

# ASTANOR

Where tech meets nature

## OPERATING PRINCIPLES FOR IMPACT MANAGEMENT

ASTANOR

May 2025

For the past 70 years, the agrifood industry has invested in quantity over quality, resulting in a food system that is outstripping the planet's resources and perpetuating global health crises. As an impact investor, we embrace our role to help re-invent this broken food system. We believe in the future of an agrifood system that provides affordable nutrients for 10 billion people, preserves and regenerates natural resources, actively contributes to decarbonization and protects land and ocean biodiversity.

At Astanor, we are driven by a pressing urgency to combat climate change, biodiversity loss and improve the health of humanity and the planet. We work with scientists, policy makers, activists and entrepreneurs to catalyze a fundamental shift in the way we grow, harvest, transform, make, distribute, consume, waste and eat food. Systemic disruption is needed to reach the ambitious targets set forth by the Paris Agreement, the UN SDGs and the European Commission's Farm to Fork strategy.

At Astanor, we believe financial returns are substantially correlated with a sustainable approach to the management of environmental, social and governance risks and to impact creation. The market is increasingly moving in this direction, with consumers demanding an increasingly sustainable and transparent agrifood industry. We engage with our companies to improve their ESG profile and increase their positive impact. By definition, our investment thesis and our mission are leading us to invest in mission-driven companies: the more successful the business, the more impact there will be.

Sustainability and impact are deeply rooted within Astanor, from our mission itself to our investment objectives and our investment process. We aim to meet the highest standards in this area, which are in continuous evolution. As such, we are closely monitoring market and regulatory progresses and strive to participate actively in this debate: to lead our investees by example and shape the future of impact investing.

Astanor is a signatory to the Operating Principles for Impact Management (the **Impact Principles**) since 2021 (previously as Good Harvest Ventures Management). The total value of the Covered Assets in alignment with the Impact Principles is US\$800 million as of May 12, 2025. Astanor shares in the collective commitment to ensure that impact management practices are purposefully integrated throughout the life cycle of each investment.

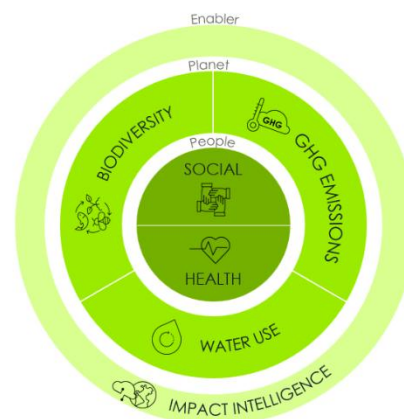
## **PRINCIPLE 1: DEFINE STRATEGIC IMPACT OBJECTIVE(S), CONSISTENT WITH THE INVESTMENT STRATEGY.**

*The Manager shall define strategic impact objectives for the portfolio or fund to achieve positive and measurable social or environmental effects, which are aligned with the Sustainable Development Goals (SDGs), or other widely accepted goals. The impact intent does not need to be shared by the investee. The Manager shall seek to ensure that the impact objectives and investment strategy are consistent; that there is a credible basis for achieving the impact objectives through the investment strategy; and that the scale and/or intensity of the intended portfolio impact is proportionate to the size of the investment portfolio.*

Astanor is an active catalyzer of the necessary evolution in the agrifood system, fueling the transition from its current extractive state to one that is regenerative, protective and provides affordable nutrients for a growing population with shifting dietary demands. To achieve its theory of change, Astanor is investing in mission driven entrepreneurs that have identified a disruptive and innovative way to regenerate soil and human health. Any Astanor investment must demonstrate a viable theory of change and a contribution to the SDGs, with a comprehensive description of how and why a desired change is expected to happen within its existing business models. This is core to our impact investing approach: each new potential deal must ensure alignment in intentionality between the founder, their team and Astanor towards impact creation.

