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# Investing in Startups Impacting the World Sustainability Report 2024–2025

Cathay Innovation Funds II & III





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# 1. Foreword – Why Does Sustainability Matter?





# Foreword

“ Our ambition has always extended beyond returns—we invest to shape the world we want to live in. In this moment of global transition, that mission is more urgent than ever.

From AI-powered drug discovery to platforms driving the circular economy, our portfolio companies are showing what's possible when technology and sustainability converge (one meets the other). These aren't just promising businesses—they're building the future.

This report is more than a snapshot of our ESG performance. It's a reflection of our commitment to act. We are embedding sustainability across every aspect of our investment process, from rigorous due diligence to hands-on support in building more inclusive, resilient, and environmentally conscious business.

Sustainability isn't a trend—it's a transformation. And we're proud to help lead it.

MINGPO CAI,  
PRESIDENT AND CO-FOUNDER,  
CATHAY INNOVATION



“ Sustainability is no longer a sidecar to strategy—it is the engine. In 2024, we doubled down on building the tools, partnerships, and processes to embed ESG into everything we do, from screening and investment to active support of our portfolio companies.

The results speak for themselves: from clean energy scale-ups to AI-native biotech, we're backing founders who turn impact into competitive edge. And we're not just measuring outcomes—we're co-creating roadmaps to go further, faster.

Beyond our flagship fund, where decarbonisation and the circular economy remain central pillars of our investment approach, we are introducing a new fund with a stronger emphasis on the 'S' dimension of ESG—addressing global societal health at scale. Our conviction is that capital markets have a vital role to play not only in driving economic value, but also in strengthening the ecosystems that underpin long-term resilience. The journey is ongoing—and we're just getting started.

To the founders we back, our limited partners, and our global team: thank you for your trust and your drive. Together, we are proving that scalable innovation and sustainable impact can—and must—go hand in hand.

DENIS BARRIER,  
CEO AND CO-FOUNDER,  
CATHAY INNOVATION





# Why ESG & Sustainability Matter

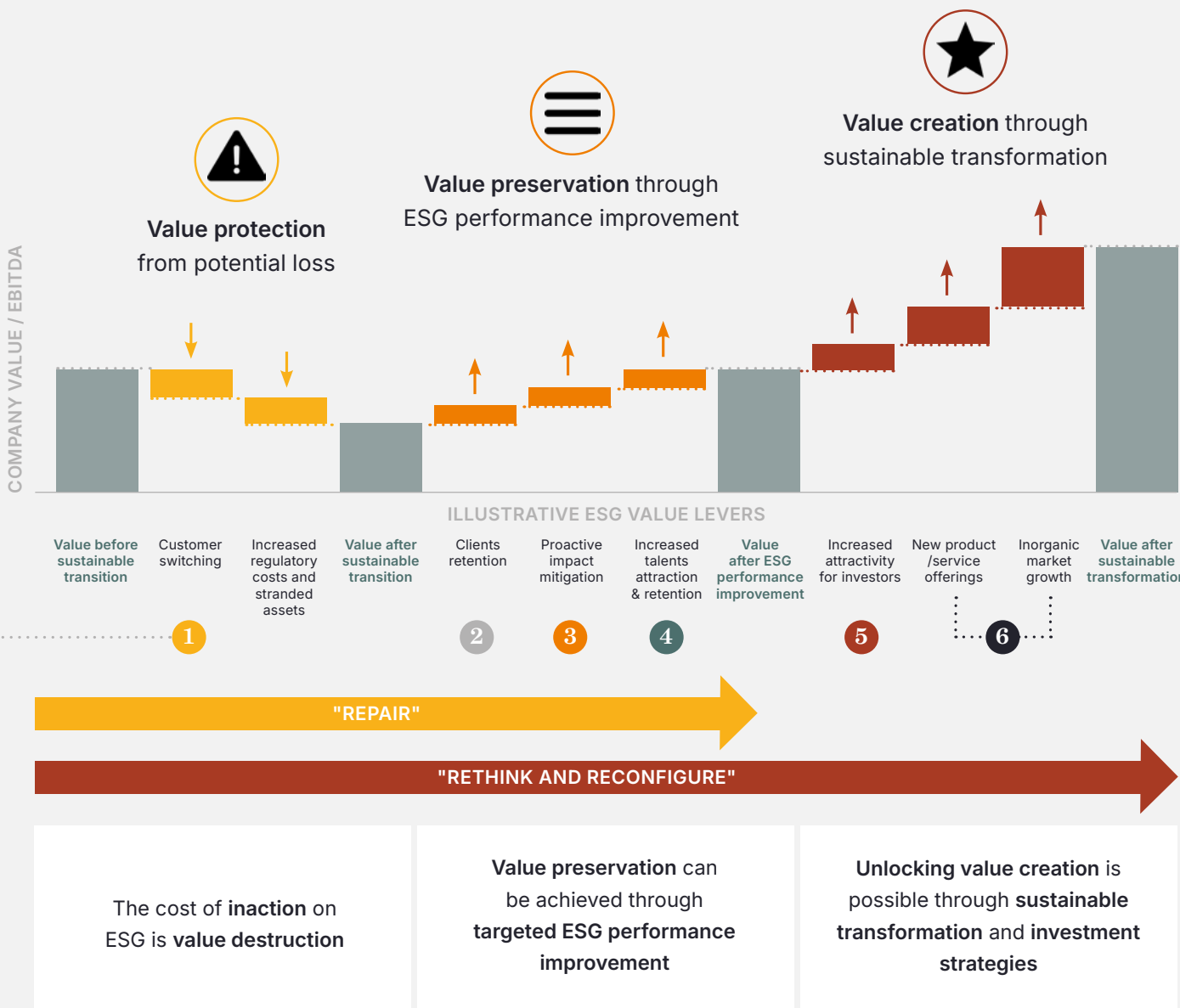


Exchange between our Chief Impact Officer, Matthieu Van Der Elst and Emilie Bobin, PwC | Partner within France's Sustainability Team.

## How is the ESG vision evolving in a context of global instability?

**E** Despite political setbacks, companies are already experiencing the tangible consequences of climate change. Adaptation and transition have become strategic imperatives. ESG can no longer be treated as a passing trend—it is a powerful tool for risk management and long-term value creation. We are increasingly seeing this among our clients: some now turn down investment opportunities due to the significant ESG-related risks involved. Conversely, a majority are actively investing in their portfolio companies to support their transition and thereby enhance long-term enterprise value.

**M** Yes, the core issue remains value creation, which is why it is essential to make this transformation not merely mandatory but above all desirable. ESG is not an end in itself, but a means of transformation in response to environmental and social challenges. It must go beyond regulatory compliance to become a strategic pillar focused on optimising business models. Gartner has shown that companies integrating sustainability into their strategy generate, on average, 30% more revenue over ten years. This is the momentum we have been driving at Cathay, from our first fund to our most recent, which closed at over one billion dollars.



## Key figures

78%

1

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

83%

2

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

62%

3

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

1/3

3

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

55%

3

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>.

74%

4

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

79%

5

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

100bp

5

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

12.5%

6

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>.

(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



How can investors concretely support private equity and venture capital players in their ESG transition?

- M

The role of the investor is not to impose, but to inspire and support societal and technological transformations. It's about fostering innovation, building engagement, and creating the right conditions for transition. Our support can take place at several levels, starting with identifying the most material issues—those where meaningful and useful progress can be made. The next step is to set realistic short-term goals and define an ambitious medium- and long-term roadmap. Always with the support of entrepreneurs.
- E

You're right, engagement is key. We must accept that some transformations take time: it is better to invest in a conviction-driven approach than to impose changes without buy-in. Among our most committed clients, support during the holding period involves co-constructing the ESG strategy with company management. As advisors, we are there to raise awareness, provide guidance, and share best practices, equipping management with the tools they need to build their own action plans and measurable objectives.

How are technological disruptions—AI, green tech, etc.—transforming ESG and impact approaches?

- E

AI is a powerful catalyst. Yet many hesitate to engage due to fear of the unknown. But it's through experimentation and iteration that truly useful solutions emerge. We see this clearly in our client engagements: when used effectively, AI enhances both efficiency and precision—for example, by automating reporting processes, identifying controversies during due diligence, or assessing deforestation risks in supply chains.

We are also witnessing the rise of collaborative approaches, such as decentralised AI, where individual performance is enhanced through collective intelligence.
- M

Our deal flow and portfolios clearly show that major societal challenges require innovative technologies—AI foremost among them, given its capacity to address increasingly complex and interconnected problems, where classic digital solutions are limited.

Climate event predictability, the need for energy flexibility considering renewable energy growth, resource and R&D time efficiency, time doctors can dedicate to patients, access to broad knowledge—these are just a few areas where AI enables us to do more with less.

For investors, this means reducing risk while maximising utility, efficiency and profitability.

And we are only at the beginning of this major transformation, where energy consumption, data reliability and confidentiality, and circular economy principles still need to be optimised.





# Achieving Sustainability Through New Technologies and AI

We believe that technology is essential to address the complex and interconnected challenges of sustainability.

Our investment strategy is built on a holistic approach—supporting companies that not only develop cutting-edge innovations but also demonstrate a strong commitment to resource efficiency, long-term resilience, and climate action. In this context, artificial intelligence has emerged as a transformative force in advancing sustainable business models.

According to the European Parliament’s Think Tank, AI could help reduce global greenhouse gas emissions by **1.5–4%<sup>1</sup>** by 2030.

By enabling predictive maintenance, optimising resource use, and streamlining reverse logistics, AI can contribute to extending product lifecycles and minimising environmental impact—making it a powerful tool in the transition to a more sustainable future.

**100%** of Cathay Innovation III portfolio companies use AI to power their solutions, and in most cases, it is core to their business model.

Cathay Innovation’s portfolio reflects this synergy between AI and sustainability, with the investment in three new assets that align with this vision in 2024:

(1) European Parliament, Artificial intelligence: threats and opportunities, 2025

## AQEMIA

AQEMIA is revolutionising the search for therapeutic molecules using AI. The company has the capability to evaluate the efficacy of one million molecules in a single day—making it 10,000 times faster than its competitors<sup>2</sup>. This technological breakthrough is powered by advanced algorithms that combine artificial intelligence, statistical physics, and quantum physics. Through this unique approach, AQEMIA harnesses AI responsibly to enhance R&D and accelerate the discovery of new drugs. The potential is immense: delivering better treatments to more patients, faster.

