
**DIVERSITY IN GENDER AND BACKGROUNDS**  
Increase diversity in leadership teams and governance bodies, wich has shown to increase revenue by bringing different perspectives on innovation.



**OVERSEE SUSTAINABILITY ISSUES**  
The board should be the first place where the social role of the company is shared and will set the tone for the entire company by making it a priority.

## Corporate governance

Strong corporate governance ensures long-term resilience and growth. There are several approaches: dual governance, with separate bodies for the Executive Committee and Supervisory Board; a dual approach, involving separate bodies for the Executive Committee and Advisory Board; or unitary governance, where a single Management Board oversees both executive and oversight functions. The choice among these approaches depends on the company’s specific situation and structure.



### Strengths and achievements



### INNOVATION III

All companies, i.e. Mologic, Reebelo, Ghost, Ping ++ and Flowdesk formalised their corporate values and mission, showcasing their purpose and strategic direction.

For instance, **Flowdesk** intends to “transform the crypto-financial industry by bringing greater transparency and control to token issuers over their financial needs”. **Reebelo**, for its part, is keen to “refresh the way technology is consumed by making device consumption affordable, sustainable, and delivered through a platform built on sustainable values and quality-assured devices”. Both missions testify the strong commitment of these companies to tackle sustainability issues, e.g. transparency to circular economy.

Robust corporate values and a defined mission contribute to employee engagement, a sense of belonging, and team spirit. This allows companies to foster a positive work culture, attract and retain top talent, drive innovation, and ultimately enhance company performance.

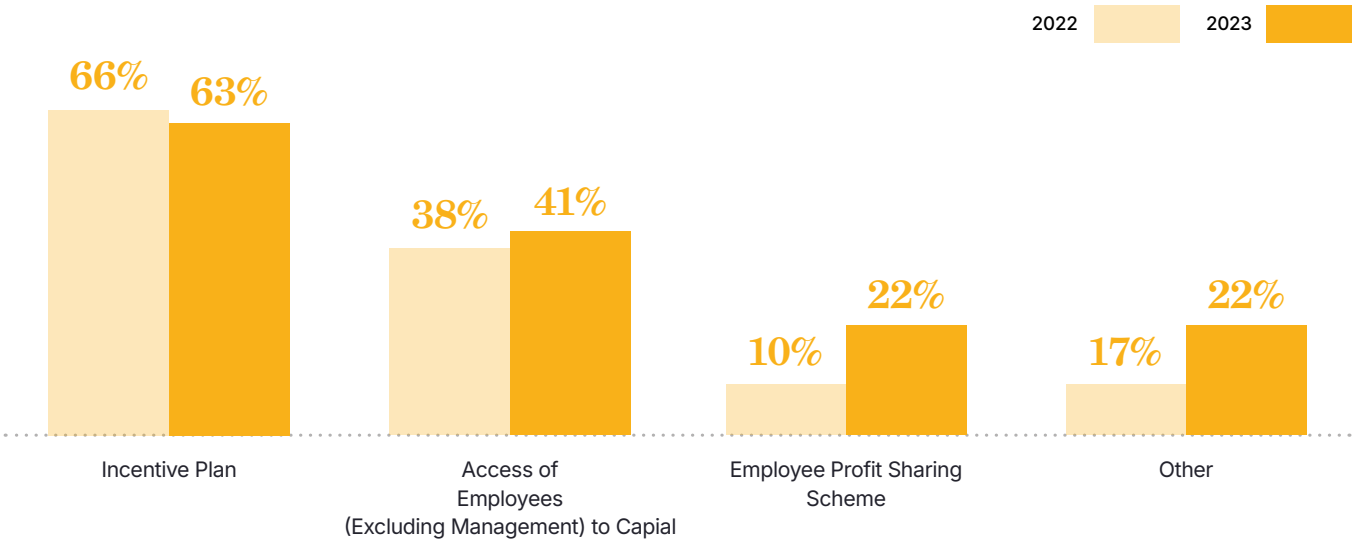
### INNOVATION II



Of the 91% of Innovation II companies with a value-sharing mechanism, several approaches have been adopted and combined by portfolio companies:

- **Access of employees to capital:** Employees can acquire stock options or equity, giving them a stake in the company’s growth and success.
- **Incentive plan:** Performance-based bonuses or rewards align employee efforts with company objectives, driving productivity and engagement.
- **Employee profit-sharing scheme:** A portion of company profits is distributed among employees, fostering a sense of ownership and motivating collective achievement.



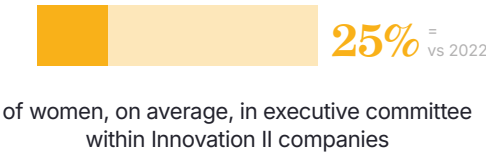


A value sharing mechanism aligns stakeholders' interests, promotes collaboration and equitable distribution of benefits. It is a lever in terms of employee morale, engagement, and retention. It enhances corporate culture and transparency, making companies more attractive to investors.

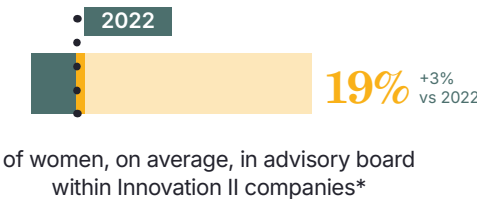
Finally, it supports sustainable growth by ensuring that the financial and social benefits of the company's success are shared among all stakeholders. It also promotes responsible governance by encouraging ethical decision-making and stakeholder trust, which are essential for the company's long-term viability and reputation.

Areas of improvement

INNOVATION II



Starting from 14% in 2020, our portfolio companies made significant progress (+11% in 3 years). We target an average of 30% women on its executive committee of our Innovation II portfolio companies by 2025.



INNOVATION III

In 2023, Flowdesk has one woman member out of 11 on the executive committee (9%). Flowdesk has thus room for improvement regarding gender equality at board level.

**On the contrary**, Ghost showcases robust performance regarding gender diversity at executive committee, with 3 women out of 9 members (33%).

Recognising that board gender diversity may be challenging for tech companies due to a traditionally male overrepresentation in the sector, Cathay Innovation is committed to support portfolio companies in ensuring equal opportunities and career development. With a more diverse board in portfolio companies, decision-making is enhanced thanks to more diverse perspectives, innovation is spurred, and risk management is better monitored<sup>1</sup>.

ESG Governance

We firmly believe that a sound governance system for ESG issues is beneficial to achieving a successful ESG transformation. ESG procedures and initiatives that are appropriately implemented and managed help to embed ESG principles within companies' operations and supply chain, and thus to improve ESG performance and business resilience in the long term.

Strengths and achievements

INNOVATION II



INNOVATION III

**Mogic** has appointed an ESG Manager or committee for ESG issues, showing its commitment to this issue.

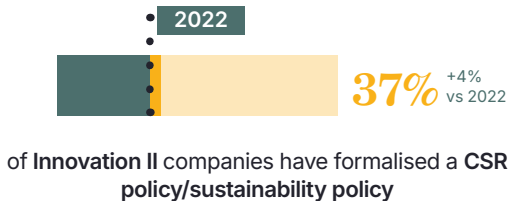
The assignment of ESG responsibilities emphasises that ESG issues are taken increasingly seriously within portfolio companies. Having a dedicated position for ESG shows that companies understand the crucial importance of ESG topics and of deploying resources to make the company progress in its sustainability journey, thus improving ESG performance in the short, medium, and long run.

<sup>1</sup> McKinsey & Company – Diversity wins: How inclusion matters, 2020  
\* Same % applies for supervisory boards.



Areas of improvement

INNOVATION II



We urge companies to formalise their efforts, adopt ESG strategies, and report on their progress. Nonetheless, we acknowledge that our portfolio companies are early-stage companies that grow faster than they can develop internal organization and structure.