### **Impact KPIs**

To address the diverse and far-reaching environmental and social consequences of today's agrifood system, we have established six impact KPIs ("**Impact KPIs**") that provide a holistic understanding of the impact of our portfolio companies on the planet and its people. Earth's systems are interconnected; the stability of one KPI depends on that of another. Assessing impact across these six interconnected and interdependent KPIs is essential to ensuring a balanced approach to investment and ensuring a sustainable transition of the agrifood system. Each investment must contribute to at least one KPI and not significantly harm any of the other five.



**GHG emissions:** The agrifood system is one of the greatest contributors to climate change. It is responsible for around 16.5Gt of CO<sub>2</sub>e per year<sup>1</sup>, approximately one third of total global GHG emissions. While one of the largest emitting industries, it is at the same time extremely vulnerable to climate change – rising temperatures pose a significant threat to crop yields while encouraging weed and pest proliferation. This KPI will be measured in Metric tons of CO<sub>2</sub>e emissions avoided.

**Biodiversity:** While food production is heavily dependent on biodiversity, the global food system is the primary driver of biodiversity loss. Agriculture alone has been identified as a threat to 86% of species at risk of extinction (24,000 species out of a total 28,000 listed): this is largely caused by land use change, overexploitation of wild species and overuse of agricultural inputs<sup>2</sup>. This KPI will be measured with metrics such as hectares of land use avoided, metrics tons of wild fish spared, kg of plastic packaging avoided, or number of agroforestry projects financed.

**Water Use:** Agricultural production is both entirely dependent on freshwater resources and the largest user of this limited resource. Agriculture accounts for 70% of water use worldwide<sup>3</sup> and yet 40% of it is wasted due to inefficient use<sup>7</sup>. Freshwater has historically been regarded as an easily accessible and affordable resource, but it can no longer be treated as such.

This KPI will be measured in m<sup>3</sup> of water of use avoided.

**Social:** Structural inequalities in the food system have resulted in widespread social inequalities for producers and consumers. Farmers face low and unreliable incomes, difficult access to partnerships and market information and livelihoods vulnerable to climate uncertainty<sup>4</sup>. Consumers, on the other hand, are impacted by a lack of education coupled with product misinformation and limited access to healthy food options.

This KPI will be measured with metrics such as number of farmers financed, € of financing for agricultural projects, or number of jobs created through financed projects.

**Health:** The agrifood industry has created a double burden of malnutrition: 26% of the world's population experiences hunger or lacks access to sufficient and nutritious food, while 39% is overweight or obese<sup>5,6</sup>. While the volume of food produced globally is sufficient to feed everyone on the planet, nutrition and distribution challenges continuously exacerbate global health crises.

This KPI will be measured with metrics such as number of healthy products sold, number of people educated about healthy diets, or healthy eating index.

**Impact Intelligence:** The Climate Intelligence KPI is designed for the enablers, i.e. for technologies that enable the acceleration of the agrifood transition. They support other businesses, including agrifood companies, by providing intelligence to facilitate informed decisions and support impact creation for both the people and the planet. These enablers play a critical role in building resilience in the agrifood sector as it faces the growing challenges of climate change.

This KPI will be measured with metrics such as products carbon-footprinted, or number of hectares under smart farming management systems.

The Impact and ESG framework of Astanor is further detailed in the [Responsible Investment Framework](#). Astanor publishes its impact report on an annual basis which provides an insight into its ESG performance<sup>1</sup>.

