



Axeleo Capital

SUSTAINABILITY ANNUAL REPORT 2024



A word from us



We are thrilled to share with you, for the second consecutive year, our Sustainability Annual Report and disclose it publicly. The year 2023 was marked by an environmental surge in our deal flow:

(i) Through our B2B tech strategy, digital solutions such as **carbon** or **ESG reporting SaaS** or **ESG data tools** have gained traction. This is evidenced by our investment in Sopht in late December 2022, a GreenOps SaaS to decarbonize corporate IT

(ii) Through our PropTech strategy, around **40%** of our latest deal flow consisted of environmental solutions, addressing issues related to **building energy efficiency**, **energy storage**, **electric vehicle charging**, and **climate risk integration in building renovation**. Our investments in Mob-Energy, Pionix, and Sitowie exemplify this trend.

As VC, the "E" in "ESG" has never resonated more strongly than in the past 18 months. Our challenge as investors is to accurately **assess the potential environmental impact** (without greenwashing) of these startups, as well as any adverse impacts in a **"double materiality" approach**.

This green wave at Axeleo Capital is far from abating, as we are actively working new impact-driven projects. In this context, we have expanded our team with the **arrival of Clémence Thomin** (ex-Greenly) in late November, who is fully dedicated to sustainability issues. Her contribution should enable us to **better support our founders on ESG** and **impact measurement topics**, keeping our hands-on DNA.

We also **do not overlook social and governance aspects**. The year 2023 saw an economic slowdown in the French and global tech ecosystem, as well as a real estate crisis. For the first time, some of our portfolio companies had to reluctantly lay off staff and reduce operating expenses. Our role is also to **be close to our founding teams** in these complex situations. We remain convinced that the most successful startups will be those that have also **implemented the most virtuous social and governance practices**. The example of Joko, a B-Corp company, that achieved threefold revenue growth in 2023, should serve as a role model for our other portfolio companies, while of course respecting each one's specificities.

Enjoy reading and give us feedback!

Virginie Lucchini, Partner – Head of Sustainability



Part I: Axeleo Capital

Axeleo Capital in a nutshell

Key dates through our ESG journey

Engaging our employees

Our ESG Vision & Roadmap

Part II: Deal Flow Process

New investments & opportunities

Integrate ESG into the deal flow process

Part III: Portfolio Management

Managing our portfolio beyond investment

Portfolio overview – 2023

Our ESG Scoring Methodology

Overall results

How to improve ? Our support

01

AXELEO CAPITAL

Axeleo Capital in a nutshell



3 offices : Paris, Lyon, Le-Bourget-du-Lac

Key figures 2023:

3

Active funds

€150M

AUM

42

Active portfolio
companies

1008

Startups FTE

9

new portfolio
companies

5

Exits

Key dates through our ESG journey

2017

Creation of Axeleo Capital
(management company) by
Mathieu Viallard & Eric Burdier

Inception of Axeleo Capital 1
(SFDR art. 6) dedicated to B2B tech
early-stage startups - **33€m**

2020

Inception of Axeleo PropTech 1
(SFDR art. 6, labelled "France Relance")

Signature of **France Invest Gender
Equality Charter**

Recruitment of Virginie Lucchini (Partner)
in charge of compliance and ESG

Integration of ESG into our investment
process (pre-investment stage)

2022

Inception of AXC 2 - our 3rd fund
dedicated to B2B tech early-stage
startups (SFDR art 8. - **Promoting ESG
factors**)

Creation of an ESG Toolbox for founders

Portfolio : Joko: 1st portfolio company
obtaining B-Corp certification

Sopht: 1st investment with environmental
objectives

2019

Signature of Sista VC Charter:
promote gender diversity in the
digital industry through financing
activities.