FOCUS:



Laiye is a Chinese artificial intelligence company that specialises in robotic process automation and intelligent dialogue solutions.

Laiye has established a board of directors to oversee operations and ensure compliance with laws. In 2022, the company published its first ESG report, highlighting its commitment to ESG principles. To reinforce its ESG efforts, Laiye established internal structures like the Sustainable Development Committee and Working Group, responsible for

developing and implementing ESG policies. Moreover, Laiye follows the ESG General Rules incorporating measures such as promoting energy efficiency and implementing initiatives to reduce carbon emissions in its operations and fostering diversity and inclusion within its workforce. These comprehensive rules exemplify Laiye's commitment to sustainable and responsible practices by guiding the integration of ESG principles into its business operations.

# Data protection and business ethics

Cathay Innovation, a technology investor, prioritises data ethics and security. Effective management and monitoring safeguard helps to safeguard a company from any risks associated with its activities, while having better control over risks should they arise. The adoption of a code of conduct or ethical guidelines is considered a best practice.

## Best practices: challenging data ethics

In addition to data protection, there is an increasing focus on data ethics, which pertains to the collection and usage of data, particularly for technology companies. To establish ethical practices, a crucial initial measure involves the implementation of a data ethics checklist. This checklist serves to identify any potential concerns or problematic aspects in the handling of data. The key areas that a comprehensive data ethics checklist should cover include:



### Data collection

Informed consent, collection bias, actions taken to limit personally identifiable information, downstream bias mitigation.



### Data storage

Data security, right to be forgotten, data retention.



### Analysis of data

Missing perspectives, bias, honest representation, privacy.



### Modelling

Non-discrimination through proxy, fairness across groups, metric selection, explain ability.



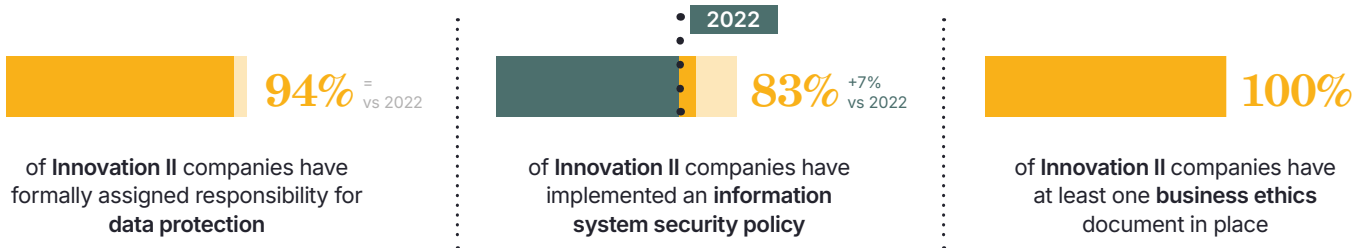
### Deployment

Prevent harm to users, concept drift.



Strengths and achievements

INNOVATION II



INNOVATION III

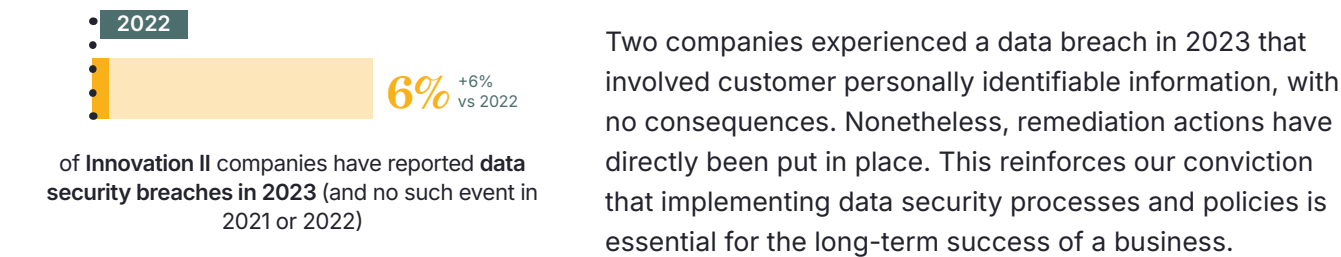
**Mogic**, **Flowdesk**, and **Ping++** have established a code of conduct or ethics, underlining their commitment to maintaining high standards within their operations. **Ghost** further demonstrates its commitment by implementing a comprehensive anti-corruption policy. It is worth noting that none of these companies has suffered data breaches in 2023.

Code of ethics, code of conduct, ethical guidelines, or anti-corruption policy are instrumental in defining companies' core values and promoting professional attitudes both within the workplace and in relationships with stakeholders.

Due to growing risks, Cathay will keep supporting the integration of data protection initiatives among companies across all portfolios to further limit risks.

Areas of improvement

INNOVATION II



INNOVATION III

Innovation III companies have not implemented any grievance mechanism yet.

Grievance mechanisms are important, especially for French companies, as they empower stakeholders by providing them with a platform to express their concerns. This fosters positive relationships between companies and stakeholders. Moreover, it is a requirement by regulation for French companies with more than 50 employees. To support companies, we will share good practices through the Resource Hub and assist in selecting providers to implement anonymous grievance schemes.





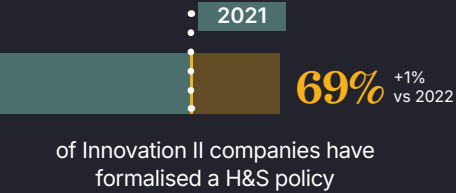
# Empowering people and talent

## Health & safety

Ensuring health and safety (H&S) of portfolio companies' employees is crucial to guarantee their wellbeing, engagement, and, ultimately, company-wide resilience. Cathay monitors portfolio companies through qualitative and quantitative indicators to assess companies' health and safety management systems.

Strengths and achievements

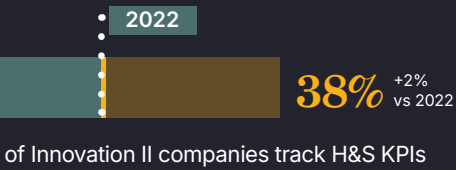
INNOVATION II



Health and safety policies provide guidelines and procedures to prevent accidents and illnesses in the workplace. The objective is to create a safe working environment for all employees, reducing the risk of workplace incidents and ensuring compliance with legal health and safety regulations.

Areas of improvement

INNOVATION II



Even though Innovation II companies continue to gain CSR maturity, H&S matters are not as material in the tech sector as for other sectors, such as heavy industry.

INNOVATION III

Mogic and Ping ++ have formalised a **Health and Safety Policy**. Ping ++ also tracks its **absenteeism** rate annually.

Monitoring health indicators makes it possible to guarantee a safer working environment (e.g. by reducing the accident rate), since more effective action can be taken to tackle problems. The aim is also to demonstrate the company's commitment to employee well-being, and consequently to improve employee morale and productivity.