## BIOPTIMUS

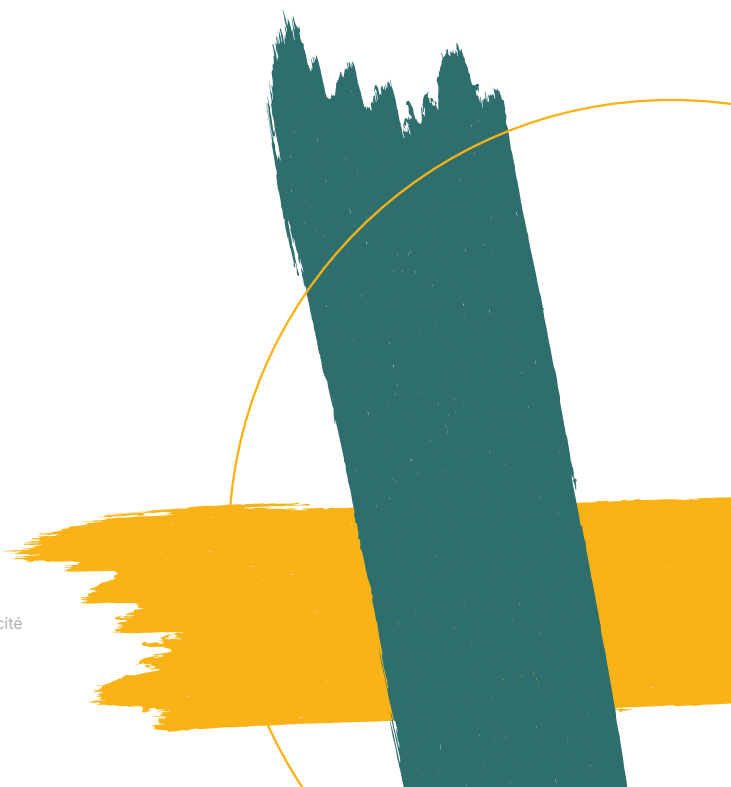
Bioptimus is developing an AI foundation model in biology to advance scientific research and biotechnological innovation. Its model is designed to enable pharmaceutical researchers to simulate complex biological processes, predict diseases and treatment responses, and design therapies with unprecedented precision.

These investments underscore Cathay Innovation’s commitment to supporting companies that harness AI to drive sustainable innovation. By integrating AI into their operations, these enterprises not only achieve operational excellence but also contribute to broader environmental and social goals, aligning with our vision of a technology-enabled, sustainable future.

(2) Frenchweb: La Startup AQEMIA lève 38 millions d’euros pour prédire l’efficacité des molécules thérapeutiques

## ENTALPIC

Entalpic is redefining how new industrial molecules and materials are discovered. Using advanced AI tools—think large language models (LLMs), active learning, and graph neural networks (GNNs)—the startup automates the process of designing and testing new chemical formulations, with a focus on finding cleaner, more efficient alternatives to polluting industrial processes, with current applications in areas like batteries, hydrogen, methanol, ammonia, and biofuels.





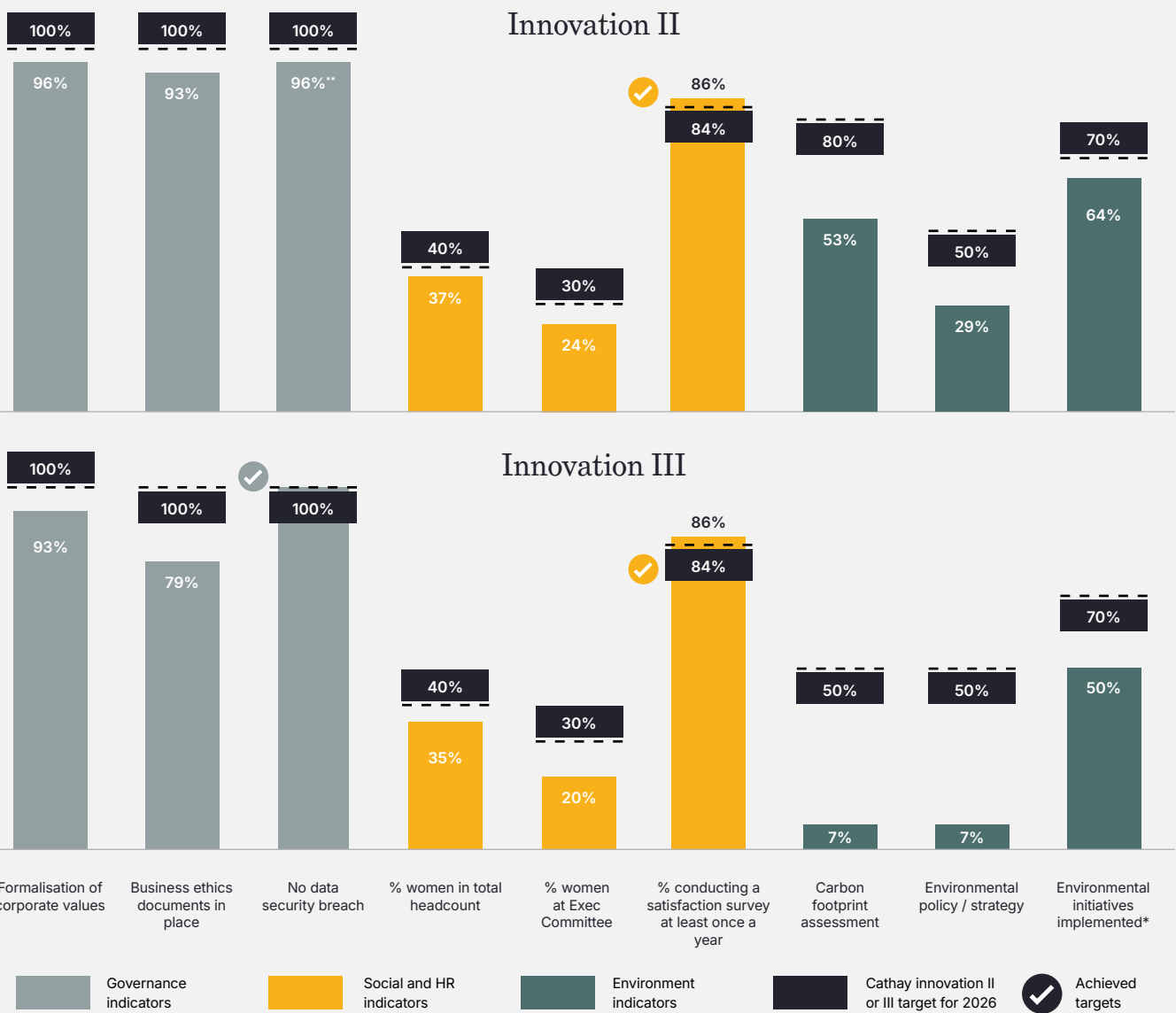
# 2. 2024 ESG Performance Overview

Disclaimer: AI Rudder, Coherent, and Fundbox (Innovation II) were excluded from the analysis due to data unavailability. As a result, the analysis is based on a total of 42 assets (28 for Fund II and 14 for Fund III).



# ESG Overview

ESG is at the heart of our investment philosophy: in 2024, we made progress in advancing ESG principles and guiding our portfolio companies towards actionable plans. The scorecard below provides an overview of Cathay Innovation funds II (31 companies) and III (14 companies)'s ESG performance. By gathering more than 10,000 employees across portfolio companies' operations, Cathay Innovation aims at fostering positive impacts for all stakeholders.



(\*) The environmental initiatives are related to portfolio companies' operations and/or products & services, i.e. circular economy, energy efficiency, waste & water management, remote working policy, low carbon travel policies, use of recycled materials, eco energetical products or services, etc.

(\*\*) Remediation actions have directly been put in place. Cathay tracks data security processes on a quarterly basis for every Cathay Innovation portfolio company as it consider such policy as essential for the long-term success of a business.

Scores for carbon footprint and environmental policy remain relatively modest, reflecting the recent nature of investments in Innovation III. However, they are expected to rise progressively, following a similar growth pattern to that observed with Innovation II.

# Highlights of 2024 Main Portfolio Results

In 2024, portfolio companies also stood out through the implementation of various good practices, reflecting their commitment to sustainability.



## ESG highlights at Cathay Innovation level

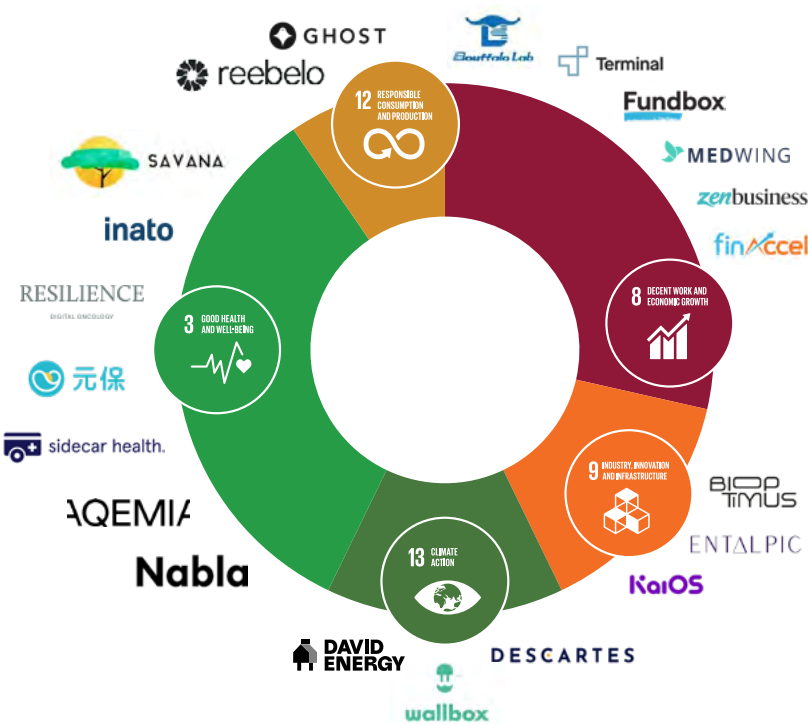
Our teams collaborate closely with entrepreneurs to magnify impact and integrate sustainability across operations and the value chain. In 2022, we formalised and updated our Sustainable Investment Procedure, delineating sourcing criteria, deal flow qualifications, ESG due diligence, tools for the holding period, and exit procedures. While assessing risks and opportunities occurs before investing, Cathay Innovation's main emphasis lies in co-creating actionable roadmaps with portfolio companies, which involves discussing ESG topics at least once a month.