Signature of Principles for
Responsible Investment of United
Nations (**PRI**)

2021

1st Carbon Footprint assessment

Definition of our first climate
commitments

Key dates through our ESG journey

2023

2nd Carbon Footprint assessment of Axeleo Capital including portfolio investments

Signature of the **France Invest Value Sharing Charter**

Introducing a new value-sharing tool : **ESG ESOP** (in partnership with August Debouzy law firm – initiative shared to the start-up and VC ecosystem)

Recruitment of **Clémence Thomin**, dedicated to sustainability

Implementation of Apiday, ESG software

3 environment-related investments : Mob Energy, Pionix & Sitowie

Public release of our annual sustainability report + expansion of our **ESG public page**

Overhaul of our exclusion policy

2024

AMF sustainable finance certification for our ESG team

*Improve our **operational support** to portfolio companies on sustainability issues*

*Develop a **robust methodology** to assess the impact and ESG potential of our investments*

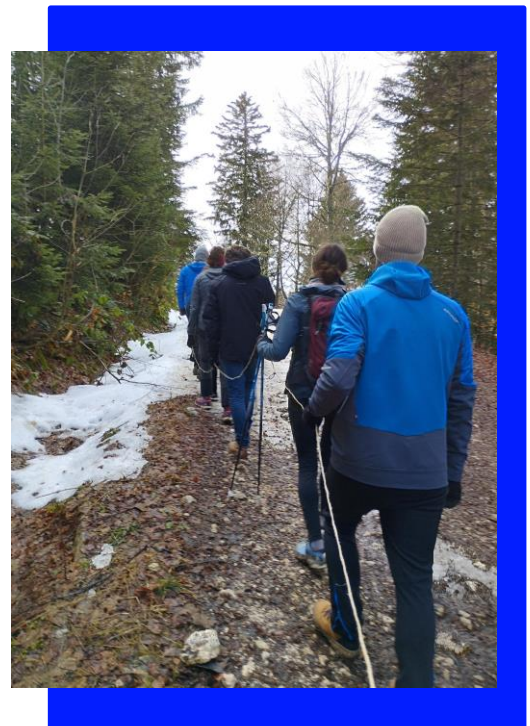
Engaging our employees

In 2023, our focus was on demonstrating our commitment to improvement. We release publicly for the first time our annual Sustainability Report and simultaneously [refined our dedicated ESG website page](#) to engage all stakeholders in our responsible investment approach.

By the end of 2023, we [hired our first ESG specialist](#) to enhance our strategy and ensure that we apply this methodology to all our processes and investment. We also joined initiatives like the [VentureESG initiative](#) and [France Invest Sustainability Commission working group](#) to actively contribute to industry-level conversations.

In 2024, we aim to formalize and strengthen our approach further. Three team members passed the [Sustainable Finance certification](#) from the French regulator (AMF). Our goal now is to train the entire team.

[Climate concerns](#) were central themes in our annual teambuilding, where employees engaged in guided sessions and a “[deep-time walk](#)” with a global warming expert in the Alps.



Our ESG Vision & Roadmap (1/3)

This report will outline our vision and how we **operationalise ESG goals** and responsible investment best practices throughout our funds and investments.

We are excited to share this journey with you and welcome further discussion. In our initial discussions, we recognized that ESG is **often perceived as additional regulation**, adding to the already complex workload of our executives.

The objective is to identify and implement **practical ESG actions** from the beginning. The goal is to make early-stage startups more attractive and help them draw top talent, who prioritize CSR, especially social issues, in their job selection.

Our considerations encompassed **environmental and social initiatives**, particularly regarding **carbon footprint, diversity and inclusion, good governance**, and **employee satisfaction**.

This reflexion led us to define 6 top priorities:

ENVIRONMENT

- **Carbon Footprint:** **50% of startups > 20 employees** carry out their carbon footprint assessment
- **Awareness:** **50% of startups** implement at least 1 environmental initiative

SOCIAL

- **Gender equality:** **40% overall feminization rate**
3 women in the top 10 salaries on average
- **Mental Health:** **70% of startups** – Measure well-being at work
40% of startups – Carry out at least one awareness raising workshop

GOVERNANCE

- **Non exec. Board :** **70% boards with 1 independent member**
- **ESG ESOP :** **1st implementations**

Our ESG Vision & Roadmap (2/3)

ENVIRONMENT

CARBON FOOTPRINT

As of 2024, we aim to make it compulsory for all portfolio companies (> 20 employees) to assess their carbon footprint. This assessment is required within 24 months post-investment for Pre-Seed/Seed rounds, and within 12 months post-investment for Series A & Series B+ rounds (commitment shared in our investment term sheets)

Actions: we have secured benefits with a climate SaaS provider, [Sami](#), for our startups and implemented Apiday software with features to provide swift and free carbon footprint estimations.

