

ASTANOR

Where tech meets nature

Investor Profile

Astanor

Astanor Impact Team

www.astanor.com

November 2023

PROJECT
FRAME
Convened by Prime Coalition

Through Investor Profiles, investors in the Frame community articulate their impact strategies in a consistent structure.

Over time, we expect these Profiles will help us develop methodological guidance that is inclusive and based on collective wisdom. They'll also help us understand why and how methodologies shift according to organizational characteristics, such as fund size.

In the spirit of Frame's values of integrity and transparency, we design, review, and manage profiles with these goals:

Decisions that drive towards impact are what matter.

The purpose of impact assessment is to help improve the choices investors make to steer capital towards innovations and strategies that reduce global GHG emissions over time. All profiles demonstrate how assessment shapes investment decisions.

All profiles must be consistent in structure and content.

Profiles are based on common structure and questions that all investors follow. For example, rather than excluding responses to questions that an investor may not have answers to, they share progress, wherever it is. Profiles will also increasingly apply Frame's terminology and taxonomy, rather than language that any individual investor uses on its own. As we learn by doing, we'll add questions and refine structure.

Audiences must understand how the theory of change affects methodological decisions.

Investors clearly articulate the reasoning for assessment processes:— what they are looking for in assessment and why.

Assessment and decision-making continue after initial investments are made.

Investors share how they continue steering companies toward impact after initial investments are made and how ongoing analysis affects their investment and assessment strategies overall.

Evolution is embraced.

No process is perfect! In the spirit of transparency and modeling how we learn by doing, we publish work in progress and welcome investors to define what and when they plan to update over time.

Project Frame (Frame) is a nonprofit program, convened by Prime Coalition, built to organize investors around forward-looking emissions impact methodology and reporting best practices.

Our aim is to improve Impact Measurement and Management (IMM) standards for climate-driven investments and to galvanize a network of leadership around transparency and collaboration.

Project Frame is not a regulatory body, nor should its content be considered financial advice. Investor Profiles produced by Project Frame represent the investor's self-reported contributions and should also not be considered financial advice. Our work is intended for readers to review and use their best judgment to accelerate GHG mitigation with transparency and accountability.

[Learn more about Project Frame](#)

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Case Study

Overview





Overview

Dashboard > Impact Assessment Capacity > Funds

Types or Asset Classes of Investments	Venture Capital
Asset Sub-Type or Stage(s) Served	Seed, Series A, Series B
Geography Where We Invest	North America, Europe, Oceania
Sector	Food and Agriculture, Land, Oceans, Waste Management
Description of Investment Firm	We seek to provide market or above market rate returns and specifically invest in climate.
Impact Assessment Capacity	3 FTE
Total Assets Under Management	€800M
Percent of Assets Assessed	100%
Methodology Alignment	Both Planned and Potential Impact
Time Frame of Assessment	10 years
Alignment with Frame's Values and Principles	Full alignment
Report Realized Impact	Yes
Carried Interest Tied to Impact	Yes



Overview

Dashboard > **Impact Assessment Capacity** > Funds

Team Name

Impact Team

Number of Team Members

3 FTE

Scope

The team's key responsibilities

The impact team oversees the firm's impact strategy and measurement methodology. The impact team works with the investment team to analyze each investment's impact & ESG profile and supports portfolio companies in developing robust impact & ESG frameworks while scaling their impact.

Governance

The team's reporting structure, such as to whom they report and who reports to them.

The Director of Impact report to the GPs.

Impact Expertise

The kind(s) or type(s) of impact on which the team focuses.

To address the diverse and far-reaching environmental and social consequences of the agrifood system, we have established 6 impact KPIs that provide a holistic understanding of the impact of our portfolio companies on the planet and its people.

- 3 Planet KPIs : GHG Emissions, Biodiversity & Water Use
- 2 People KPIs : Social & Health
- 1 Enablers KPI: Impact Intelligence.

Decision Rights

The power this team has in pre- and post-investment decisions.

The impact team is fully involved in the due diligence process and has the responsibility to validate the impact theory of change and potential impact creation of the company. Each investment decision is dependent on the validation that it aligns with Astanor's impact mission. Astanor has built a clear impact framework which is supporting all investment decisions' and ensure a detailed assessment of the return and impact potential of the solution. Our initial screening is guided by our 6 impact KPIs as well as an ESG risk analysis. From the time of our investment, we engage with our companies to support them on their sustainability journey by building individualized ESG and impact roadmaps.



Overview

Dashboard > Impact Assessment Capacity > **Funds**

Fund Name

Good Harvest Ventures I

Date of Fund Close (or Estimated)

December 2020

Date of Final Investment Made (or Estimated)

December 2022

Fund Assets Under Management to Date

€264M

Number of Portfolio Companies to Date

25 main investments + 6 seed investments

Asset Sub-Type or Stage(s) Served

Seed – Series B

How Fund Design Serves Impact

How capital provided applies terms different from investing norms in order to serve impact goals, such as if it is a blended fund or uses catalytic capital.