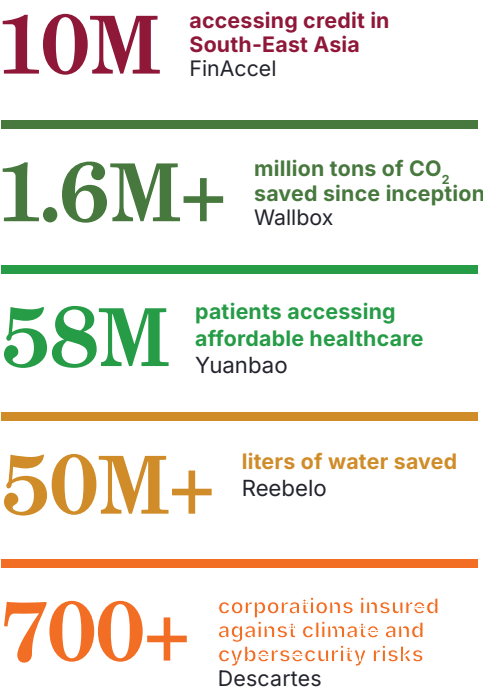
# Impact Overview

We are proud to highlight the commitment and 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 have dedicated efforts to address 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.



## Quick Stats



In 2024, 9 new investments have been made in the Innovation III fund: David Energy, Bioptimus, Nabla, Aqemia, Entalpic, Nelly, Imagino, BeatBot and Range.

Bioptimus and Entalpic contribute to SDG 9, aiming to enhance research and upgrade all industries and infrastructures for sustainability. By developing a foundation model for biology, Bioptimus accelerates discovery in the life sciences. Entalpic helps industries use cutting-edge AI research to discover new materials and chemistry, driving the transition towards greener industrial processes.

Aqemia and Nabla contribute to SDG 3, aiming at reducing diseases through prevention and treatment. Aqemia uses AI to accelerate drug discovery, which will soon enable more efficient prevention and

treatment of non-communicable diseases. Nabla is committed to reducing the administrative burden of healthcare professionals through intelligent, AI-powered assistance—freeing up their time to deliver higher-quality diagnoses and provide better care to patients.

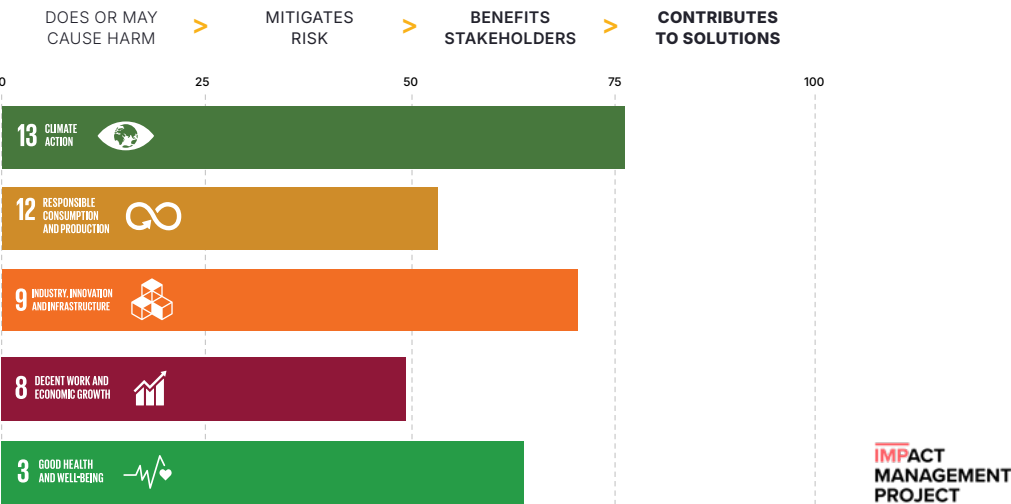
David Energy contributes to SDG 13, aiming at strengthening resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. David Energy enhances energy resilience by making buildings more autonomous and more responsive to grid fluctuations, through clean energy solutions and intelligent software-driven approaches.

Meanwhile, portfolio companies within the Innovation II fund continue their contribution to the SDGs.

To objectivise this positive impact as much as possible, Cathay Innovation has collaborated with impact experts to quantify portfolio companies' impact. The methodology developed relies on the Impact Management Project's (IMP\*) framework and provides an impact score rated on a 0-100 scale. The graph below provides an overview of the aggregate impact of portfolio companies on the five SDGs targeted by Cathay Innovation funds.

As showcased, the portfolio not only mitigates negative impact but also creates positive outcomes for stakeholders. Portfolio's impact should continue to increase as companies scale.

*As Bioptimus and Entalpic are still in their early stages, no impact KPIs were monitored in 2024. Impact will be measured at a later stage. No impact score was calculated for Fundbox to date.*

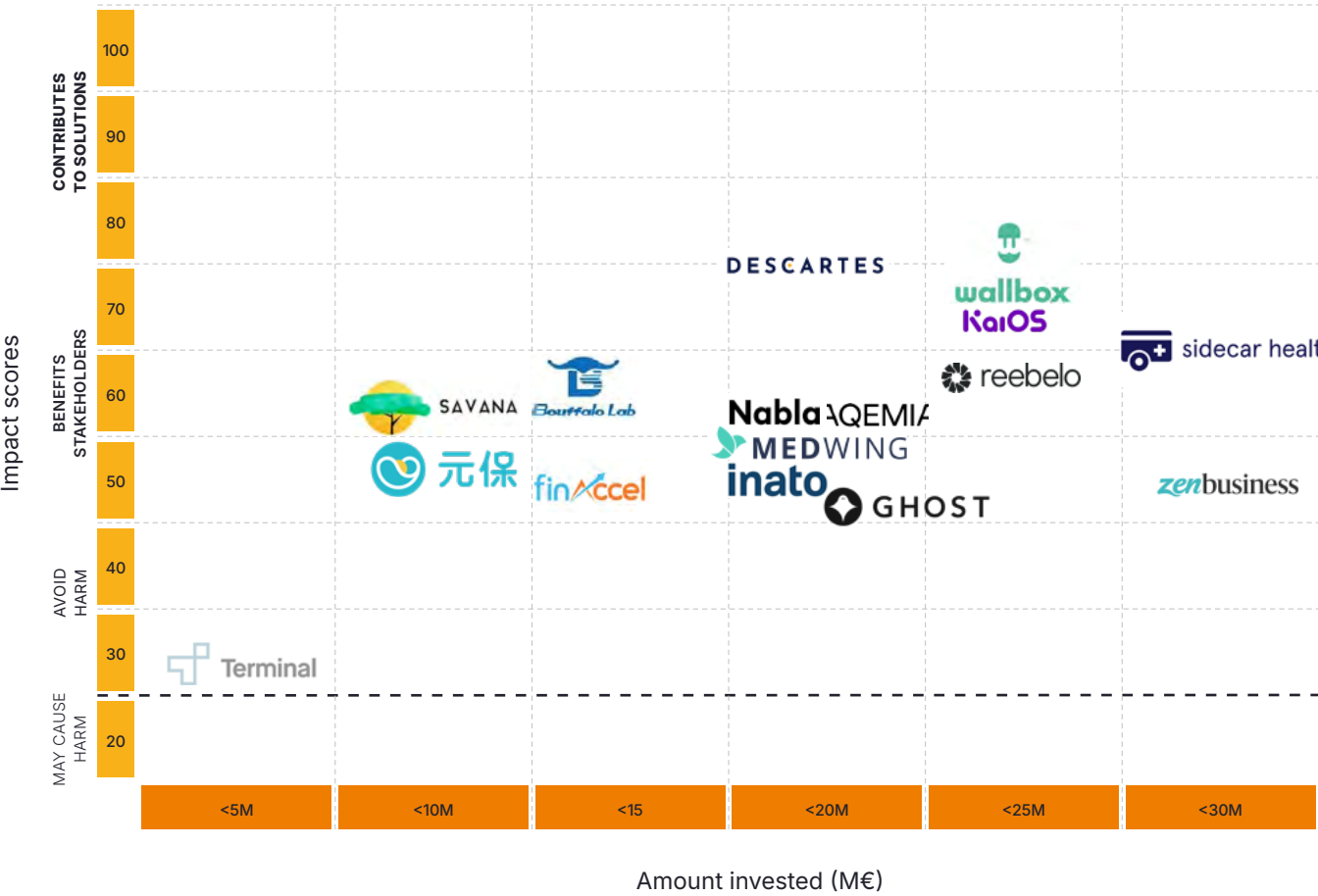


(\*) The Impact Management Project (IMP) is a global initiative that provides a framework for measuring, managing, and reporting impacts on sustainability, aligned with the SDGs.

It serves as a methodological reference for organisations aiming to comprehensively assess and improve their social, environmental, and economic impacts.



Impact score vs amount invested by Cathay Innovation (M€)





# 3. Sustainability at Cathay Innovation





Who we are

# Our Vision and Values

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, scaling startupss 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

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 high standards 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 respect 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 Nations Sustainable Development Goals (UN SDGs) with the objective to help portfolio companies enhance and 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**.