## Human resources

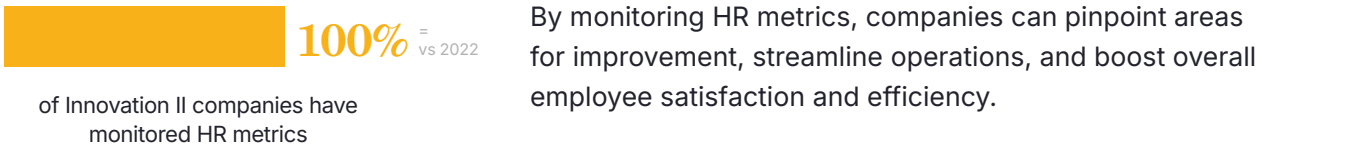
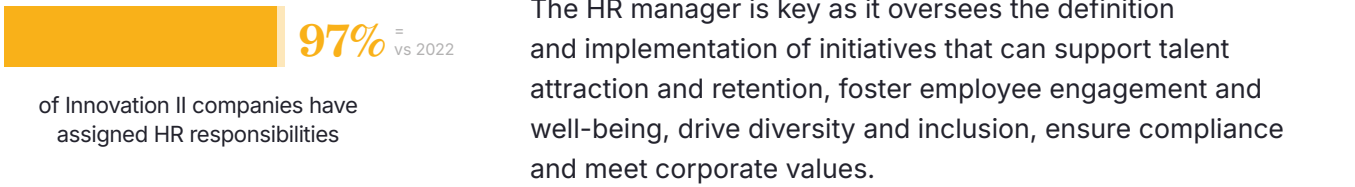
We are dedicated to fair and just processes within human resources among our portfolio companies. These efforts highly contribute to employees' engagement and retention. We understand the importance of implementing a strong human resources management framework and leveraging strategies to nurture talent, ensuring sustainable growth and long-term success.

## Best practices: boosting employee satisfaction

Employee satisfaction is key to startup success and retaining talent. We recommend the following best practices:

-  Develop a company culture based on respectful treatment of all employees
-  Open communication between employees and management
-  Offer career development opportunities to all employees (and visibility on next steps)
-  Provide challenging and exciting work opportunities
-  Recognise work done through feedback and incentives

Strengths and achievements

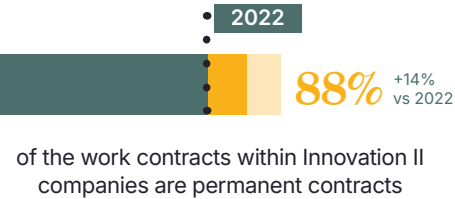






We are pleased that our Innovation II Fund has reached the goal of 80% of Innovation II companies conducting at least one annual satisfaction survey by 2025, accomplishing this target two years earlier than planned.

At Cathay, we recognise that such surveys allow companies to gather valuable insights and feedback directly from their workforce. This helps in understanding employee sentiments and identifying areas for improvement. We will continue our efforts to ensure that 100% of companies conduct at least one satisfaction campaign/survey among their employees, further enhancing employee engagement and satisfaction.



At Cathay, we recognise the significance of permanent work contracts as they offer stability, security, and added benefits for employees, enabling companies to cultivate a dedicated and motivated workforce. To enhance the prevalence of permanent work contracts within our portfolio, we will encourage portfolio companies to adopt transparent and equitable hiring policies that prioritise extending permanent contracts to candidates.

INNOVATION III

**Mogic** and **Flowdesk** have assigned HR responsibilities and defined HR metrics such as the employee turnover rate or the number of resignations and causes.

In addition, in 2023, **Mogic** and **Ping ++** have conducted at least one satisfaction campaign/survey amongst their employees. **Ghost** has conducted it twice a year.

FOCUS:



As part of their commitment to employee development, Medwing has established the MEDWING Academy, an online learning platform launched in 2021. The Academy offers a variety of courses to help employees stay up to date with industry standards and regulations. Medwing provides a comprehensive employee training program that combines online and in-person modules, mentorship, and coaching to equip new employees with the necessary skills and knowledge for success in their roles. The MEDWING Academy and employee training program collectively support the professional growth and success of Medwing employees.

FOCUS:



Sidecar Health is a health insurance company that puts members in the driver's seat of their care. The company offers a full-featured, flexible, low-cost major medical insurance plans for individuals and large group employers.

Sidecar Health's dedication to its employees is evident through a range of benefits, such as competitive salaries, comprehensive health insurance, and generous paid time off. The company's strong culture fosters empathy, transparency, and support, promoting a harmonious and thriving workplace.

Recognised as one of the 100 Best Start-up Employers of 2023 by Forbes, Sidecar Health's ranking highlights its commitment to employee satisfaction, reputation, and company growth, reflecting a robust and positive work culture.



# Diversity and inclusion

As shown by numerous studies<sup>2</sup>, diversity and inclusion are drivers of performance. At Cathay, we are committed to promote diverse and inclusive workplaces among our portfolio companies, specifically through gender parity.

## Best practices: fostering diversity, equity and inclusion (DE&I)

To foster DE&I, several best practices can be implemented to promote an inclusive and equitable work environment:



Establish clear **policies** to ensure all employees understand the expected behaviours and standards



Provide regular **training** on DE&I with a particular focus on raising awareness on unconscious biases



**Adapt recruitment processes** to attract candidates from diverse backgrounds by using varied recruitment channels and setting diversity targets



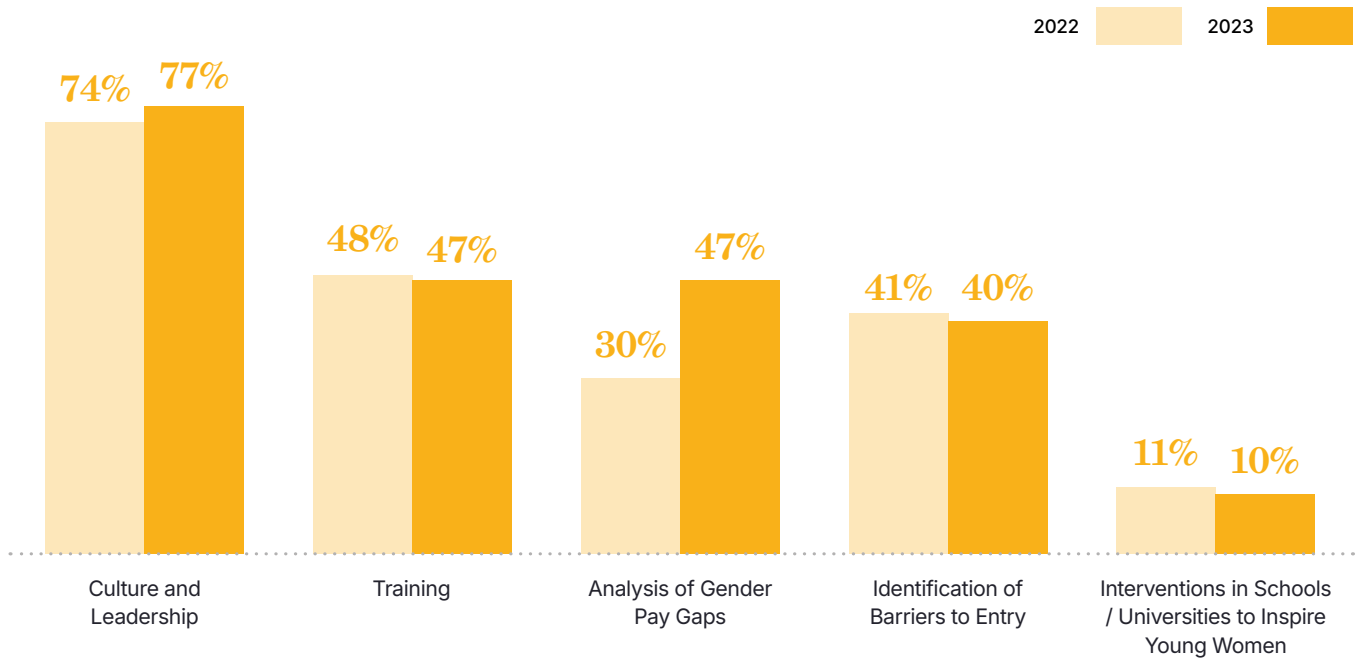
Create **mentoring and sponsorship programmes** to support the career development of employees from underrepresented groups, offering networking opportunities and career advancement



Regularly track progress on diversity and inclusion through **key performance indicators** and use this data to refine and improve existing strategies