Fund returns are tied to impact creation with 30% of the carried interest being dependent on achievement of impact creation.
Article 9 Fund under SFDR.



Overview

Dashboard > Impact Assessment Capacity > **Funds**

Fund Name

Astanor Ventures II

Date of Fund Close (or Estimated)

September 2023

Date of Final Investment Made (or Estimated)

N/A

Fund Assets Under Management to Date

€363M

Number of Portfolio Companies to Date

6 main investments + 9 seed investments

Asset Sub-Type or Stage(s) Served

Seed – Series B

How Fund Design Serves Impact

How capital provided applies terms different from investing norms in order to serve impact goals, such as if it is a blended fund or uses catalytic capital.

Fund returns are tied to impact creation with 30% of the carried interest being dependent on achievement of impact creation.
Article 9 Fund under SFDR.

Impact Goals & Process





Impact Goals & Process Theory of Change > Impact Goals

Overall vision, why that vision has not yet been achieved, and how the design of interventions or programs get you closer.

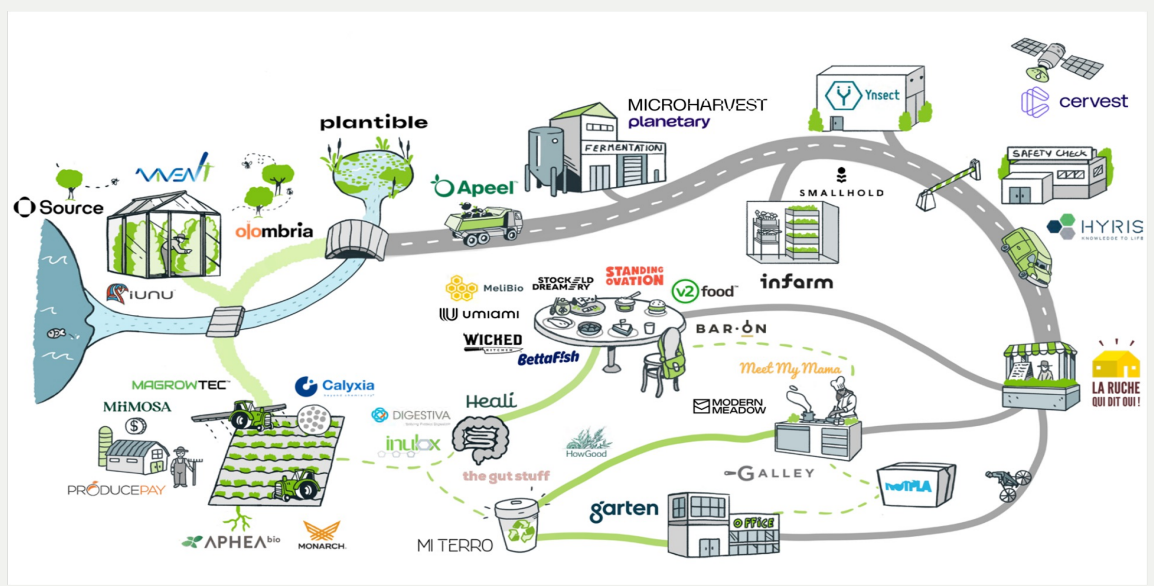
Goals or Vision

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. Our mission as an impact investor is to find, support and scale the most disruptive and impactful solutions to accelerate the transformation of the agrifood sector. 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.

Path to Goals

How your intervention helps achieve the goals.

To address the diverse and far-reaching environmental and social consequences of today's agrifood system, we have established 6 impact KPIs that provide a holistic vision of the impact of our portfolio companies on the planet and its people. Our focus is on scaling our companies as the more they grow, the more positive impact they will have to disrupt the market and accelerate the transition from an extractive to a regenerative agrifood sector.





Impact Goals & Process
Theory of Change > Impact Goals

Overall vision, why that vision has not yet been achieved, and how the design of interventions or programs get you closer.

Barriers or Challenges

What is stopping us from reaching the goals and how your intervention addresses them.

The agrifood sector is complex, interconnected and interdependent. Transitioning the entire value chain towards regenerative agriculture and a fully sustainable value chain from soil and sea to gut requires disruptive and innovative solutions and policy change to ensure systemic change. Compared to other sectors, agriculture requires a longer timeframe for transformative changes to take root due to its inherent reliance on natural processes and ecological cycles.