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<sup>1</sup> [Astanor's annual impact report](#)

## **PRINCIPLE 2: MANAGE STRATEGIC IMPACT ON A PORTFOLIO BASIS.**

*The Manager shall have a process to manage impact achievement on a portfolio basis. The objective of the process is to establish and monitor impact performance for the whole portfolio, while recognizing that impact may vary across individual investments in the portfolio. As part of the process, the Manager shall consider aligning staff incentive systems with the achievement of impact, as well as with financial performance.*

- Within six months post investment, Astanor conducts an 'impact deep dive' for each of its portfolio companies to further complete the work done during the pre-investment phase. The impact deep dive (the "**Impact Deep Dive**"), which is led by the impact team in collaboration with the Astanor deal team, is an in-depth discussion and analysis with the founder/CEO and/or the head of sustainability of the portfolio company during which all the outstanding impact questions requiring further investigation are covered. The aim of the deep dive is to define the baseline both in terms of ESG and impact, to build a constructive sustainability roadmap and to determine the best suited impact KPIs for the portfolio company. On the ESG side, Astanor has built a comprehensive ESG questionnaire, which integrates requirements and recommendations set out in highest-standard ESG programs. The due diligence is comprised of approximately 100 questions that assess environment criteria (policies in place, initiatives implemented, contribution to fight against climate change and in favor of energy transition, etc.), social criteria (policies in place, integration of favorable working conditions and equal opportunities, profit sharing applications, etc.) and governance criteria.
- At Astanor, we condition our long-term incentive program also around the non-financial performance of our Fund. We ensure a complete alignment between our incentive structure and our long-term impact goals. We have built a Fund Impact Multiple On Invested Capital (IMoIC) in order to assess our impact creation. At each portfolio company level, a Portfolio Company Impact Multiple on Invested Capital is defined. All Portfolio Company Impact Multiples On Invested Capital are aggregated at the fund level by multiplying them by the amount invested by the fund into the portfolio companies. Astanor aims to achieve a multiple greater than 1:
  - If the Fund IMoIC equals or exceeds the value of 0.8 – 100% of the Carried Interest will be distributed to Astanor's management team.
  - If the Fund IMoIC equals or exceeds the value of 0.60 but is lower than 0.8 – 0% to 30% (calculated linearly) of the carried interest shall be distributed to a number of NGOs or charities selected by Astanor (e.g., 15% of the carried interest will be distributed if the Portfolio IMoIC was equal to 0.7).

If the Fund IMoIC is below 0.6 – 30% of the Carried Interest will be distributed to NGOs or charities selected by Astanor.
- Astanor staff compensation is a combination of a fixed remuneration (base and benefits) and a variable remuneration (bonus). The variable remuneration includes an impact-based mechanism with defined impact-related targets assigned to each team member within the annual performance review's assessment framework. This process is collaboratively led between the Partner Director of Impact, the team member and its manager. Annual impact targets will be defined along the following question: *how have you, within your role, actively participated in ESG & impact related topics during the year?*

## **PRINCIPLE 3: ESTABLISH THE MANAGER'S CONTRIBUTION TO THE ACHIEVEMENT OF IMPACT.**

*The Manager shall seek to establish and document a credible narrative on its contribution to the achievement of impact for each investment. Contributions can be made through one or more financial and/or non-financial channels. The narrative should be stated in clear terms and supported, as much as possible, by evidence.*

At Astanor, we invest in companies which reconcile impact and financial return with a strong ESG ambition, and act as an engaged shareholder to incorporate impact creation directly into our portfolio companies' business plan, building resilience to market disturbances in the long term. We therefore bring to our companies both financial and non-financial value add.

- During investment negotiations with a potential investee, we ensure that our ESG and impact requirements are embedded in contractual documents for a complete alignment with our vision on how to engage our portfolio companies in their impact and ESG journey. In addition to the impact clause, we strongly encourage our potential investees to proactively modify their articles of incorporation in view of meeting the B Corp legal accountability requirements – opening the path to obtain the certification.
- We aim to have a board seat in each of our investments, a position that allows us to play an active role as impact investors within the companies and ensure that ESG and impact topics are assessed at the highest level within the company. In parallel, we establish an impact committee with the company's impact-driven stakeholders including other impact investors to ensure that ESG and impact strategies are aligned. The impact committee must report to the board at least twice a year.
- Over the years, we have built a full library of solutions to support portfolio companies on both their ESG and impact journeys, including policy templates (code of conduct policy, DEI policy, grievance policy, parental leave policy, responsible purchase policy, supplier code of conduct, whistleblowing policy), an expertise and full network of experts on LCA, a network of consultants for B Corp certification and a partnership with a software provider to measure their carbon footprint. Our support is essential in enabling companies to understand when to focus their efforts on a specific topic depending on their stage of development and to employ best practices with all stakeholders such as suppliers, customers, co-investors, and employees.