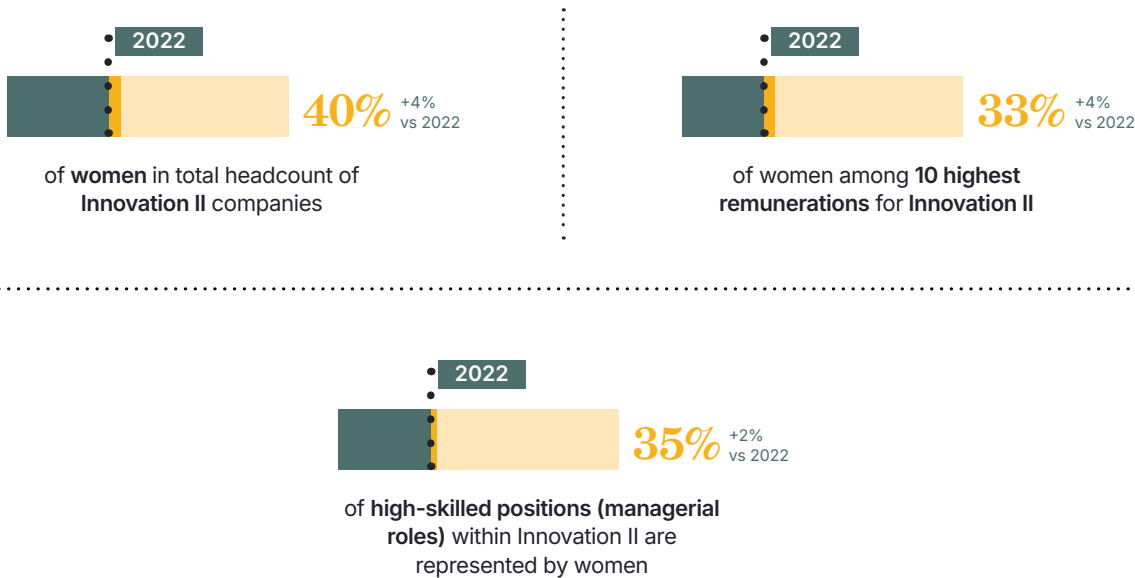
<sup>2</sup>Forbes – One More Time: Why Diversity Leads to better Team Performance, 2024

## Strengths and achievements



At Cathay, we acknowledge the importance of gender equality initiatives as they foster an inclusive work environment, enhance employee satisfaction, and drive innovation. By implementing these initiatives, companies can attract and retain top talent, improve decision-making through diverse perspectives, and therefore strengthen their overall performance. To promote gender equality within our portfolio, we encourage portfolio companies to adopt transparent and equitable practices that support the advancement of underrepresented groups and ensure equal opportunities for all employees.

## Areas of improvement





The Innovation II Fund is pleased to have achieved its target of 40% female representation within its portfolio companies, especially in a sector where women are underrepresented. Additionally, the Fund is committed to increasing female presence in managerial positions, demonstrating significant progress and continuing to support its companies in this endeavor.

INNOVATION III

At **Mogic**, the Company is committed to gender equality in the workplace. It firmly believes in providing equal opportunities and treatment for all employees, regardless of their gender. As part of this commitment, Mogic ensures that there is no wage disparity between women and men within the organisation.

Moreover, in 2023, **Flowdesk** had 3 women in **management positions** out of 25 managers.

Improving gender representation is crucial, as studies show that higher diversity in companies drives better performance. At Cathay, we will specifically focus on enhancing gender representation in European companies, especially with forthcoming regulations on the horizon.

FOCUS:

DESCARTES

Descartes is a French technology company that develops artificial intelligence solutions for the insurance industry.

Descartes is committed to promoting diversity and inclusion within its organisation. As part of this commitment, the company has signed the French Tech "Pacte Parité" in 2022. The "Pacte Parité" is an initiative that promotes gender equality and diversity in the workplace.

With employees from 25 nationalities and less than 50% French representation, Descartes embraces diversity. All managers receive non-discrimination training, and starting from 2023, it will be included in the onboarding process for new employees. Descartes is committed to creating an inclusive and respectful work environment for all.

<sup>3</sup>PwC – Global Diversity, Equity & Inclusion Survey, 2022

Engaging in environmental efforts

As a digital tech fund, the carbon footprint of Cathay Innovation’s portfolio companies is largely driven by digital consumption. While these emissions are less substantial compared to industrial or infrastructure funds, we acknowledge the importance of reducing the tech sector's digital carbon footprint. To address this, Cathay Innovation has begun measuring its carbon footprint and financially supporting its portfolio companies in doing the same.

Its scope 3 primarily comprises the carbon footprints of Innovation II and III portfolio companies. As of end of Q1 2024, **52% of portfolio companies measured their own carbon footprints, indicating that Cathay Innovation’s Scope 3 is expected to grow even further**, as more portfolio companies will assess their carbon footprints throughout 2024.





We've identified a series of concrete actions and best practices that early-stage companies can undertake to reduce their carbon footprint:

## Best practices: climate action for tech startups

Early-stage companies can take simple steps to reduce their carbon emissions. We recommend the following:



Conduct a carbon footprint assessment to identify key carbon intensive activities throughout the company's value chain (travel, data, centres, etc.)



Identify business risks and opportunities linked to climate transition and set up an action plan to integrate these elements into the company's business model



Use sustainable web hosting services (Green Cloud)



Source renewable energy for offices



Promote remote working to limit daily commute



Raise awareness among employees



Identify solutions with suppliers to reach climate action ambitions

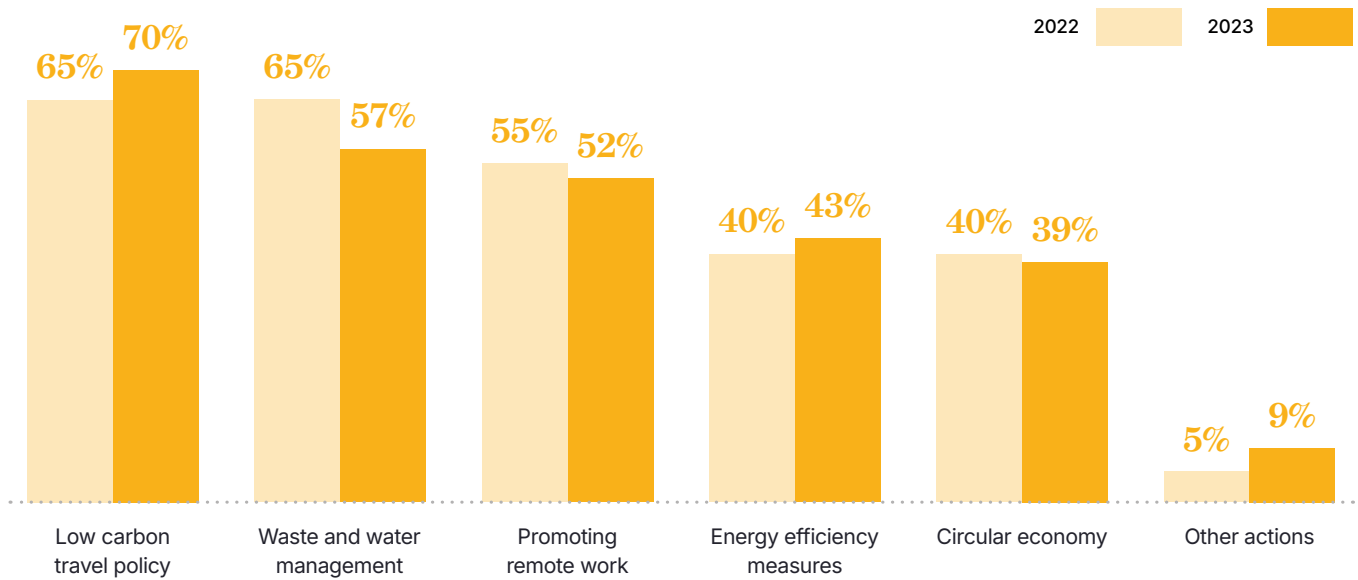
### Strengths and achievements



Despite lower environmental initiatives implemented compared to last year, portfolio companies continue acting to reduce their environmental impact.