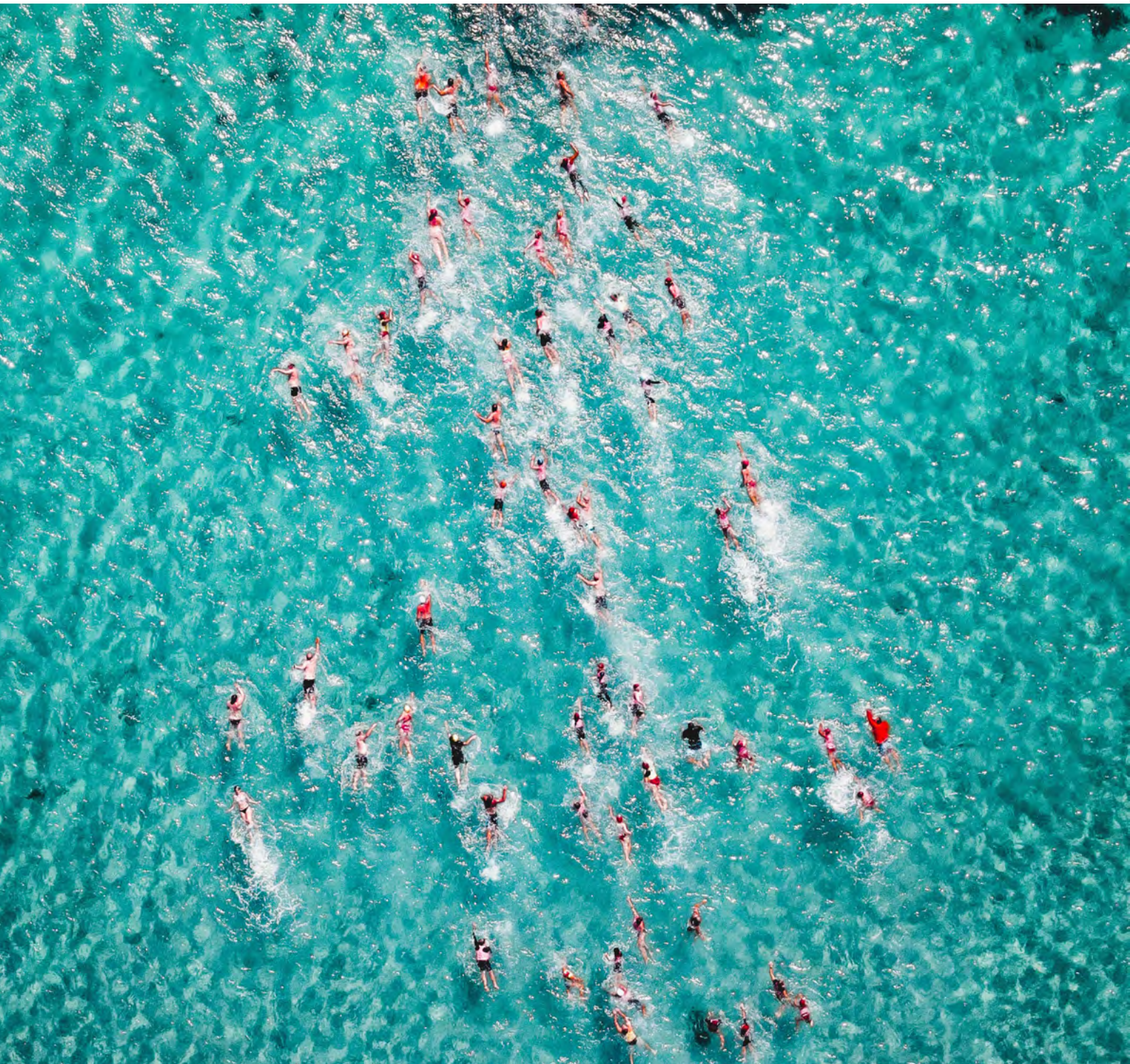


Cathay has been a member of the **iCI (initiative Climat Internationale)** since 2020. The iCI is the first initiative of Capital Investment in favour of companies' management and reduction of greenhouse gas emissions. The signatories of the iCI have decided to contribute to the objectives of COP21 to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



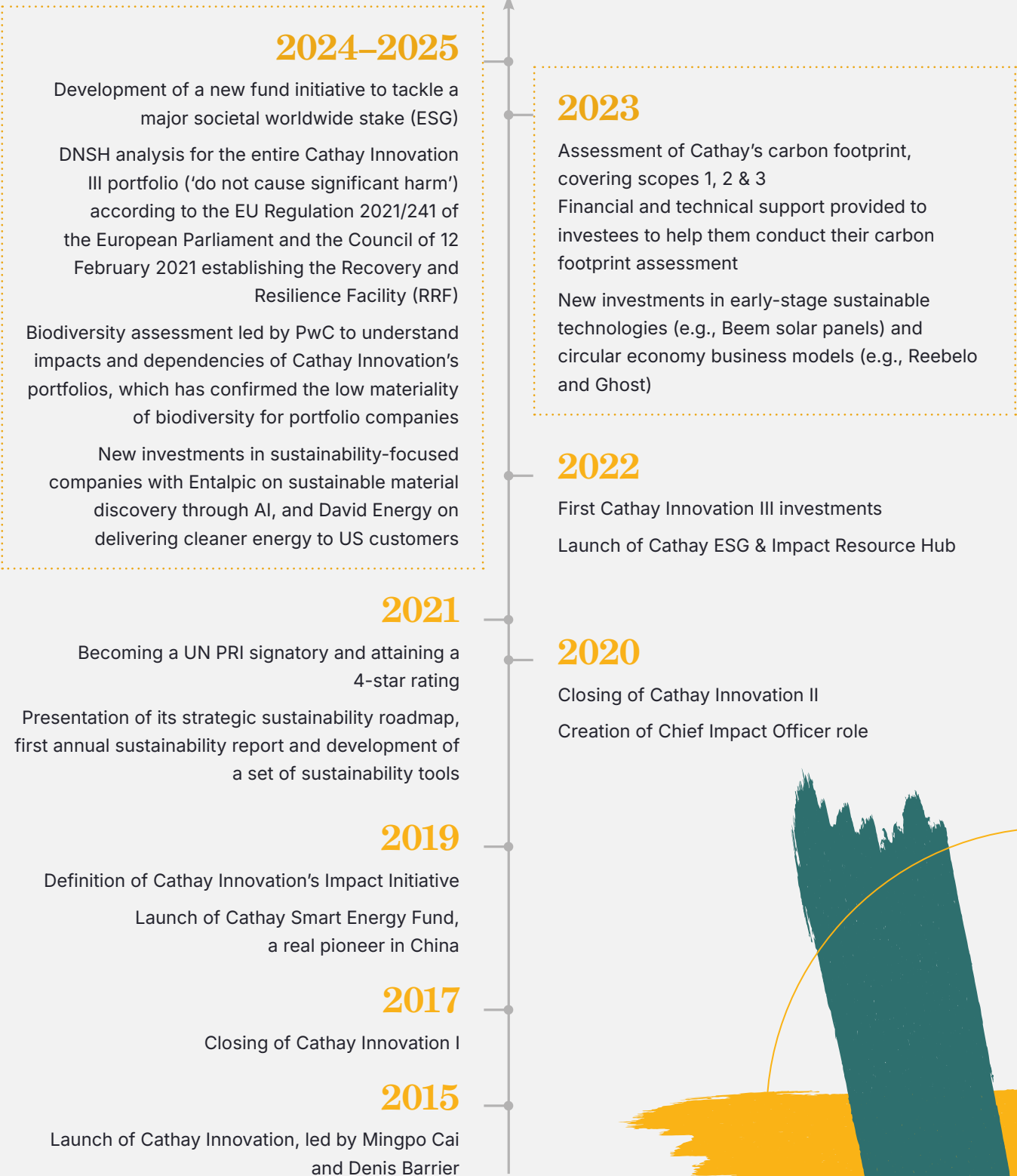
3. As an ecosystem partner, our mindset is to share best practices and proven solutions that are set to enable any entrepreneur willing to drive the transition with us.

 Cathay is a member of France Invest network, which in turn unlocks access to financing opportunities, strategic support, and a powerful community of investors and entrepreneurs.



# Our Sustainability Journey

Throughout our sustainability journey starting in 2019, we have continuously strived to refine and enhance our impact initiatives, with the primary focus 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 that fosters 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?

- |  |   |
|--|---|
|  <b>Become a purpose driven company</b>         |  <b>Adopt a sustainable data and AI governance</b> |
|  <b>Learn about ESG &amp; Impact frameworks</b> |  <b>Select the right business partners</b>         |
|  <b>Upgrade the workplace</b>                   |  <b>Act for the environment &amp; climate</b>      |

See Appendix A for more information on the ESG & Impact Resource Hub.





# Our ESG Governance

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 Matthieu van der Elst, Chief Impact Officer, in 2020, to take on driving the development of the sustainability vision, roadmap, investment process, and tools for both Cathay Innovation and Cathay Capital.

To drive sustainability from an operational standpoint, we've decided to encourage all our front-line investors to be in charge to follow-up portfolio companies' activities and report data. It matters to all and not just for a limited appointed squad.

Once that said, we've set up Sustainability Ambassadors (for both PE and Innovation practices) who are responsible to lead our processes and operationalize the sustainability strategy.



# Sustainability in our Investment Process

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.

With the launch of Cathay Innovation III in 2022, these procedures were systematically rolled out during the investment process, providing a comprehensive overview of each business, enabling the identification of key risks and opportunities in the short-and long-term, and fostering 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 Portfolio Companies

This section provides a detailed overview of the 31 companies that make up the Cathay **Innovation II** portfolio. Among them, 28 actively took part in the **2024 ESG reporting campaign**<sup>3</sup>.













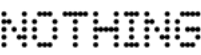









## Innovation II

	AI-based smart store solutions		Sector: B2B Software / Services
	InsurTech specialised in natural disasters		Sector: Financial Industries / Fintech
	Consumer credit platform		Sector: Financial Industries / Fintech
	Mobility app providing ride-hailing services with a focus on young people's expectations		Sector: Energy, Mobility / Industry
	Platform enabling hospitals & patients to access clinical trials		Sector: Healthcare, Digital Health / Life Sciences
	Operating system customised for "smart feature phones"		Sector: Consumer products / services
	High touch marketplace connecting healthcare workers to health institution		Sector: B2B Software / Services
	Transforming health records into big data to accelerate health science		Sector: Healthcare, Digital Health / Life Sciences
	Personalised and affordable health insurance for individuals		Sector: Healthcare, Digital Health / Life Sciences

(3) In 2024 AI Rudder, Coherent & Fundbox were not able to report ESG data.























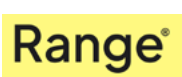







	World's first tech-enabled platform for remote engineering teams		Sector: B2B Software / Services
	Smart robot company with global influence in this era of human-computer symbiosis		Sector: B2B Software / Services
	Deferred payment and several instalment payment solutions		Sector: Financial Industries / Fintech
	Smart charging solutions for electric vehicles		Sector: Energy, Mobility / Industry
	One-stop digital platform to empower small businesses		Sector: B2B Software / Services
	AI-enabled process discovery and operational intelligence leader		Sector: B2B Software / Services
	High-Performance Computing (HPC) cloud solution for innovative enterprises		Sector: B2B Software / Services
	Home gym expert with AI solutions	 	Sector: Consumer products / services
	AI-empowered sales intelligence SaaS for small B2B companies		Sector: B2B Software / Services
	Igniting business software development for coders and non-coders alike in the hybrid-work era		Sector: Financial Industries / Fintech
	The next global SaaS leader unifying top of funnel sales with hyper-efficient teams		Sector: B2B Software / Services



	E-grocery platform specialising in high-quality Asian food		Sector: Consumer products / services
	Online insurance brokerage company		Sector: Financial Industries / Fintech
	Pioneer in AI augmented analytics		Sector: B2B Software / Services
	Online shopping marketplace starting with overstock inventory in homeware category in European market		Sector: Retail
	Leading financial technology company that aims to transform the \$21 trillion B2B commerce market by launching the world's first global B2B payments and credit network		Sector: Financial Industries / Fintech
	Lead capture SaaS company that simplifies lead management and sales prospecting processes		Sector: B2B Software / Services
	Electronics manufacturer and global consumer technology company		Sector: Retail / Manufacturing
	A Chinese new beauty and dietary supplement brand		Sector: Consumer products / services
	Leading designer of chip 1/3 smaller than that of the market, wireless connectivity technology of IoT, with lower power consumption and better RF performance		Sector: Advanced manufacturing
	Remote medical monitoring focusing on cancer-fighting		Sector: Healthcare, Digital Health / Life Sciences
	Leading voice artificial intelligence startups based in Singapore		Sector: B2B Software / Services

This section provides a detailed overview of the **14** companies that make up the Cathay **Innovation III** portfolio. Among them, **14** actively took part in the **2024 ESG reporting campaign**.