## **PRINCIPLE 4: ASSESS THE EXPECTED IMPACT OF EACH INVESTMENT, BASED ON A SYSTEMATIC APPROACH.**

*For each investment the Manager shall assess, in advance and, where possible, quantify the concrete, positive impact potential deriving from the investment. The assessment should use a suitable results measurement framework that aims to answer these fundamental questions: (1) What is the intended impact? (2) Who experiences the intended impact? (3) How significant is the intended impact? The Manager shall also seek to assess the likelihood of achieving the investment's expected impact. In assessing the likelihood, the Manager shall identify the significant risk factors that could result in the impact varying from ex-ante expectations. In assessing the impact potential, the Manager shall seek evidence to assess the relative size of the challenge addressed within the targeted geographical context. The Manager shall also consider opportunities to increase the impact of the investment. Where possible and relevant for the Manager's strategic intent, the Manager may also consider indirect and systemic impacts. Indicators shall, to the extent possible, be aligned with industry standards and follow best practice.*

The pre-investment process leading to an investment decision is a three-step journey:

1. First the Astanor impact and investment teams work with the potential investee on the ESG and impact due diligence, screening for potential misalignment with our three pre-requisites for investing as detailed in our [Responsible Investment Framework](#).
2. The resulting analysis is then reviewed by the Partner, Director of Impact (or any of its designees), which will assess whether all prerequisites are met by the potential investee.
3. Lastly, if the evaluation is positive, Astanor's investment committee composed of Astanor partners will discuss the potential investment. The Investment Committee will challenge any finding that may be incompatible with the Astanor impact thesis.

Astanor assesses how it expects the particular investment to deliver on its impact KPIs. It is likely that the materiality assessment of the impact won't be completely finalized at the time of the due diligence, i.e., the extent to which the investment will contribute to the objective, due to the lack of sufficient and adequate data at the time of investment. The full assessment of the six impact KPIs is completed within six months post investment, during the impact deep dive. The Impact and ESG Report is reviewed with the portfolio companies before being finalized. During this final discussion, a common decision is made to establish the definitive impact KPIs, their weighting and their targets. The outcome of the impact deep dive is then presented to, and ultimately challenged by Astanor's fund external advisory committee.

While our holistic approach to impact measurement is tailored to fully capture the impact of individual agrifood solutions, comparing the impact of potential investments across 6 impact KPIs has proven challenging. For example, assessing deals only by referring to the metric tons of CO<sub>2</sub>e avoided will only paint one part of the picture and will be insufficient to compare deals (for VCs) and funds (for LPs). To address this challenge, we developed a proprietary model which combines all the impact pathways of an investment contributing to one of the five contributing KPIs into a single aggregated metric (the "**Impact Valuation Model**"). Impact Valuation aims to provide an integrated perspective by converting heterogeneous indicators usually available in multiple physical units (e.g., tons of CO<sub>2</sub> equivalent, liters of water used, or number of jobs created) into a single indicator expressed in a monetary value. Based on the monetary value of impact created, we are able to measure the company's impact multiple on invested capital ("**Impact Multiple On Invested Capital**" or "**IMoIC**"). The model is updated on an annual basis to track year on year impact creation and progress of each company.