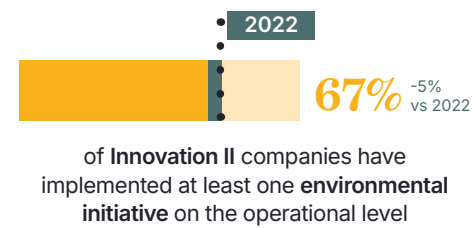
Companies have several levers to reduce their environmental footprint at the operational level:

- Promoting **working from home** and videoconferencing meetings.
- Implementing a **low carbon travel policy** to monitor and reduce the use of car and plane.
- Adopting **circular economy** measures such as the purchase and use of recycled / reconditioned electronic devices.
- Implementing **energy efficiency measures**, such as greencloud hosting, purchase of renewable energies, etc.
- Setting up initiatives to **lower waste and water consumption**.
- **Other actions:** adopting eco-design approach, reducing the impact on biodiversity, etc.



At Cathay, we encourage our portfolio to implement environmental initiatives that enable them to significantly reduce their carbon footprint and resource consumption, thereby helping to preserve the environment. Our portfolio companies adopt practices that promote remote working, low-carbon travel, circular economy or energy efficiency. Through these measures, we aim to inspire a culture of environmental responsibility that benefits both the planet and business performance.

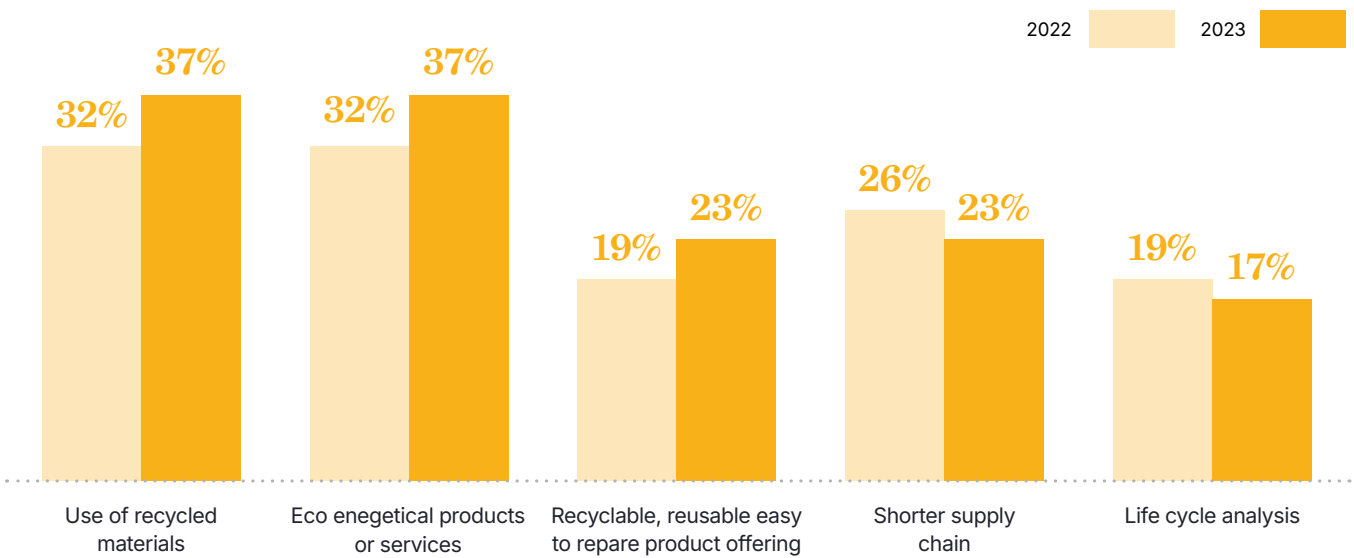




of **Innovation II** companies have implemented initiatives in their products and services to **reduce environmental impacts**, showing a positive evolution throughout time

Following a standout 2022 year marked by extensive environmental initiatives related to products and services implemented by portfolio companies, 2023 is also proving to be significant for such initiatives. Portfolio companies' initiatives cover the following themes:

- **Life Cycle Analysis:** A method for assessing the environmental impacts associated with all stages in the life of a product.
- **Shorter supply chain:** Reducing the distance and steps involved in production and delivery to minimise carbon emissions and increase efficiency.
- **Use of recycled materials**
- **Recyclable, reusable, easy to repair product offering:** Designing products that can be easily recycled, reused, or repaired to extend their lifespan, reduce waste, and promote a circular economy.
- **Eco energetical products or services:** Developing products or services that consume less energy or use renewable energy sources, thereby lowering their carbon footprint.



By adopting these tools and methods, our portfolio companies can reduce the environmental footprint of their products and services and therefore improve their sustainability performance (e.g. long-term cost savings, competitive edge in the market, etc.). Moreover, it reflects Cathay's commitment to fostering innovation and sustainability, ensuring that our investments contribute positively to the environment and society.

INNOVATION III

As detailed earlier in this report, two major societal trends are converging: digital and climate tech. This is highlighted through our initial deployment of Cathay Innovation III over the first 8 companies invested: 27% of our investments rely on companies whose business models help to address circular economy issues.

Areas of improvement

INNOVATION II



An environmental strategy is crucial for companies as it outlines sustainable practices, providing clear environmental guidelines and thus helping reduce companies' environmental impact. We are committed to assisting companies in formalising robust environmental strategies, providing support through clear roadmaps, objectives, and sharing templates and good practices via our Resource Hub.

INNOVATION III

**Ghost** and **Flowdesk** have planned to define an environmental policy in the coming years.

FOCUS:

DESCARTES

Descartes demonstrates its commitment to environmental responsibility and sustainability by assessing its carbon footprint, on scopes 1, 2 & 3. Analysis of the results enabled them to identify priority areas for action in the short, medium and long term, to reduce their CO<sup>2</sup> emissions.

A particular focus has been made on reducing greenhouse gas emissions from commercial flights. The company's underwriting guidelines further reflect their dedication to avoiding sectors such as materials and fossil fuels. Additionally, Descartes actively supports the renewable energy sector by providing quotes and binding policies, actively contributing to a more sustainable future.



FOCUS:



92M

Ghost's mission is to unlock 92 million tonnes of garments that end up in landfills a year.

At Cathay Innovation, we invested in Ghost, a B2B marketplace for brands and retailers to exchange surplus inventory, especially in the textile, cosmetics, and electronics sectors. Ghost's mission is to unlock the potential of the **92 million tonnes** of garments that end up in landfills.

Ghost's innovative platform is helping retailers and brands monetize surplus goods efficiently while reducing waste. By leveraging data science and technology, Ghost enhances inventory management and recovery rates, contributing to a more sustainable retail ecosystem.

Therefore, Ghost's business model promotes resource efficiency and waste reduction by repurposing and refurbishing garments, with the aim of reducing CO<sup>2</sup> emissions. It is a testament to Cathay's commitment to circular economy and climate change.

FOCUS:



20M

tonnes of e-waste saved by reeblo since 2019

Reebelo's business model aims to contribute to the development of the circular economy via the reconditioning of electronic devices (smartphones, computers, etc.). E-waste is one of the fastest growing waste categories on our planet. By shifting consumer electronics from a linear economy to a circular close-loop value chain, thereby enabling access to affordable and sustainable devices, Reebelo has helped to save **20 tonnes of e-waste** since 2019. It is equivalent to **5,000 fewer greenhouse gas emissions** and **824 million litres** of drinking water.