SOCIAL

GENDER EQUALITY

Actions: We organize awareness-raising activities : dedicated breakfast sessions and we have partnered with HR recruitment agencies, [Have you met Simone](#), which is committed to providing gender-balanced shortlists of candidates, even for roles where women are typically underrepresented.

To centralize all best practices and better support our executives, we will also publish a guide on social matters.

MENTAL HEALTH

Given the actual economic situation, we are particularly focused on addressing mental health concerns. Mental health issues account for approximately 35 to 45% of workplace absenteeism.

Actions: To better support individuals facing these difficulties, we are developing a tool to assess employee well-being and partnering with a mental health company, [moka.care](#), dedicated to fostering a supportive work environment.

Our ESG Vision & Roadmap (3/3)

GOVERNANCE

INDEPENDENT BOARD MEMBER

Actions: We aim to appoint an independent board member to each of our portfolio companies. By striving to complete these appointments, we aim to align with best governance practices, ensure unbiased perspectives, and enhance accountability.

ESG ESOP – VALUE SHARING

To integrate ESG performance in value sharing mechanisms, we have designed **ESG ESOPs** in partnership with August Debouzy law firm. The objective is to indexing a portion of ESOP granted to key startup employees based on the achievement of sustainability criteria. We published [a white paper](#) to help startup design relevant sustainability KPIs to achieve.

SUSTAINABLE INVESTMENT

Beyond our ESG approach, we also aim to strengthen the engagement of our startups and have identified investments that directly address social and/or environmental challenges:

- **B2B Tech funds** (Axeleo Capital 1 & AXC2) : GreenIT, Cybersecurity, Data Privacy, Training & awareness tools, IA tools applied to sustainability
- **PropTech**: Energy, Eco-friendly construction materials, Recycling, Energy efficiency, Accessibility to housing, Training

02

DEAL FLOW
PROCESS

New investments & opportunities

DEAL FLOW OPPORTUNITIES

Our 2023 deal flow reflected macro-trends with more applications from female founders and an increased focus on environmental issues.

Total Deal Flow

2,200

new opportunities

Environment

318

Environment related (*)

Female Founders

310

led by a female founder

PORTFOLIO INVESTMENTS

100% of our 2023 new investments have completed our updated ESG due diligence process.

Total Investments

9

Environment

3

Female Founders

2

Deep dive on our 3 environment-related 2023 investments

sitowie

Sitowie develops a **360° green assessment tool for real estate decision-makers** (with focus on renovation plans)

MOB-ENERGY

Mob-Energy offers off-road EV charging solutions for efficient and convenient **electric vehicle charging**.

PIONIX

Pionix develops **open-source** software solutions for **electric vehicle charging** infrastructure.