## **PRINCIPLE 5: ASSESS, ADDRESS, MONITOR, AND MANAGE POTENTIAL NEGATIVE IMPACTS OF EACH INVESTMENT.**

*For each investment the Manager shall seek, as part of a systematic and documented process, to identify and avoid, and if avoidance is not possible, mitigate and manage Environmental, Social and Governance (ESG) risks. Where appropriate, the Manager shall engage with the investee to seek its commitment to take action to address potential gaps in current investee systems, processes, and standards, using an approach aligned with good international industry practice. As part of portfolio management, the Manager shall monitor investees' ESG risk and performance, and where appropriate, engage with the investee to address gaps and unexpected events.*

As an impact investor, Astanor invests in mission-driven companies which aim to have a positive impact on people and the planet and excludes from its portfolio any company active in the prohibited sectors listed in our [Responsible Investment Framework](#). Through our due diligence process, we evaluate both the positive and negative impacts of each company using our impact valuation methodology. Each investment must positively contribute to at least one of Astanor's impact KPIs and do no significant harm to any of the other five KPIs.

Astanor assesses the potential ESG risks of each potential portfolio company prior to investment. Astanor recognizes that early-stage companies may lack robust ESG frameworks at the time of investment, whereas growth-stage companies may have more established ESG practices. During the initial screening, we assess the presence of reasonable ESG frameworks aligned with the company's maturity. These safeguards include the criteria below (not an exhaustive list):

<b>Global Assessment</b>	Existence of an environmental and social management system.
<b>Environment Criteria</b>	Ensuring the potential portfolio company does not operate in highly polluting industries, harm the natural environment, or operate in markets which are highly resources consuming.
<b>Social Criteria</b>	Ensuring the potential portfolio company does not involve dangerous substance handling which can harm the safety or the health of the employees.
<b>Governance</b>	Ensuring the potential portfolio company does not operate in high-risk countries in terms of money laundering, financing terrorism or corruption as well as ensuring proportionate good corporate governance.

At time of investment, Astanor obtains contractual commitments from its portfolio companies relating to ESG and impact, including, for example, a commitment to comply with international standards for labor and human rights.

Post investment, Astanor has built a comprehensive ESG questionnaire, which integrates requirements and recommendations set out in highest-standard ESG programs including the principle adverse Impact indicators required as an article 9 fund under SFDR. The due diligence is comprised of approximately 100 questions that assess environment criteria (policies in place, initiatives implemented, contribution to fight against climate change and in favor of energy transition, etc.), social criteria (policies in place, integration of favorable working conditions and equal opportunities, profit sharing applications, etc.) and governance criteria.

**PRINCIPLE 6: MONITOR THE PROGRESS OF EACH INVESTMENT IN ACHIEVING IMPACT AGAINST EXPECTATIONS AND RESPOND APPROPRIATELY.**

*The Manager shall use the results framework (referenced in Impact Principle 4) to monitor progress toward the achievement of positive impacts in comparison to the expected impact for each investment. Progress shall be monitored using a predefined process for sharing performance data with the investee. To the best extent possible, this shall outline how often data will be collected; the method for data collection; data sources; responsibilities for data collection; and how, and to whom, data will be reported. When monitoring indicates that the investment is no longer expected to achieve its intended impacts, the Manager shall seek to pursue appropriate action. The Manager shall also seek to use the results framework to capture investment outcomes.*

The dialogue on sustainability and impact is an ongoing process with the investees. The progress on the ESG and impact roadmap established during the Impact Deep Dive is regularly discussed with the investees and formally reviewed once a year. During the yearly formal review, improvements are assessed and both the Impact and ESG Report and the ESG questionnaire are updated. A new roadmap is also agreed with the investee for the year ahead. Data on the following topics is collected:

Impact: progress on Astanor 6 impact KPIs and alignment with its predicted IMoC to measure our realized impact creation with data points collected for the avoided environmental impacts as well as other Health, Social and Impact Intelligence data points such as volumes of healthy products sold, number of people reached, etc.

Environment: environmental policy and managing system, initiatives implemented, involvement in the fight against climate change and energy transition, litigations and controversies.