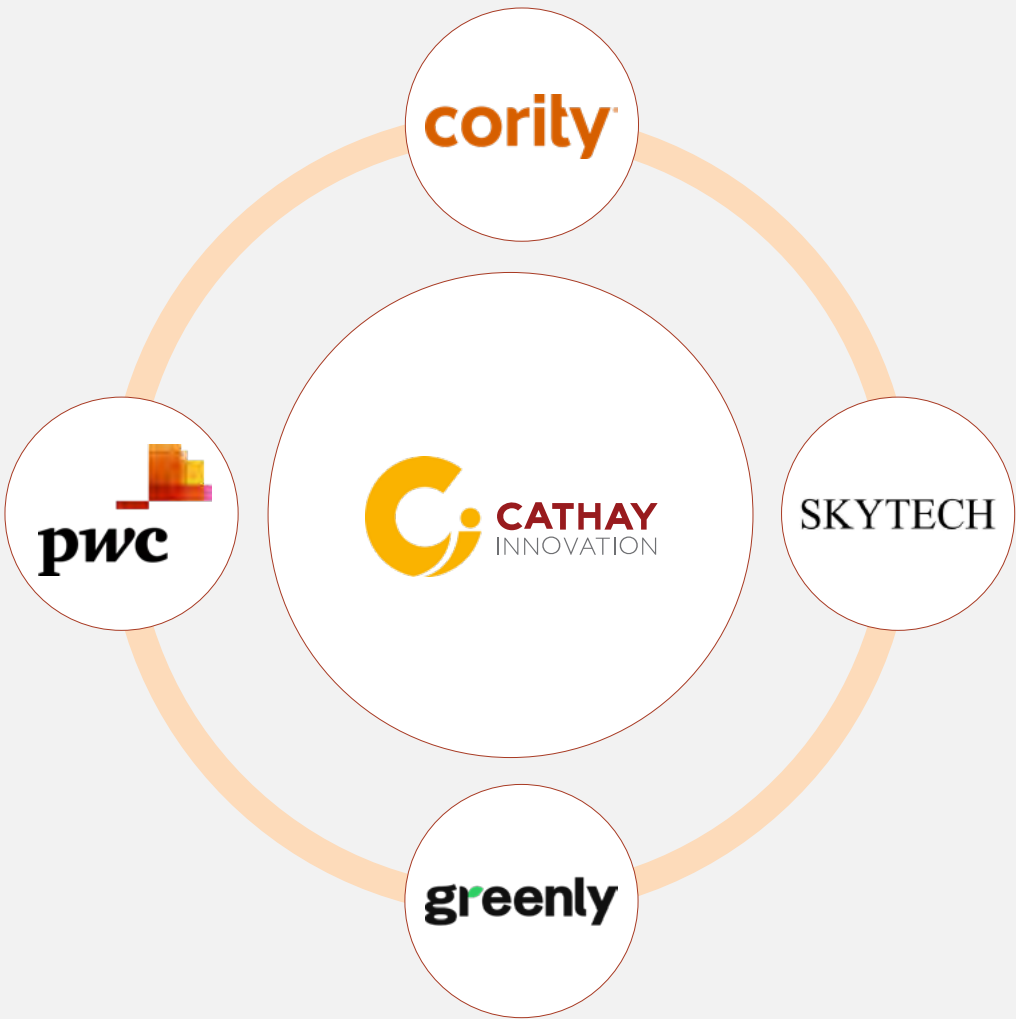
Innovation III

	AI-native marketing and creative content production		Sector: Video marketing
	Leading marketplace for pre-loved tech devices		Sector: Refurbished tech devices
	Trading infrastructure for market making & other crypto-financial services	  	Sector: Crypto financial services
	Providing account/payment/deposit/credit service APIs for the incumbents		Sector: Mobile Payment Channels
	B2B platform for excess inventory		Sector: Inventory Management
	AI assistant for clinical documentation		Sector: Healthcare, Digital Health / Life Sciences
	French company developing AI foundation models for biology		Sector: Healthcare, Digital Health / Life Sciences, Biomedicine
	Provider of smart, clean and reliable electricity solutions		Sector: Energy, Mobility / Industry
	German fintech streamlining bureaucracy in the medical sector		Sector: Consumer products / services
	French drug discovery platform leveraging quantum-inspired physics and AI		Sector: Healthcare, Digital Health / Life Sciences
	US-based AI-driven WealthTech platform		Sector: Financial Industries / Fintech
	French customer data platform		Sector: B2B Software / Services
	Chinese company specialising in robotic pool cleaners		Sector: Consumer products / services
	French startup using AI to discovery new materials for sustainable chemical processes		Sector: Financial Industries / Fintech



# Our Collaborations

To build and refine our methodologies and compile this report, Cathay received guidance, collaboration, and recognised industry expertise from **four complementary partners** (PwC, Sirsa, Greenly, and Skytech). These partners help our portfolio companies with specific topics, such as carbon footprint and biodiversity.



Founded more than 30 years ago, PwC Sustainability Strategy team support investors and companies of all sizes to better understand, anticipate and address sustainable challenges through innovative approaches. PwC team helps CCPE monitor its ESG performance, meet regulatory requirements and improve transparency on sustainability matters.

Learn more:  
[www.pwc.fr/fr/vos-enjeux/conseil-en-developpement-durable.html](http://www.pwc.fr/fr/vos-enjeux/conseil-en-developpement-durable.html)



Founded in 2019, Greenly is a company dedicated to helping businesses and individuals track and reduce their carbon footprint. They offer a platform that automatically calculates carbon emissions, providing actionable insights for sustainability improvements. Greenly supports CCPE assets in conducting their carbon footprint assessment.

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



Skytech supports CCPE assets based in China in conducting their carbon footprint assessment.

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



CCPE uses Reporting21 to monitor progress on ESG matters across its portfolio quarterly.

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



# 4. 2024 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 five impactful investment themes, we support companies reshaping industries and improving crucial aspects of the economy and society. In 2024, these portfolio companies achieved consistent growth, enabling them to expand their influence and contribution to key UN Sustainable Development Goals (SDGs).

When relevant, a focus was made on Cathay Latam portfolio companies contributing to positive impact. This multi-sector fund supports startups that are reshaping industries and society across Latin America. **Learn more:** <https://cathayinnovation.com/fund/the-cathay-latam-fund/>

## A. THE FUTURE OF FINTECH

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.

In doing so, we support progress towards the following SDGs:



Cathay Innovation Portfolio Companies:

**Fundbox**

**\$5 billion**

total working capital unlocked for SMBs in 2024 (vs. \$3 billion in 2023)

Provided Flexible Working Capital Solutions to

**500 000+**

Small Businesses

**DESCARTES**

**674**

**customers insured** in 2024 vs. 59 in 2022.

Delivering a new generation of parametric insurance that builds resilience against climate, cyber and other emerging risks.

**redivo finAccel**

See focus on next page

## 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 rate in the region. This underscores the urgent need to enhance financial inclusion<sup>1</sup>.

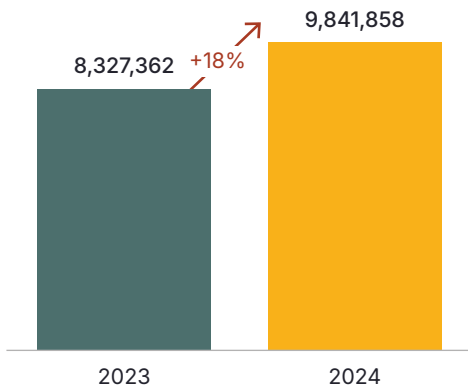
### The solution

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 allowing 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

**95%** repayment rate in 2024 (vs. 94% in 2023)

(1) The World Bank 2022, Adoption of digital financial services

Latam Innovation Portfolio Companies:

## In-depth focus



Beneficiaries:  
SMEs

### The challenge

Latin American SMEs often face limited access to affordable, real time working capital and financial visibility, struggling with liquidity shortages, opaque credit options and outdated financial processes.<sup>1</sup>

### The solution

Xepelin is a Chilean fintech that provides an all-in-one financial services platform for SMEs in Latin America. It offers real-time cash flow visibility, working capital management, and AR/AP financing tools—helping businesses improve liquidity and streamline operations.

### The impact

**2,3**

volume of loans disbursed to SMEs (USD Bn)

**6,4%**

of SMEs in Chile being served by Xepelin

(1) The Resilience Advantage: Reasons for Optimism in Mexico, Mexico Business News



B. THE FUTURE OF HEALTHCARE

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.

In doing so, we support progress towards the following SDGs:



Cathay Innovation Portfolio Companies:



36m  
claims covered  
in 2024  
(vs. 20m in 2023)



29  
research projects  
since company's creation  
(vs. 23 in 2023)



123  
clinical trials  
since company's creation  
(vs. 87 in 2023)



69m+  
patients  
in 2024  
(vs. 50m in 2023)



13 163  
patients remotely  
monitored via the app.  
in 2024  
(vs. 5 215 in 2023)



See focus on next page



See focus on next page



In-depth focus



Beneficiaries:  
Physicians

The challenge

Medical professionals face a growing administrative burden that significantly impacts their well-being and efficiency. In France, doctors spend an average of 7 hours per week on administrative tasks, which represents about 14% of their working time<sup>1</sup>. This overload is a major contributor to burnout, reduced patient interaction, and time constraints, emphasising the need to reduce administrative pressure and allow doctors to focus more on patient care.

The solution

Nabla is committed to reducing the administrative burden of healthcare professionals through intelligent, AI-powered assistance. AI-powered Nabla Copilot generates clinical notes in seconds from any encounter across all specialties, reducing practitioners' stress and improving patient care.