Our 6 other 2023 portfolio companies

Main focus : generative AI, data Saas, cybersecurity and ConTech

 **oculai**

 **Graneet**

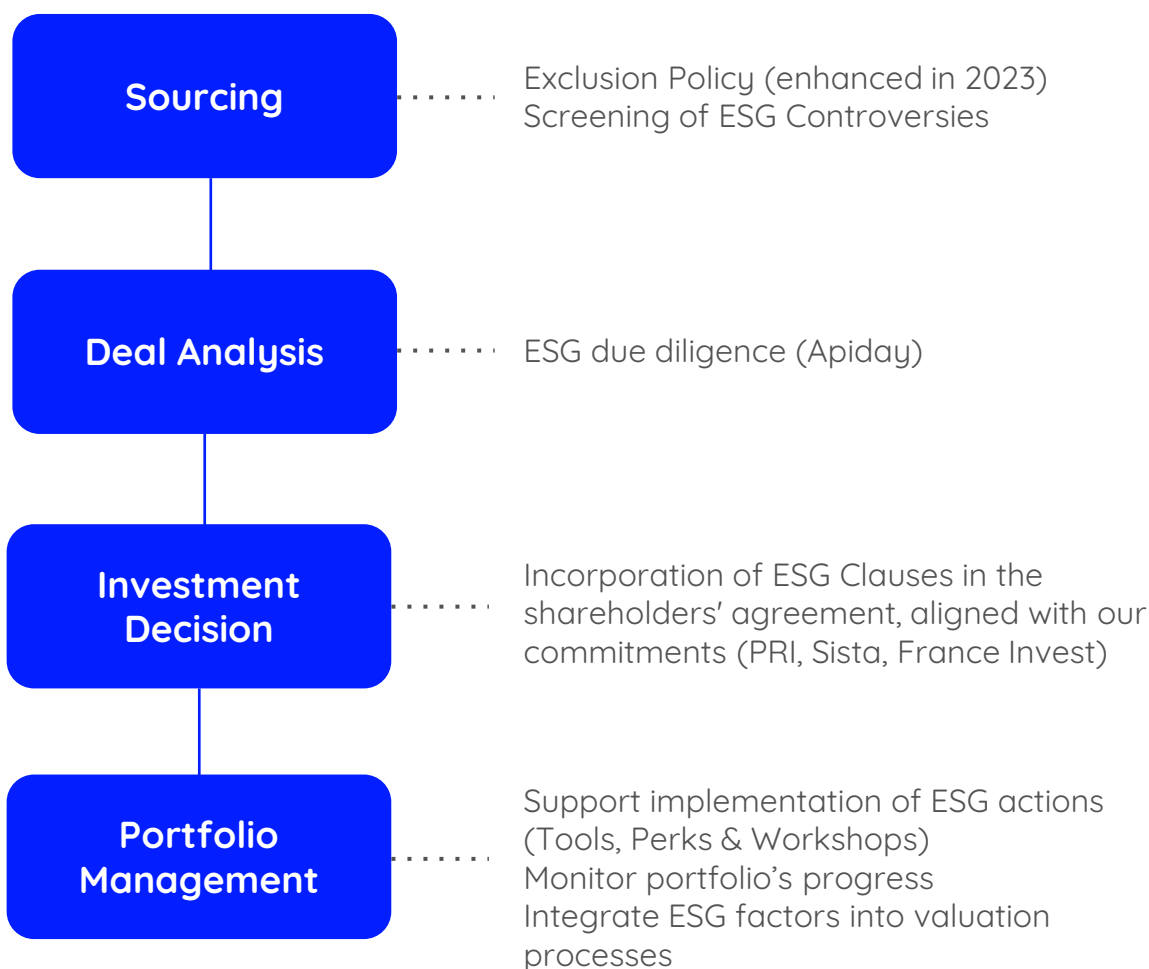
 **Argil**

 **dbtune**

ZYGMON Tenacy

(*) Source : Axeleo Capital Affinity - subsectors : GreenTech, Smart Industry, Energie & Environnement, Sustainability, Energy Storage & Efficiency, Energy, Environment, Renewable Energy, New Urban Mobility & Logistics, Clean Energy, Recycled Materials, Green Building, Clean Energy,)

Integrating ESG into the Deal Flow process



From now on, we do not address adverse impacts (PAI) for our entire portfolio due to lack of relevance and data availability. We prioritize on assessing and mitigating negative externalities for our investments with sustainable objective.

Our **due diligence questionnaire** evaluates the ESG maturity and commitment of potential investees, offering insights into their status. ESG analysis is performed for **100% of our deals**, based on declarative data, except in exceptional circumstances.

New developments in 2023 include **ESG ESOP** initiative, **Due Diligence with Apiday**, and the integration of ESG criteria into the valuation process of portfolio companies in line with **IPEV guidelines**.

03

PORTFOLIO
MANAGEMENT

Managing our portfolio beyond investment (1/2)

After investing, we remain dedicated to closely monitoring our portfolio's performance, evaluating both financial and extra-financial aspects in line with our ESG vision.