At Cathay Innovation, we also actively participate in the deployment of sustainability initiatives for the Singaporean refurbished marketplace. As such, our Deal Team and our Chief Impact Officer started to work with Reebelo's management to address its carbon footprint. For example, we helped Reebelo to implement an eco-responsible carbon compensation, which results in an emission compensation plan to reduce the carbon footprint associated with every purchase (plant trees, etc.). In addition, we supported Reebelo regarding the monitoring of impact KPIs on a quarterly basis, such as greenhouse gases saved (35,100 tonnes CO<sup>2</sup>eq), water saved (43.2 million litres) and devices sold (430K) as of Q3 2023.

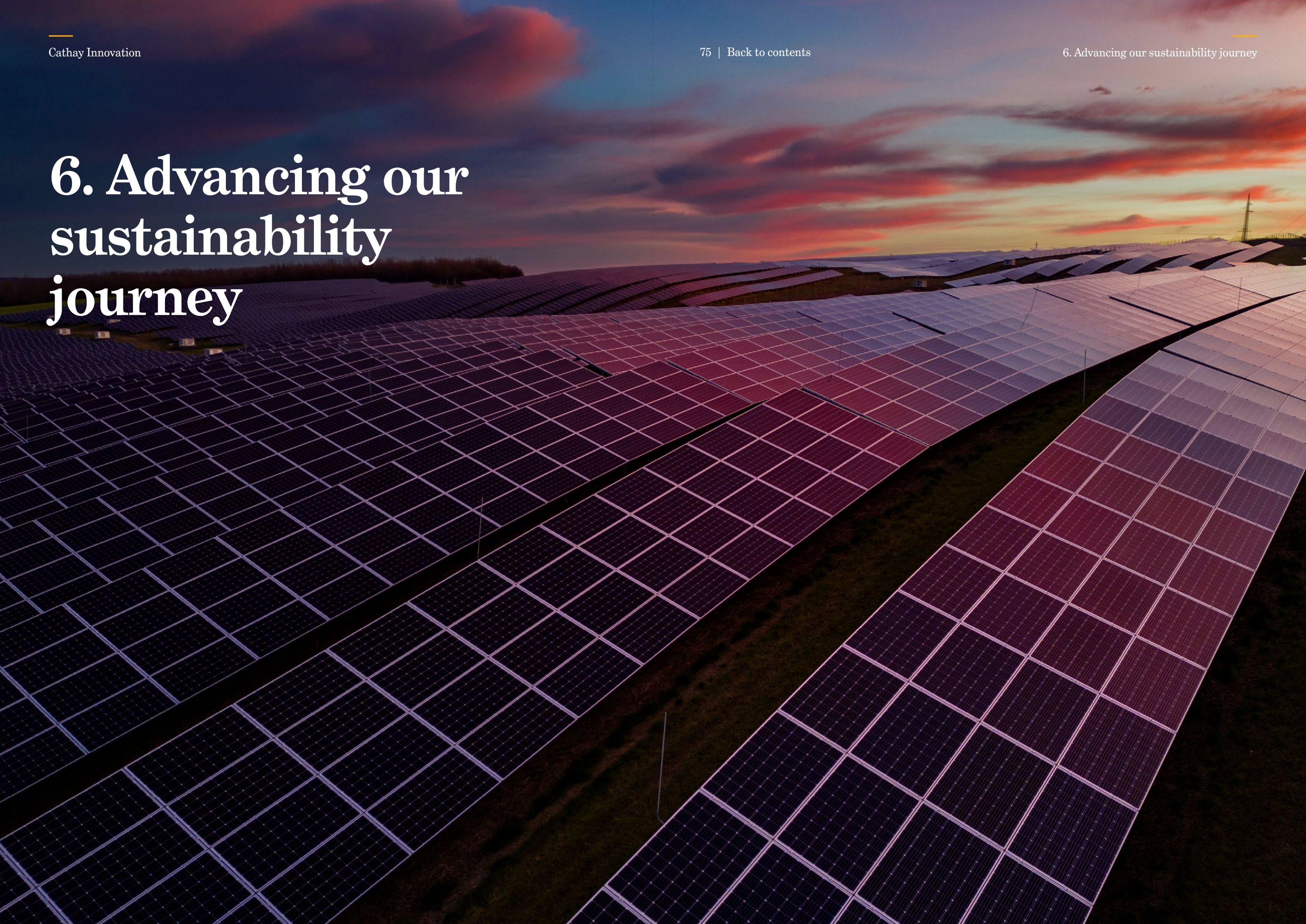
824M

litres of drinking water saved





# 6. Advancing our sustainability journey





# Advancing our sustainability journey: Our commitment to driving ESG Excellence

As we look towards the future, Cathay Innovation is committed to deepening its environmental initiatives and reinforcing its role as a player in sustainable venture capital, while continuing to support and develop outstandingly successful entrepreneurs and companies.

Our forthcoming actions reflect both our dedication to environmental stewardship and our strategic response to evolving regulatory and market demands.

## Climate Action: Continue to reduce our Carbon Footprint

In 2023, we took a significant step by initiating a comprehensive assessment of our Scope 1 and 2 emissions through a third-party evaluation. This transparency initiative marks the beginning of our journey towards more rigorous climate action. As we progress, we are expanding this effort to include Scope 3 emissions, focusing on the carbon footprints of our investees. By partnering with Greenly and Skytech—global leaders in carbon management—we are equipping our portfolio companies with the tools they need to calculate and manage their own carbon footprints.

Looking ahead, our goal is to leverage this data to set ambitious reduction targets aligned with the Paris Agreement's 1.5°C trajectory by 2030. This commitment will be a cornerstone of our strategy, driving ongoing improvements and adaptations to enhance our climate impact. Furthermore, we will transparently report our carbon footprint assessments and progress in our future ESG reports, reinforcing our accountability and commitment to sustainability.

## Biodiversity: Establishing a Framework for Action

Recognising the critical role of biodiversity, we are currently assessing the relevance of defining a global biodiversity strategy with associated key performance indicators. This strategy will include defining relevant KPIs and taking concrete actions to assess and manage biodiversity impacts and dependencies, especially when material biodiversity impacts and dependencies will be demonstrated.

In the short term, we will utilize the Encore tool to screen the biodiversity impacts and dependencies of our portfolio companies, followed by an analysis using the Integrated Biodiversity Assessment Tool (IBAT) to evaluate proximity to sensitive biodiversity areas. Through these assessments, we will determine the most relevant biodiversity KPIs and develop a comprehensive approach to measure and report on these metrics by 2025 where relevant.

## Innovation Fund III & Impact Fund: Investing in the Future of Sustainability



As we approach the final stages of raising the Innovation Fund III, which is set to exceed €1 billion in assets under management, our focus will be on identifying and supporting companies that exemplify a strong commitment to sustainability.

Additionally, in 2024, we will launch Cathay Resilience, an impact fund dedicated to advancing decarbonisation technologies, and fostering circular economy and strengthening people resilience.

This early-stage fund represents a strategic effort to channel resources into initiatives that offer substantial environmental benefits and drive long-term impact:

- reduce GHG emissions.
- reduce natural resources usage with more efficiency.
- support solutions for people facing climate change consequences (health & well-being).

These initiatives underscore Cathay Innovation's proactive approach to ESG: being not only compliant but concretely active for and with entrepreneurs to impact the world.

By measuring portfolio carbon footprints, assessing the opportunity to develop a robust biodiversity strategy, and investing in transformative sustainability solutions, we are ensuring we meet the rising expectations of stakeholders and capitalize on emerging opportunities in the realm of environmental and social governance.