The impact<sup>2</sup>

Deployment of Nabla's AI assistant in 100+ health organisations since its creation

55+ specialities supported by the app

90% reduction in burnout among healthcare professionals

2 hours saved per day per provider

(1) [Les généralistes CSMF - Gagner "entre une et deux heures par jour"](#)  
(2) [Nabla website](#)



Beneficiaries:  
Individuals

The challenge

Traditional drug discovery is a lengthy, costly, and high-risk process, often hindered by reliance on experimental data and limited by the complexity of biological systems. The process can take several years to identify viable drug candidates, with a high rate of attrition during development.<sup>1</sup>

The solution

AQEMIA is a next-gen biotech company building one of the world's fastest-growing drug discovery pipelines. AQEMIA's mission is to rapidly design innovative drug candidates for critical diseases. What sets the company apart is its unique use of physics and statistical mechanics algorithms to power generative AI, enabling the design of novel drug candidates without relying on experimental data.

The impact<sup>2</sup>

AQEMIA takes 24 hours to test one million molecules

Competitors perform the same task 10,000 times slower

AQEMIA currently has 12 ongoing research projects and has already achieved several successes in drug discovery

(1) [BioPharmaTrend - Aqemia Raises €60m in Series A Funding to Advance AI-Driven Drug Discovery](#)  
(2) [AQEMIA website](#)



C. 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.

In doing so, we support progress towards the following SDGs:



Cathay Innovation Portfolio Companies:

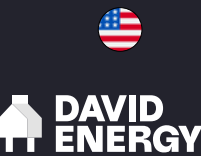


**1 million+**  
tonnes of CO<sub>2</sub> avoided thanks to electric vehicles  
in 2024 (vs. 564 000 in 2023)

**12 billion**  
clean kilometres travelled by electric vehicles  
in 2024 (vs. 4,3 billion in 2023)



See focus below



Beneficiaries (direct):  
Businesses and individuals

Beneficiaries (indirect):  
The environment

The challenge

The U.S. electric grid is aging and under increasing strain due to rising demand, climate volatility, frequent outages, and outdated infrastructure.<sup>1</sup> While renewable energy sources like solar and wind are now among the cheapest, their intermittent nature makes large-scale integration difficult.<sup>2</sup>

Furthermore, the energy sector remains opaque and complex, leaving consumers with little control or understanding of their energy use and costs.

The solution

David Energy is a tech-driven retail energy provider (REP) with the mission of running the grid on clean energy, making it cheaper, cleaner, and more reliable than ever before.

By building a network of connected devices that respond to the fluctuations of clean energy generation in real-time, the company is decarbonising the largest contributor to climate change—the energy sector.

David Energy also offers a Smart Battery program that intelligently manages home energy storage—optimising savings and adapting to real-time grid conditions.

The impact<sup>3</sup>

**100%**  
clean energy 24/7/365

**1 000**  
locations

across Texas, New York, New Jersey and Massachusetts

(1) [Utility Drive – US energy infrastructure gets a D+ from American Society of Civil Engineers](#)  
(2) [NPUC - The Cheapest Sources of Electricity in the U.S.](#)  
(3) [David Energy website](#)

D. THE FUTURE OF TECH & DIGITAL

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.

In doing so, we support progress towards the following SDGs:



Cathay Innovation Portfolio Companies:



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

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



Bouffalo chips **are up to 2 times more energy-efficient** than comparable products

Only **5 chips** are needed to cover the Internet of Things (IoT) needs of an entire house



As the company is still in its early stages, no impact KPIs were monitored in 2024. Entalpic's impact will be measured at a later stage.



See focus below

In-depth focus



Beneficiaries:  
Biomedical researchers, biotech companies, healthcare providers

The challenge

Biological research has traditionally been fragmented, focusing on isolated components like DNA, proteins, or cells. This siloed approach limits the understanding of complex biological systems and hinders the development of comprehensive models that can predict disease outcomes or responses to treatments. Moreover, the integration of diverse biological data types (e.g., genomics, imaging, clinical records) remains a significant challenge, impeding holistic insights into human biology.<sup>1</sup>

The solution

Bioptimus is building the reference AI foundation model in biology to drive advancements in scientific research and biotechnological innovation. This model aims to unify and leverage heterogeneous data sources to simulate complex biological processes, anticipate diseases, and design therapies with unprecedented precision.

The impact

As the company is still in its early stages, no impact KPIs were monitored in 2024. Bioptimus' impact will be measured at a later stage.

(1) [Bioptimus - news](#)



E. THE FUTURE OF CONSUMER & RETAIL

Our mission is to empower companies that 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 Portfolio Companies:

In-depth focus


Beneficiaries (direct):  
Brands and retailers

Beneficiaries (indirect):  
The environment

**The challenge**

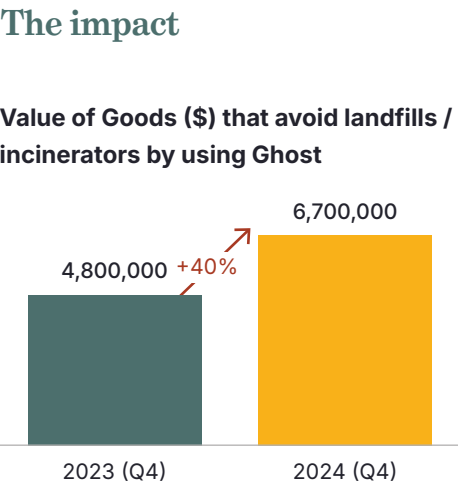
Excess inventory is a \$250+ billion problem in the U.S. alone, according to a 2023 Kearney study. On a global scale, U.S. census data shows excess inventory amounts to trillions of dollars<sup>1</sup>. Beyond the financial cost, this surplus significantly contributes to environmental waste—through overproduction and the disposal of unsold goods.

**The solution**


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<sub>2</sub> emissions and increasing circular economy practices and initiatives.

In doing so, we support progress towards the following SDGs:





(1) Harvard business review - The Next Supply-Chain Challenge  
Isn't a Shortage — It's Inventory Glut

Beneficiaries (direct):  
Individuals

Beneficiaries (indirect):  
The environment

**The challenge**

Every year, millions of electrical and electronic devices are discarded as products break or become obsolete and are thrown away. In 2022, an estimated 62 million tonnes of e-waste were produced globally. Only 22.3% was documented as formally collected and recycled.<sup>1</sup>

**The solution**

Founded in 2019, Reebelo is APAC's leading marketplace for secondhand technology devices. Its 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 impact<sup>2</sup>**

**5 tonnes**  
of e-waste saved

**48.7M**  
litres of water saved

**486K**  
trees planted (2023)

(1) World Health Organization – Electronic waste  
(2) Reebelo website

Latam Innovation Portfolio Companies:



Similar business model as Ghost, but focused on the Latin American region. The company has defined impact KPIs but no data was collected in 2024:

- Average use of items reutilisation
- Waste reduction
- Level of CO<sub>2</sub> emissions



See focus below

In-depth focus

Region:  
Latin America



Beneficiaries:  
Individuals

**The challenge**

Between 2010 and 2019, e-waste in Latin America rose by 49%, yet only 2.7% is collected for environmentally sound management, despite 13 out of 16 countries having general waste regulations.<sup>1</sup>

**The solution**

Reuse offers consumers and businesses alike the opportunity to access high-quality refurbished electronics, contributing to a more sustainable future.

**The impact**

**9 967**  
refurbished devices

**+1 million**  
CO<sub>2</sub> emissions avoided (kg CO<sub>2</sub>)

(1) The Regional E-waste Monitor for Latin America 2022, Unitar



# 5. 2024 ESG Performance Results

Disclaimer: 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 31 companies in the portfolio, while Fund III currently has 14 portfolio company, with 9 new investments in 2024.

AI Rudder, Coherent, and Fundbox (Innovation II) were excluded from the analysis due to data unavailability. As a result, the analysis is based on a total of 42 assets (28 for Fund II and 14 for Fund III). Each of the KPIs listed below focuses on Innovation II and III companies.

For both qualitative and quantitative questions, when a portfolio company reported in 2023 but not in 2024, the 2023 data has been reused in the absence of updated information.

For each of the indicators, the number of participations considered excludes the assets that did not respond to the question on Reporting 21.



Building a robust governance

Corporate governance

Strong corporate governance ensures long-term resilience and growth. Cathay Innovation supports its portfolio companies in embedding robust governance frameworks, implementing well-established oversight measures, and promoting diversity within their governance bodies.

Key figures (2024)

95%

of Cathay Innovation companies have formalised corporate values.

93%

of Cathay Innovation companies have implemented value-sharing mechanisms (e.g., access of employee to capital, incentive plan, employee profit-sharing scheme, etc.).

22%

of women, on average, in executive committees within Cathay Innovation companies.

19%

of controversies or litigations in the past three years involving Cathay Innovation companies\*.

(\*) Over the past three years, eight companies from the Cathay Innovation II and III portfolios have encountered human resources or social challenges. These issues were primarily linked to day-to-day internal reorganisations,

contract terminations, or employee resignations due to personal dissatisfaction. But no controversies or litigations damaging the supported brands.

ESG Governance

Cathay Innovation firmly believes 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 to help embed ESG principles within companies' operations and supply chains, thus improving ESG performance and business resilience in the long term.

Key figures (2024)

38%

of Cathay Innovation companies have appointed an ESG Manager or committee for ESG issues, showing a positive evolution throughout time.

74%

of Cathay Innovation companies have established CSR initiatives (e.g., CSR officer, CSR label/certification, CSR policy, etc.).

26%

of Cathay Innovation have yet to establish CSR initiatives have planned to do so in the coming years.

Focus – Nelly



Per Jonas Hammes, Chief of Staff in charge of CSR topics at Nelly

While ESG practices are still in the early stages of formalisation, Nelly benefits from a deeply embedded ESG culture that is part of its DNA. Driven by growing investors' expectations and a will to remain coherent with their impact business model, the 2021 CSR policy laid the groundwork for a more structured framework. Initiatives to promote employee well-being, diversity, and inclusion—such as flexible remote work, subsidised public transport, Pride Month event, paternity leave, sport membership, stock options (Virtual Stock Option Plan) and strong employee feedback mechanisms (360° feedback and performance review)—are core to the company's identity. With nearly gender parity across the team, diversity and representativity remain a clear priority.

While there is still room to strengthen ESG governance, Nelly's founders are fully supportive and encourage continuous improvement. The company intends to proactively update its ESG reporting, with a sharper focus on material issues. Next steps also include improving emissions tracking, joining relevant ESG initiatives, and formalising governance policies — all building on a strong internal culture that supports both purpose and progress.





## Data protection and business ethics

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

### Key figures (2024)

86%

of Cathay Innovation companies have formally assigned responsibility for **data protection**. Among the person responsible, **21% are CDPO**.