As of 2024, Axeleo Sustainability team will organize 3 to 4 ESG dedicated workshops every year to support our portfolio.

Insights from our portfolio companies

In February 2024, we hosted our inaugural **ESG webinar**, inviting all our portfolio companies to participate in sharing our ESG strategies and objectives. Approximately **50%** of the portfolio **attended**.

The purpose of the webinar was to introduce and familiarize them with Apiday, our new software for **ESG reporting & follow-up**, showcasing our fund's **2024 roadmap** and the **top 6 KPIs** we aim to track.

To survey our portfolio and monitor our objectives, we curated standardized questions from BPI and France Invest questionnaires, verifying that they comply with SFDR obligations. The survey was tailored to our various funds under Articles 6 and 8.

Insights gleaned from the companies provide promising starting points, as they enable us to gain a better understanding of their status, objectives for 2024, and primary challenges.

Managing our portfolio beyond investment (2/2)

TOP 3 ROADMAP 2024

1. Implement actions plans to reduce carbon footprint
2. Increase feminization rate at overall and Executive Committee level
3. Ensure employee well-being with a focus on mental health

TOP 3 CHALLENGES

1. Execute carbon footprint reduction plan, particularly Green IT
2. Empower teams to raise awareness about climate & social issues internally
3. Communicate on commitments avoiding ESGwashing

Portfolio overview - 2023

Pre-Seed & Seed: 25 startups

Axeleo Capital 1



Axeleo PropTech 1



AXC 2



Series A & B: 16 startups

Axeleo Capital 1



Axeleo PropTech 1



AXC 2



Our ESG Scoring Methodology

For this 2023 annual ESG survey, we finetuned and simplified our scoring methodology compared to last year.

We focused on the 3 pillars of ESG according to our main objectives and assigned specific weights to them.

This methodology allows us to calculate the score for each company in the portfolio and determine Axeleo Capital's internal ESG score.

This year, we used Apiday to collect our annual ESG data.
38 portfolios companies amongst 42 answered our survey.

ENVIRONMENT

Weight

Carbon Footprint: Not realized (0), Scope 1 (1), Scope 1 & 2 (2), Scope 1/2/3 (3) **3**

Implement Action plans: None (0), 1 (1), 2 (2), 3 and >3 (3) **3**

Obtain labels: None (0), 1 (1), min 2 (2), B Corp or 3 (3) **1**

SOCIAL

% of female employees: <10% (0), <25% (1), between 25% & 40% (2), >40% (3) **3**

of net job creation: 0 (0), between 1 & 5 (1), between 5 & 8 (2), >8 (3) **2**

% of female ExCo members: <10% (0), <25% (1), between 25% & 40% (2), >40% (3) **2**

Women among the top 10 highest-salaried employees: 0 (0), 1 (1), 2 (2), >3 (3) **3**

Employees well-being: None (0), 1 action (1), 2 actions (2), >3 actions (3) **1**

GOVERNANCE

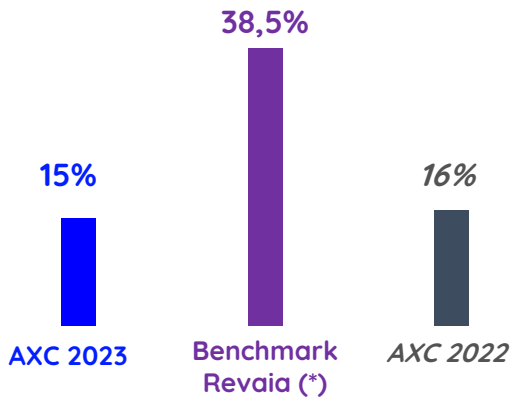
Female board members: None (0), one (1), two (2), > three (3) **2**

Independent Board members: No board (0), no (1), vacancy (2), position held (3) **3**