# Appendixes

## Appendix A: Cathay Innovation’s Resource Hub

In 2021, Cathay Innovation launched the Cathay ESG & Impact Resource Hub, an online platform aimed at sharing informational content and best practices with portfolio companies. The Resource Hub serves as a practical toolbox to facilitate the rapid implementation of new ESG policies and initiatives. For example, companies interested in adopting a Sustainable Procurement Policy can access a checklist and policy examples on the platform.

The Resource Hub covers a broad range of ESG topics relevant to companies, including Human Resources, Data Governance and Ethics, and Climate Action.

Furthermore, the Resource Hub is accessible to employees, supporting upskilling and ensuring that every frontline investor develops a good understanding of ESG and impact.

### Overview of the content available in Cathay Innovation’s ESG & Impact Resource Hub

CATHAY'S ESG & IMPACT RESOURCE HUB
Becoming a purpose-driven company
→ Purpose and value creation
Learning about ESG & impact frameworks
→ UN SDGs/Formalizing and measuring impact/Getting certified/Educating employees on climate change
Upgrading the workplace
→ Governance
→ Compensation & Benefits
→ Diversity & Inclusion
→ Employee well-being
→ Sustainable workplace
Adopting a sustainable Data & AI governance
→ Data privacy/GDPR
→ Green IT
→ Green cloud
→ Unbiased algorithms
→ Ethical data annotation
→ Synthetic data
Selecting the right business partners
→ Software to assess your business partners
→ Supply chain
Acting for the environment & the climate
→ Carbon footprint analysis
→ Carbon offsetting solutions

## Appendix B: Framework

We have developed internal tools to measure companies' impact and assess their exposure to climate physical and transition risks. To ensure robustness, we relied on widely recognised standards and frameworks.

For our impact measurement approach, we leveraged the framework developed by the Impact Management Project (IMP), an international organisation that brings together various stakeholders to establish a global consensus on measuring and reporting impact on people and the environment. According to the IMP, there are five complementary dimensions to understand and measure impact:

1. **WHAT** – This dimension focuses on the main Sustainable Development Goal (SDG) the company contributes to and its performance on associated metrics.
2. **WHO** – It identifies the stakeholders experiencing the outcome and assesses their level of underservice.
3. **HOW MUCH** – This dimension quantifies the extent of the company's positive or negative contribution and the number of beneficiaries reached.
4. **CONTRIBUTION**- It evaluates how efficiently the company addresses the SDG target compared to alternative solutions.
5. **RISK** – This dimension explores potential positive or negative unexpected impacts.

Using this framework, we developed our own impact measurement approach, detailed in Appendix D, which provides an overall impact score out of 100 for each portfolio company. Based on this score, companies are positioned on the IMP's spectrum, ranging from "causing harm" to "contributing to a solution," reflecting their level of contribution towards attaining the UN-defined SDGs.

### TCFD / CDP / SASB

Cathay Innovation developed its climate screening methodology based on guidelines from:



- the Task Force on Climate-related Financial Disclosures (TCFD) which developed recommendations on the types of information that companies should disclose to help investors appropriately assess and price climate risks,



- the Sustainability Accounting Standards Board (SASB)'s Climate Risk Technical Bulletin which provides an overview of climate risks and opportunities per sector.



- the 2019 Carbon Disclosure Project (CDP) "Major risk or rosy opportunity" report which also describes the climate risks and opportunities faced by companies based, among other things, on the industry in which they operate.



Appendix C: Exclusion List

- Activities involving any use of forced labour or child labour;
- Activities that are illegal under the law of the host country or under international treaty, convention or regulation, in particular activities not consistent with the Kimberley Process concerning trade in diamonds and activities counter to the International Tropical Timber Organisation (ITTO) agreement;
- Production of, or trade in, arms or ammunition;
- Production of, or trade in, alcoholic beverages (other than beer and wine)
- Production of, or trade in, tobacco; and alternative tobacco products, such as
- Gambling, casinos and equivalent activities;
- Trade in wildlife and products within the scope of CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora);
- Production of, or trade in, radioactive materials;
- Production of, or trade in, or use of, asbestos;
- Commercial deforestation or purchases of equipment for such purposes in tropical rain forests;
- Production of, or trade in, products containing polychlorinated biphenyl (PCBs);
- Production of, or trade in and storage or transport of significant volumes of dangerous chemicals, or the use of dangerous products for commercial purposes;
- Production of, or trade in, pharmaceutical products subject to international prohibition or destruction requirements;
- Production of, or trade in, pesticides or herbicides subject to international prohibition or destruction requirements;
- Production of, or trade in, ozone depleting substances subject to international destruction requirements;
- Fishing at sea with the use of floating nets of a length exceeding 2.5 km;
- Production on, or investment in, land belonging to, or claimed in an adjudication process by, an indigenous people without the duly documented agreement of the same people;
- Activities contrary to applicable ADS or IFC policies (whichever is stricter in the case concerned)
- Threats to the status of individuals, leases, companies or private institutions;
- Production or distribution of, or trade in, pornographic material;
- Prostitution;
- Products and commodities subject to French or European embargo;
- Companies which realise their turnover in any Prohibited Activities;
- Companies which would not represent due compliance with the minimum requirements relating to Employment Conditions or regarding which the Management Company would reasonably determine that they would not comply with these conditions;
- Companies which are established or have part of their businesses activities in any country listed as a non-cooperative country and territory by the Financial Action Task Force on anti-money laundering and terrorist financing;
- Companies which are established or have part of their business activities in any country which is subject to sanctions imposed by the European Union pursuant to the procedure set forth in articles 96 and 97 of the agreement amending the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou;
- Companies which are established or have a substantial part of their business activities in any country listed as tax heaven or a non-cooperative jurisdiction by the OECD; or
- Other investment funds or other pooled investment vehicles, except that the Fund may invest its available cash in money market funds or other short-term negotiable instruments for non-speculative purposes.
- Companies that generate more than ten percent (10%) of its turnover in coal activities, including but not limited to, coal mining and /or energy production and / or coal electricity. \*

\* Only applicable to Innovation III fund

Appendix D: Scoring & Screening Tools

Cathay's ESG Scoring Tool at a Glance

Objectives	<ul style="list-style-type: none"><li>• Assessment of the Company overall ESG maturity</li><li>• Provide a follow-up action to be implemented by Cathay Innovation to track</li></ul>
Methodology	<ul style="list-style-type: none"><li>• The assessment of the Company is based on answers to questions on the topics of Governance &amp; ethics, Human Resources, Climate &amp; Environment impact, External stakeholders (all included in the Reporting questionnaire)</li></ul>
Inputs	<ul style="list-style-type: none"><li>• Responses on 22 questions from the Reporting questionnaire</li></ul>
Outputs	<ul style="list-style-type: none"><li>• For each company, the tool calculates a rating: at risk, starting up</li><li>• (Potentially unaddressed ESG risks), formalised approach, leadership</li></ul>

Cathy's Impact Scoring Tool at a Glance

Objectives	<ul style="list-style-type: none"><li>• Identity which companies positively contribute to the achievement to an SDG target through their value proposition</li><li>• Assess the extent of contribution &amp; compare companies across the portfolio</li><li>• Issue recommendations to maximise impacts (due diligence)</li></ul>
Methodology	<ul style="list-style-type: none"><li>• The assessment is based on the 5 IMP dimensions: what, who, how much, contribution, risks. Each dimension is scored using a set of qualitative data</li></ul>
Inputs	<ul style="list-style-type: none"><li>• Quantitative KPIs tailored to each SDGs target, Company (collected through the quarterly impact questionnaire) and country context (database update required annually)</li><li>• Qualitative assessment (by external experts, during due diligence, and deal teams)</li></ul>
Outputs	<ul style="list-style-type: none"><li>• For each Company, an Impact score is calculated on a scale from -100 to 100</li><li>• The tools gives an overview of Cathay Innovation portfolio companies' impact</li></ul>