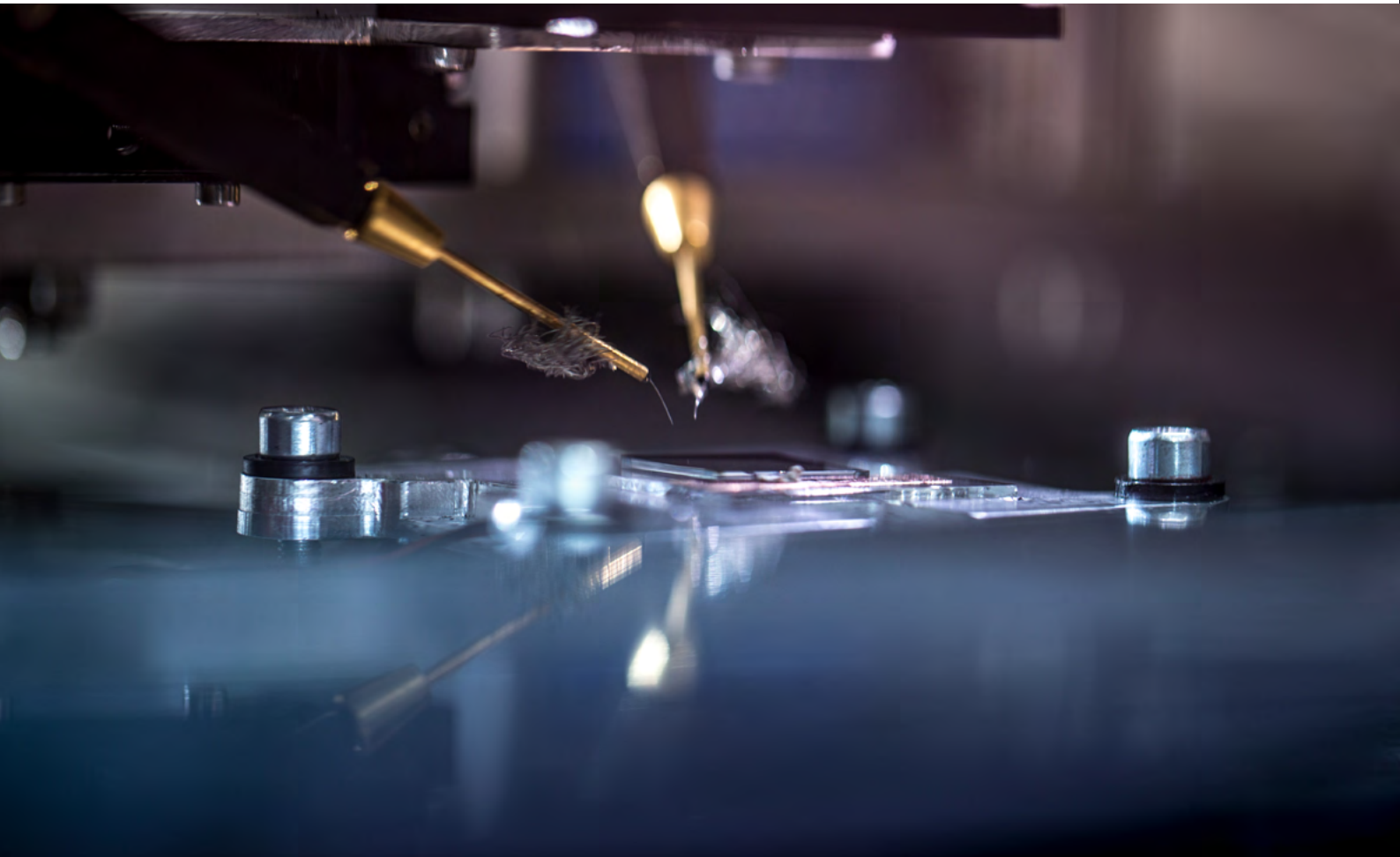
81%

of Cathay Innovation companies have at least one **business ethics** document in place (e.g., code of ethics, code of conduct, ethical guidelines, anti-corruption policy, etc.).

4%

of Cathay Innovation companies have reported **data security breaches\***.

(\*) These 4% of companies having experienced a data breach in 2024 involved customer personally identifiable information, with no consequences. Nonetheless, remediation actions have directly been put in place. We do track data security processes on a quarterly basis for every Cathay Innovation portfolio company as we consider such policy as essential for the long-term success of a business.



## AI & business ethics focus



In conversation with Charles-Albert Lehalle, professor at École Polytechnique and a leading expert in quantitative finance and artificial intelligence, serving as a Venture Partner to Cathay Innovation on AI-related matters.

“AI is a powerful enabler for ESG and impact, notably through its ability to structure unstructured data into actionable insights. This capability opens up new avenues to measure (e.g., creation of new ESG metrics, satellite imagery for emissions monitoring), anticipate (e.g., through IPCC climate models, sensor data in agriculture), and act (e.g., using IoT and predictive analytics to discover new molecules, develop new competences and ensure energy consumption flexibility) to contribute to the sustainable transition”.

There is however need for ethical vigilance. “AI, far from being immune to bias, must be built with the right data and the right questions. To ensure trust and accountability, AI systems should be auditable, open-source whenever possible, and trained on representative datasets that reflect the diversity of the real world. We must prioritise representativeness when designing neutral AI models. Investors like Cathay Innovation can play a structural role by supporting startups that embrace lightweight, responsible models (e.g., small language models), and by fostering a culture of AI ethics by design across their portfolios. As such, AI ethics aren’t a constraint, but rather a strategic lever for better, more inclusive innovation. Raising awareness about AI sovereignty and governance are also levers to activate”.

This vision is already embedded in Cathay Innovation’s portfolio strategy, aiming at supporting startups that impact the world. For example, AI-native companies like Aqemia and Entalpic harness machine learning to respectively accelerate drug discovery and design new materials to identify alternatives to polluting processes. Another example is David Energy, using AI to optimise electricity consumption and support a more flexible, decarbonised power grid. These startups illustrate how responsible AI can serve both business performance and systemic sustainability.

**In conclusion:** “The intersection of AI and sustainability is deeply compelling, as it prompts us to reconsider the very purpose of humanity. Our role is not to outpace machines in computation, nor to commit every book ever written to memory. Rather, our true calling lies in nurturing a healthier environment and shaping a brighter future for generations to come.

The rapid advancement of AI is encouraging both individuals and organisations to reflect on their core purpose and what truly sets them apart.

The real challenge ahead is learning to leverage AI to ask the right questions—not the superficial or simplistic ones—but those that genuinely propel human progress.”



Empowering people and talent

Health & safety

Ensuring health and safety (H&S) of portfolio companies' employees is crucial to the guaranteeing of 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.

Key figures (2024)

67%

of Cathay Innovation companies have formalised an H&S policy.

Focus – Wallbox



Wallbox, a leader in electric vehicle charging solutions, showcases its commitment to employee health and safety through exemplary initiatives.

The company has achieved ISO 45001 certification, underscoring its dedication to maintaining a safe and healthy work environment.

In addition, Wallbox has developed a mandatory health and safety training program that aims to equip its teams to effectively manage workplace risks. Six types of security training have been conducted, totalling 1,403 hours of training for 260 Wallbox team members.

Furthermore, Wallbox has a robust health and safety policy serving as the guiding framework for all operations.

Innovatively, Wallbox has introduced QR codes in its factories' strategic areas to facilitate communication and continuous improvement. These codes enable employees to easily report health and safety concerns, suggest improvements, and provide insights on potential hazards.



Human resources

We are dedicated to fair and just processes regarding human resources among our portfolio companies, efforts that 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.

Key figures (2024)

86%

of Cathay Innovation companies have conducted at least one satisfaction campaign/survey amongst their employees.

37%

of women, on average, in total headcount within Cathay Innovation companies.

86%

of Cathay Innovation companies have established gender equality initiatives (e.g., identification of barriers to entry, culture and leadership, training, analysis of gender pay gap, interventions in schools, etc.).

31%

of high-skilled positions (managerial roles) within Cathay Innovation companies are represented by women.

74%

of employees from Cathay Innovation companies have received training in 2024.

Focus – BeatBot



In 2023 and 2024, Beatbot implemented several measures to support employee well-being, retention, and fair workplace practices. The company maintained a low annual turnover rate of around 5%, and conducts exit interviews to identify areas for organisational improvement. To retain talent and foster motivation, Beatbot introduced an equity incentive program, granting stock options to selected employees based on their contributions.

Although no formal training policy exists, the company offers regular internal training on management skills and product knowledge and occasionally brings in external experts for specialised sessions. Basic training on workplace safety and business ethics is also provided.

Beatbot has a structured compensation system that includes performance bonuses and project incentives, especially for sales roles, where bonuses can reach up to five months' salary.



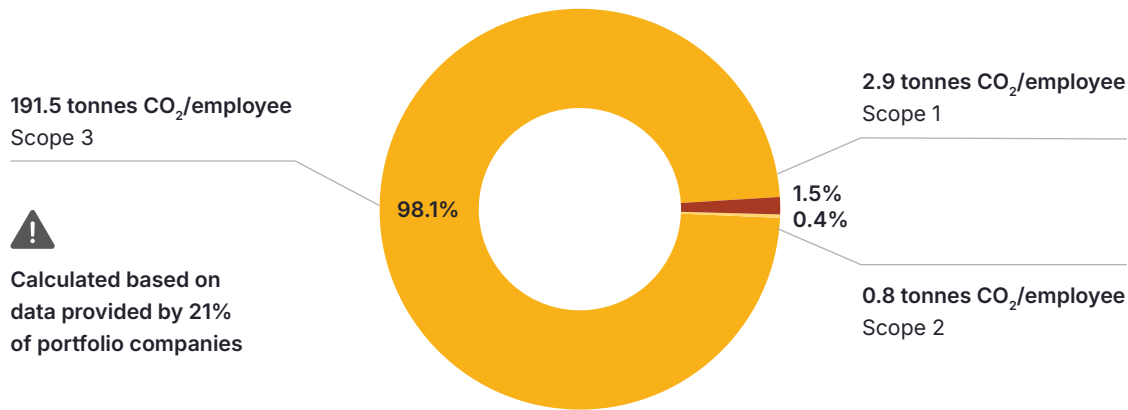
Engaging in environmental efforts

Carbon footprint

As a digital tech fund, the carbon footprint of Cathay Innovation 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.

Since 2023, we have taken concrete steps to enhance climate transparency, beginning with a third-party

assessment of our Scope 1 and 2 emissions. Building on this foundation, we are now extending our efforts to include Scope 3 emissions, with a particular focus on the carbon footprints of our investees. To support this initiative, we have partnered with Greenly and Skytech—global leaders in carbon management—to provide our portfolio companies with the tools and guidance needed to measure and manage their emissions effectively.