Social: policies in place, labour and working conditions, equal opportunities, relevant training, profit sharing, health and safety, audit of supply chain, litigations and controversies.

Governance: non-executive and executive body, code of ethics and/or business conduct, litigations and controversies.

Over the past four years, we have published annual Impact Creation Reports to share the progress of our portfolio companies in their impact and ESG journeys aggregated at fund level, as well as our evolution as an impact investor. The 2024 Impact Creation Report is now available on our [website](#). We also provide an individual sustainability report for each company to our LPs.

**PRINCIPLE 7: CONDUCT EXITS CONSIDERING THE EFFECT ON SUSTAINED IMPACT.**

*When conducting an exit, the Manager shall, in good faith and consistent with its fiduciary concerns, consider the effect which the timing, structure, and process of its exit will have on the sustainability of the impact.*

At Astanor, we prioritize exit strategies from the very beginning of the due diligence stage, integrating them into our initial financial and impact assessments. Our goal is to ensure that the sustainable and net-positive impact outcomes we drive continue well beyond the investment period of the fund.

A key part of this assessment is the ongoing systemic contribution to the agrifood sector, which is embedded into the investment team's value creation strategy. This commitment is thoroughly documented through team discussions, investment memos and impact valuation modeling with the IMoIC. Our clear impact objectives, as outlined in Principle 1, along with the rigorous due diligence process detailed in Principle 4, are designed to achieve lasting impact.

Given that Astanor invests in mission-driven companies and emphasizes the integration of best practices in both ESG and Impact, we believe our portfolio companies are well-positioned to sustain and grow their impact even post-exit.

**PRINCIPLE 8: REVIEW, DOCUMENT, AND IMPROVE DECISIONS AND PROCESSES BASED ON THE ACHIEVEMENT OF IMPACT AND LESSONS LEARNED.**

*The Manager shall review and document the impact performance of each investment, compare the expected and actual impact, and other positive and negative impacts, and use these findings to improve operational and strategic investment decisions, as well as management processes.*

The Sustainability report is the core document allowing us to track progress at each portfolio company level. The report, which will be updated at least once a year, details the following:

- Company's theory of change targets achievements
- Impact KPIs including impact valuation IMoC and impact unit economics when relevant
- ESG performance and improvement year on year as well as a comparative performance of the company compared to other companies at similar maturity stages of the company
- Carbon footprint performance and improvement year on year

These reports are distributed and reviewed during:

- Internal bi-annual portfolio reviews
- Bi-annual advisory committees
- All the meetings with portfolio companies
- Annual LP reporting

Astanor's impact and ESG processes are audited on a regular basis by external suppliers and consultants to ensure alignment with the most recent regulation and best practices.

**PRINCIPLE 9: Publicly disclose alignment with the Impact Principles and provide regular independent verification of the alignment.**

*The Manager shall publicly disclose, on an annual basis, the alignment of its impact management systems with the Impact Principles and, at regular intervals, arrange for independent verification of this alignment. The conclusions of this verification report shall also be publicly disclosed. These disclosures are subject to fiduciary and regulatory concerns.*

This Disclosure Statement confirms the alignment of our policies, procedures, and practices with the Impact Principles as of August 2024 and will be updated annually. In 2021, we engaged BlueMark, a Tideline company, to independently verify the alignment of Good Harvest Ventures Management with the Impact Principles. The independent assurance report issued by BlueMark is available [here](#). We plan to conduct another independent verification of our practices in the second semester of 2025.

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915-2 Battery St.  
San Francisco, CA 94111
- Qualifications: BlueMark is a leading independent provider of impact verification services in the impact investing market. BlueMark is a subsidiary of Tideline Advisors, LLC, a specialized consulting firm that works with asset managers and allocators to design and implement best-in-class impact management and measurement systems. For more information about the organization, qualifications, and services, please visit [bluemarktideline.com](http://bluemarktideline.com).
- Most Recent Review: August 24, 2021

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