Cathay's Climate Screening Tool

Objectives	<ul style="list-style-type: none"><li>• Assess the Company climate-related risks and opportunities on 9 major climate-related financial risks and opportunities to propose a tailored approach to climate change issues</li><li>• Assessment of the relevance of performing a carbon footprint for the Company based on the type of products/services provided, whether physical products are put on the market by the Company and potential avoided emissions</li></ul>
Methodology	<ul style="list-style-type: none"><li>• The approach analyses the materiality of drivers for potential financial impact on costs, revenues and assets/capital identified by the CDP for each Company based on SASB's Climate Risk Technical Bulletin and climate indexes</li><li>• It is also aligned with the IC international climate assessment</li></ul>
Inputs	<ul style="list-style-type: none"><li>• Quantitative KPIs tailored to each SDGs target, Company (collected through the quarterly impact questionnaire) and country context (database update required annually)</li><li>• Qualitative assessment (by external experts, during due diligence, and deal teams)</li></ul>
Outputs	<ul style="list-style-type: none"><li>• Materiality assessment for transition opportunities, transition risks and physical risks for each Company</li><li>• Level of materiality of a carbon footprint and avoided emissions for the Company</li><li>• Recommendations tailored to each Company (ex: climate deep dive, climate action plan)</li></ul>



Appendix E: Sustainable Finance Regulation & Standards  
| Cathay Innovation’s Response

Regulation / Framework	Short Description	How Cathay Innovation is addressing it
Sustainable Finance Disclosure Regulation (SFDR)	The SFDR's overarching goal is to foster greater transparency in the financial sector and combat greenwashing.	Cathay Innovation II fund is classified under Article 6 of the Sustainable Finance Disclosure Regulation (SFDR).
	<p>To do so, the SFDR creates classification to evaluate the sustainability level of financial products:</p> <p>Article 9 – financial products designed to pursue a sustainable investment objective</p> <p>Article 8 – financial products that promotes environmental and social characteristics</p> <p>Article 6 – mainstream products that are not classified as article 9 or 8</p> <p>The regulation also demands a greater level of transparency at both the entity and the product level. For instance, entities must now disclose their policy on integrating sustainability risks into investment decisions and will have to publish a series of aggregated sustainability KPIs (principal adverse impact) from 2023 onwards.</p> <p>Similarly, at the product-level, new disclosures must be included as part of pre-contractual documents and periodic reporting. Disclosure obligations depend on the financial product's classification.</p> <p>The SFDR applies to financial market participants, credit institutions, as well as investment firms providing portfolio management services.</p>	<p>As such, the fund is expected to disclose the following information:</p> <p>- How sustainability risks are integrated into investment decisions/investment advice.</p> <p>- How the fund considers its main negative impacts.</p> <p>In 2022, Innovation Fund III achieved its first closing and became Cathay Innovation's first Article 8 SFDR fund. It is thus subject to additional disclosure requirements and published its first periodic report in May 2023 detailing:- The environmental and social characteristics promoted by the fund and actions taken to meet them;</p> <p>- How the fund considers and addresses its main negative impacts on sustainability factors;</p> <p>- Its alignment with the EU Taxonomy.</p>
Article 29 of the Energy-Climate Law	<p>The Article 29 of the Energy-Climate Law replaces Article 173 – VI TECV and supplements the SFDR. Published in 2021, it provides a framework for extra-financial reporting by defining the information to be published on the inclusion of ESG quality criteria in the investment policy and on the means implemented to contribute to the energy and ecological transition.</p> <p>As such, all asset management companies must now publish a dedicated annual report on their website.</p>	Managing more than 500M€ euros of assets, Cathay Innovation is subject to all the elements required relating to the financial year 2022. The 2022 report was published end of June 2023 on Cathay’s website and on the ADEME platform and constitutes the fund’s annual compliance by responding to its regulatory requirements..

Regulation / Framework	Short Description	How Cathay Innovation is addressing it
EU Taxonomy	<p>The EU Taxonomy provides clear rules about which activities can be classified as sustainable. The EU Taxonomy's overarching goal is to foster greater transparency, combat greenwashing and funnel capital to sustainable activities.</p> <p>The EU Taxonomy identifies activities that serve six environmental objectives:</p> <p>climate change mitigation,</p> <p>adaptation to climate change,</p> <p>sustainable use of water and marine resources,</p> <p>circular economy,</p> <p>pollution prevention and control,</p> <p>prevention and restoration of biodiversity and ecosystems.</p> <p>To be deemed 'aligned with the EU Taxonomy', activities must:</p> <p>be listed among the eligible activities,</p> <p>substantially contribute to at least one of the objectives mentioned above,</p> <p>not negatively impact the other objectives (do no significant harm principle),</p> <p>comply with minimum safeguards.</p> <p>From 2022 onwards, financial companies operating in the EU will have to report on specific KPIs related to the first two objectives of the EU Taxonomy (e.g., % of investments that are aligned with the EU Taxonomy).</p>	As stated in Innovation III's periodic report and in Cathay Innovation's Article 29 report, Cathay Innovation has verified the possibility to collect Taxonomy-related KPIs from investee companies. However, the information collected does not allow to draw conclusions on the alignment of the Fund’s investments with the EU Taxonomy. Consequently, no investment is qualified as Taxonomy-aligned to date.
Paris Agreement	<p>The Paris Agreement is an international treaty on climate change which was adopted by a vast majority of countries in 2015. Its goal is to limit global warming to well below 2°C – though preferably 1.5°C – compared to pre-industrial levels.</p> <p>Since then, the Paris Agreement has become the reference framework when it comes to climate change. Many countries or groups of countries are using the framework defined by the Paris Agreement to guide policymaking.</p> <p>The EU’s Green Deal, for instance, was designed to help the union become the first climate neutral continent by 2050 – a necessary condition to keep in line with the Paris objective.</p> <p>The private sector is also embracing the Paris Agreement. SBTi, for instance,</p> <p>measures companies’ and investment funds’ decarbonisation efforts against the Paris objective.</p>	Please refer to section 5.3 for a description of the efforts deployed by Cathay Innovation to address climate change and move towards the objectives defined by the Paris Accord.

\*By design, the descriptions provided are not comprehensive but rather focus on key and material topics for Cathay Innovation. The descriptions are based on information published to date, which could be subject to change.



Correlation table with the provisions of Decree No. 2021-663 of 27 May 2021 pursuant to Article L. 533-22-1 of the Code Monétaire et Financier.

Article 29 of Energy-Climate Law topic	Cathay Innovation (entity level)	Innovation Fund II (fund level)	Corresponding section in report
1° Information related to the entity's general approach	x	-	N/A
2° Information on the internal resources deployed by the entity	x	-	N/A
3° Information regarding the approach to taking into account environmental, social and governance quality criteria at the entity's governance level	x	-	N/A
4° Information on the engagement strategy with issuers and its implementation	x	-	N/A
6° Information on the strategy for aligning with the international objectives for limiting global warming set out in the Paris Agreement, in accordance with Article 4(2)(d) of the SFDR	x	x	> Fostering good ESG practices among portfolio companies > Climate action
7° Information on the strategy for alignment with long-term biodiversity objectives	x	x	> Fostering good ESG practices among portfolio companies > Biodiversity action
8° Information on the steps taken to take into account environmental, social and governance quality criteria in risk management	x	x	> Fostering good ESG practices among portfolio companies > Climate action

For more information about Cathay Innovation's compliance with the ESG reporting obligations required by the Article 29 of the Energy-Climate Law, please see the entity's 2021 report on Cathay Innovation's website.





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[www.cathayinnovation.com](http://www.cathayinnovation.com)