We have identified a series of concrete actions and best practices that early-stage companies can undertake to reduce their carbon footprint, and we support our portfolio companies in this journey.

Moreover, according to a 2022 benchmark performed by Greenly analysing 35 companies in the sector, Cathay Capital—considering both its structure and investments—emits roughly half as much as its peers.

Key figures (2024)

55%

of Cathay Innovation companies have implemented at least one **environmental initiative** at the operational level (e.g., low carbon travel policy, greencloud, purchase of renewable electricity, monitoring and reduction of plane/car travel, reduction of raw materials/paper consumption, etc.).

40%

of Cathay Innovation companies have implemented initiatives in their products and services to **reduce environmental impacts**, showing a positive evolution throughout time (e.g., life cycle analysis, shorter supply chain, use of recycled materials, eco energetical products or services, etc.).





Biodiversity

In 2025, Cathay Innovation performed a **biodiversity assessment** to better understand the impacts and dependencies of its portfolios’ direct operations and assess the materiality of the biodiversity topic for its portfolio companies. This assessment was conducted by a third-party using the ENCORE<sup>4</sup> and IBAT tools<sup>5</sup>.

The results of these analyses reveal that the activities of most portfolio companies have a **low to medium impact on biodiversity**. The primary pressures stem from pollution of water and soil, as well as resource exploitation, largely due to the manufacturing of electronic components. This process poses risks of toxic substance discharge and significant water usage. Additionally, climate change is at high risk due to greenhouse gas emissions from the transport sector.

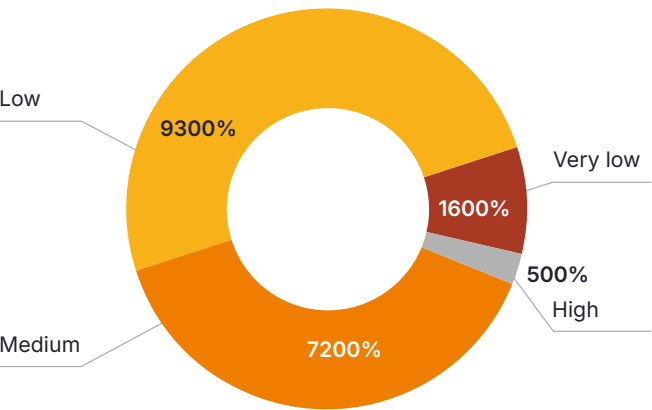
As previously mentioned, within the Innovation Fund's portfolio companies, the activities that potentially have high impacts on biodiversity include the manufacturing of electronic components and land transport.

However, **none of these activities are operated in close proximity to biodiversity-sensitive areas** or adjacent watercourses.

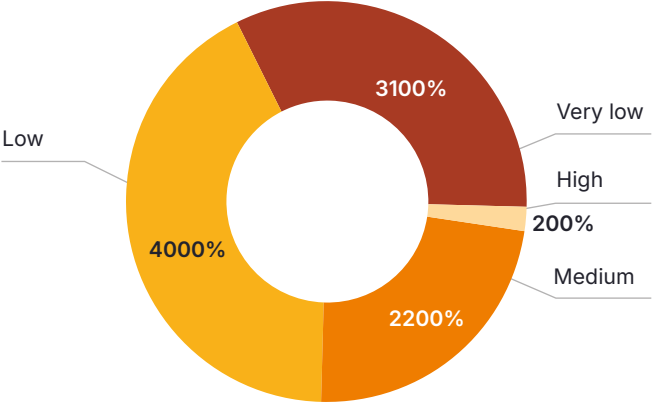
Regarding biodiversity dependency, **98% of the Innovation portfolio has a moderate or low level of dependency** on ecosystem services.

The portfolio's primary dependencies are provisioning, regulating, and maintenance of ecosystem services. Specifically, one asset demonstrates a high reliance on these services for sourcing and upkeep, as well as for regulating functions that safeguard infrastructure against extreme climate events such as floods, storms, and landslides.

Breakdown of Innovation portfolio pressure levels



Breakdown of Innovation portfolio dependency levels

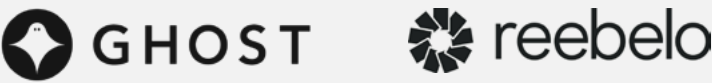


Average impact and dependencies on biodiversity by sector	Average Impact (From 0 to 5)	Average dependencies (From 0 to 5)
Transportation and storage	2,8	2,0
Wholesale and retail trade	2,3	1,5
Professional, scientific and technical activities	2,2	2,3
Manufacturing	2,1	2,3
Information and communication	2,0	1,0
Financial and insurance activities	1,3	1,0

Table legend: Scores were consolidated by assigning values to qualitative results as follows: very low = 1, low = 2, medium = 3, high = 4, and very high = 5.

(4) Exploring Natural Capital Opportunities, Risks and Exposure: <https://encorenature.org/>  
(5) Integrated Biodiversity Assessment Tool: [https://app.ibat-alliance.org/users/sign\\_in](https://app.ibat-alliance.org/users/sign_in)

Circular economy



Focus – Ghost



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<sub>2</sub> emissions. It is a testament to Cathay’s commitment to circular economy and climate change.





# 6. Advancing our Sustainability Journey





# Advancing Our Sustainability Journey

As we look forward to the future, Cathay Innovation is committed to deepening its environmental and social commitments and reinforcing its role as a player in sustainable venture capital, while continuing to support and develop outstandingly successful entrepreneurs and companies. Our upcoming actions reflect both our long-term commitment to environmental and social responsibility and our strategic alignment with evolving regulatory and market expectations.



## Biodiversity:

### establishing a framework for action

In 2025, we have carried out a biodiversity assessment using the ENCORE and IBAT tools to screen the biodiversity impacts and dependencies of our portfolio companies. These assessments will help us determine the most relevant biodiversity KPIs for our portfolio and develop a comprehensive approach to measure and report on these metrics by 2026 where relevant.



## Climate Action:

### measuring and reducing portfolio carbon footprint

With the final closing of Cathay Innovation III in 2025, we are now in position to expand our carbon footprint assessments across our portfolio. A new campaign is set to be launched by year end in order to succeed in embarking more companies towards a sustainable journey, as we did so with Cathay Innovation II portfolio. Alongside their impressive growth and their organisational structuring, their upcoming maturity will help us in driving ongoing improvements and adaptations to limit our climate impact.



## Cathay Innovation platform:

### investing in major societal challenges (ESG):

As we've achieved the final closing of Cathay Innovation III exceeding \$1B to deploy in extraordinary companies that will transform industries, we are working on a complementary ambitious initiative to make a difference in the global fight against overweight and obesity. We strongly believe that this worrying phenomenon (2B+ people worldwide) must be tackled specifically and that the most performing companies trying to bend this curve must be supported as they deserve. We will focus on a holistic integrated care approach covering prevention, physical well-being, improved nutrition, health enhancement and social bonding,

Doing so, these 3 initiatives in our sustainability journey will reinforce our DNA since our inception: being useful.





# Appendices

## Appendix I: Cathay Innovation’s Resource Hub

In 2022, we proudly unveiled the Cathay ESG & Impact Resource Hub, an innovative online platform that fosters 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.

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 II: Framework used

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

Focus on the main Sustainable Development Goal (SDG) the company contributes to and its performance on associated metrics.

### 2. WHO

Identify the stakeholders experiencing the outcome and assesses their level of underservice.

### 3. HOW MUCH

Quantify the extent of the company's positive or negative contribution, and the number of beneficiaries reached.

### 4. CONTRIBUTION

Evaluation of how efficiently the company addresses the SDG target compared to alternative solutions.




### 5. RISK

Exploration of 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 <b>Task Force on Climate-related Financial Disclosures (TCFD)</b> which developed recommendations on the types of information that companies should disclose to help investors appropriately assess and price climate risks.
	The <b>Sustainability Accounting Standards Board (SASB)</b> 's <b>Climate Risk Technical Bulletin</b> which provides an overview of climate risks and opportunities per sector.
	The 2019 <b>Carbon Disclosure Project (CDP)</b> <b>"Major risk or rosy opportunity"</b> report which also describes the climate risks and opportunities faced by companies based, among other things, on the industry in which they operate.



## Appendix III: 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;
- 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 group without the duly documented agreement of that group;
- 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 business 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;
- 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 their turnover in coal activities, including but not limited to, coal mining, and/or energy production, and/or coal-fired electricity generation.\*

(\*) Only applicable to Innovation III fund

## Appendix IV: Cathay’s scoring and 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 give 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 V: Sustainable Finance Regulation & Standards

Regulation / Framework	Short Description	How Cathay Innovation is addressing it
<b>Sustainable Finance Disclosure Regulation (SFDR)</b>	<p>The SFDR's overarching goal is to foster greater transparency in the financial sector and combat greenwashing.</p> <p>To do so, the SFDR creates classification to evaluate the sustainability level of financial products:</p> <p>a. Article 9 – financial products designed to pursue a sustainable investment objective</p> <p>b. Article 8 – financial products that promotes environmental and social characteristics</p> <p>c. 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>Cathay Innovation II fund is classified under Article 6 of the Sustainable Finance Disclosure Regulation (SFDR).</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:</p> <p>- 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>
<b>Article 29 of the Energy- Climate Law</b>	<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>	<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 <a href="#">Cathay’s website</a> and on the <a href="#">ADEME platform</a> and constitutes the fund's annual compliance by responding to its regulatory requirements...</p>

Regulation / Framework	Short Description	How Cathay Innovation is addressing it
<b>EU Taxonomy</b>	<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>1. climate change mitigation,</p> <p>2. adaptation to climate change,</p> <p>3. sustainable use of water and marine resources,</p> <p>4. circular economy,</p> <p>5. pollution prevention and control,</p> <p>6. prevention and restoration of biodiversity and ecosystems.</p> <p>To be deemed ‘aligned with the EU Taxonomy’, activities must:</p> <p>a. be listed among the eligible activities,</p> <p>b. substantially contribute to at least one of the objectives mentioned above,</p> <p>c. not negatively impact the other objectives (do no significant harm principle),</p> <p>d. 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>	<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.</p>
<b>Paris Agreement</b>	<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>	<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.</p>



# Appendix VI: 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 startups 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 startups, we aim to create a more sustainable future.

		What is assessed?	Associated sustainability theme	
Impact	Value proposition	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></ul>	
	Beneficiaries	Which stakeholders benefit from company products and services? How underserved are they? What impact are these products and/or services on them?	<ul style="list-style-type: none"><li>Relative company impact performance</li></ul>	
ESG	Fundamentals	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>	
	Human resources	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>	
	Key business partners	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</li></ul>	Climate
	Key activities	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>	







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