Overall results

ENVIRONMENT

CARBON FOOTPRINT ASSESSMENT

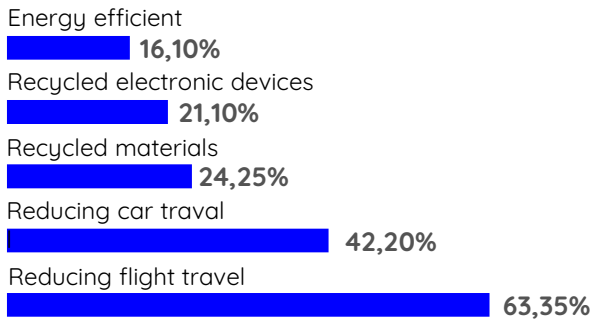


This year, our performance falls slightly below both the Revaia benchmark and our 2022 results. **Only 6 portfolio companies (15%)** have assessed their carbon footprint.

This can be attributed in part to our recent investments in early-stage startups, which have not yet had the chance to develop and implement sustainability strategies.

Best-in-class portfolio companies : **Mob-Energy & Sopht**

TOP 5 ACTIONS IMPLEMENTED



ACTION PLANS

73%

Have implemented environmental action plans **(vs 51% in 2022)**

Over 70% of our startups have taken actions to reduce their carbon footprint. This marks a notable improvement indicating **a rising awareness on climate issues** within our portfolio.



Jérémie Veg
CEO Sopht



AXC2

B2B SaaS

«As a green IT solution, we wanted to set an example for our stakeholders.»
Sopht obtained the “Numérique Responsable Label”



Salim El Houat
CEO Mob Energy

MOB-ENERGY

AXC2 & AXP1

Energy

« We conduct 2 LCA studies to assess the environmental benefits of our solution from both technological & industrial perspectives, and we generate data on 2nd-life battery reconditioning and local smart grid optimization. »

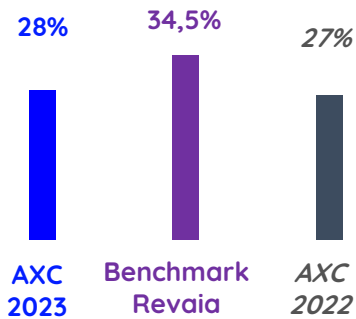
(*) Revaia Benchmark : Study conducted on the European tech startup ecosystem from pre-seed to Series A stages (350+ responses)

Overall results

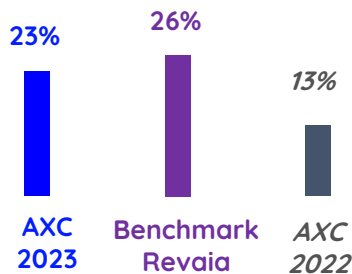
SOCIAL

GENDER DIVERSITY

OVERALL RATE



EXEC. COMMITTEE



FOUNDERS TEAM

8
Female Founders
(vs 6 in 2022)

We face a **significant challenge regarding gender parity**, aiming for an overall feminization rate of 40% in 2024. In terms of employee composition, the rate is relatively stable but remains well below the Revaia benchmark.

However, for **C-level positions, we are closer to market trends**, partly due to the maturity of the Axeleo Capital 1 portfolio and recent investments in PropTech 1. Regarding founding teams, we now have **8 startups launched by women**, including 2 new investments in 2023 : Pionix and Sitowie.

JOB CREATION

1008

employees
(vs 981 in 2022)

By the end of 2023, the total number of employees in the **portfolio exceeded 1,000, showing a slight increase** compared to 2022. This uptick is due to new investments and a higher average number of companies in the portfolio. On average, our startups employed **24 employees**, up from 23 in 2022.

Best practices amongst portfolio companies

aplo

« We introduced Moka.care, a mental health support for all our employees. »

Garantme

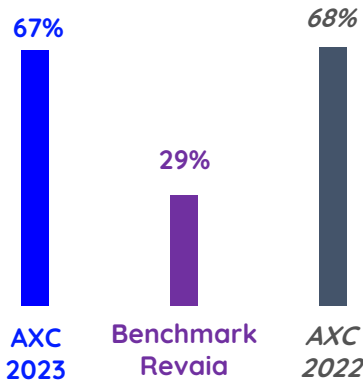
« We measure gender parity, update job offers on WTTJ's page to improve it, tackle salary grids and gender pay gaps. »

Overall results

GOVERNANCE

BOARD COMPOSITION

INDEPENDENT MEMBERS



% portfolio companies with at least 1 independent board member.

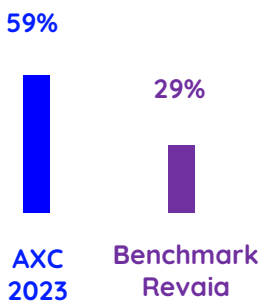
FEMALE MEMBERS

10%

% of women in our boards
(vs 8,75% in 2022)

Our target is to get **70% of our startups with at least one independent board member**. As companies mature, their governance practices improve. We maintain a stable rate of 67%, with one vacant seat, which is well above the market average.

ESG LEADER



More than half of our portfolio companies have appointed an ESG leader to manage ESG tasks. This rate should be interpreted with caution as it includes all internally identified individuals on ESG topics, often volunteers. In contrast, the Revaia benchmark is based on full-time or part-time dedicated positions, which are very rare in our portfolio.

Best practices amongst portfolio companies



« We share a post-meeting summary and monthly data for transparency and clarity with our investors ».



« We share meeting materials in advance for pre-meeting review to have more efficient board meetings ».

Overall results - Startups ranking

ALL FUNDS



365
TALENTS



JOKO



sopht

Axeleo Capital 1



365
TALENTS



JOKO



trustpair

AXC 2



sopht



MOB-ENERGY



Cohort

Axeleo Proptech 1



**check
&visit**



beanstock



MOB-ENERGY

How to improve ? Our support

While our funds objectives are long-term, we've implemented extensive support for portfolio companies to aid ongoing enhancements in their ESG strategy.

1

Access to our exclusive sustainability Toolbox

2

Learn from our playbooks: **Climate, Social and Governance** - *end of Q2'24*

3

Use a customized template to streamline your sustainability policy creation

4

Engage in e-Breakfast sessions to share best practices:

June: **Gender parity** challenges in the tech ecosystem (Paris & Online)

TBC (Q3 2024): Raise **climate awareness** & implement action plans successfully (Paris & Online)

TBC (Q3 2024): Governance and new approaches to **value sharing** (Paris & Online)

5

Connect with peers thanks to our matchmaking program



Contact us

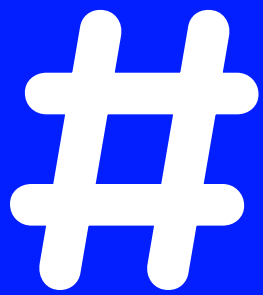


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Learn more on [our dedicated web page](#)
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APPENDIX

Appendix – ESG ESOP

ESG ESOPs (Employee Stock Ownership Plans) are based on a **company's extra-financial performance**, focusing on environmental, social, and governance (ESG) criteria. They aim to align employee incentives with the company's sustainability goals.

Main Objectives :

1. **Engage all employees in the company's sustainability strategy:** Involve every team member in the company's efforts to be more sustainable.
1. **Incentivize employees financially:** Provide financial rewards to employees based on the company's ESG performance.
1. **Deepen commitment to sustainability:** Foster a stronger dedication to sustainable practices within the organization.

Insights to Implement ESG ESOP :

1. **Allocate up to 50% of ESOP based on overall extra-financial performance:** **Tie a significant portion of the ESOP to the company's ESG achievements.**
2. **Define your main sustainability priorities:** Identify and aim to meet at least 5 out of 10 keys [ESG performance criteria](#).
3. **Implement our [ESG ESOP Template](#):** Use a standardized template to structure and guide the ESG ESOP.
4. **Communicate and train your teams:** Ensure that all employees understand the ESG ESOP and are trained on how to contribute to the company's sustainability goals.

By incorporating these steps, companies can effectively integrate ESG principles into their employee ownership plans, aligning financial incentives with sustainable business practices.

[Learn more](#)