Values/Principles

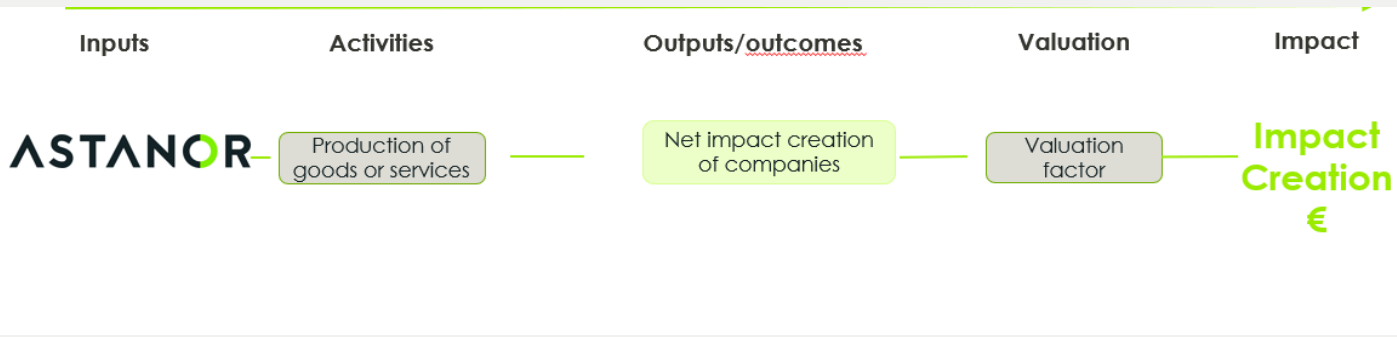
Sustainability and impact were part of the firm's founding principles. We are on a quest to continuously improve our methodology to measure and scale impact, helping our portfolio companies overcome these barriers by demonstrating, in financial terms, the net positive impact of their solutions. Impact creation and reporting are core to our value proposition to both our portfolio companies and our investors. Our north star is finding the most practical and efficient ways to translate our portfolio companies' material impact creation into useable and accurate information.



Impact Goals & Process
Theory of Change > Impact Goals

Logic Model

Sometimes referred to as a theory of change, logic models articulate how a company's resources and actions will lead to impact. They are common in the nonprofit sector and have been adapted by impact investors. Learn more about logic models with [W.K. Kellogg Foundation's Logic Model Development Guide](#).



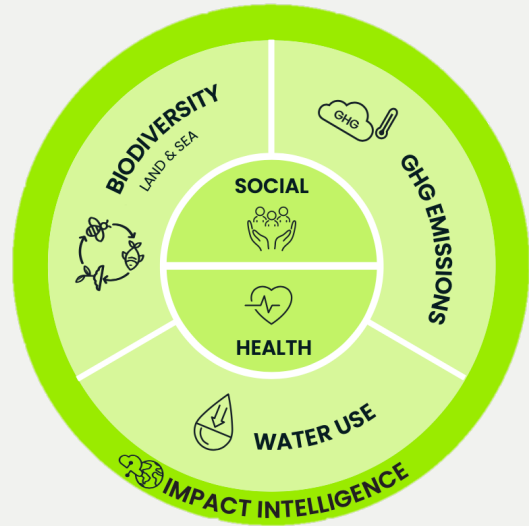


Impact Goals & Process
Theory of Change > **Impact Goals**

*This section describes **classification systems** used to organize or analyze investments and the quantitative or qualitative **impact criteria** that gate or influence investment decisions.*

Classification

Defining the right metrics is an essential first step to measure impact. As our investment universe includes a wide range of companies from the entire agrifood value chain (including contributors and enablers), we defined 6 impact KPIs that capture a holistic image of Astanor’s positive impacts on people and the planet.



Impact Criteria

Earth’s systems are interconnected; the stability of one KPI depends on that of another. Assessing impact across these 6 interdependent KPIs is essential to ensuring a balance approached to investment and supporting a sustainable transition of the agrifood system. We are fully assessing the potential positive impact and negative externalities of each of our investments. All potential investments must demonstrate a positive impact towards at least 1 and to up to 3 of the 6 impact KPIs and should not significantly harm any impact KPI. To better compare the impact creation of our companies and their solutions, we convert the net positive impacts of our portfolio companies into a monetary value which allows to compare the impact created at solution, company and fund level (the Impact Valuation Model).

Pre-Investment





Pre-Investment Workflow > Methodology

Stage 1 Solution Seeking & Screening

We are screening for mission-driven companies that have identified a problem in the agrifood value chain and found a solution that addresses an environmental or social issue related to the sector.

Stage 2 Meet Founders

As part of our initial due diligence for each potential new investment, our investment and impact team evaluates the genuine impact creation's intentionality of the founding team and management. We need to be convinced by the theory of change of the company and that the entrepreneurs have identified a disruptive and innovative way to develop a scalable, profitable and fundable business.

Stage 3 Pre-Due Diligence/Initial Review

During each step of the due diligence process, we make sure potential investees fit the mission and have the potential to deliver on one or more of our 6 impact KPIs: GHG, water, biodiversity, health, social and impact intelligence. Each investment must contribute to at least one KPI and must not significantly harm any of the other.

We carefully assess the potential to both disrupt the market and create impact at systemic level.

Stage 4 Term Sheet/Due Diligence

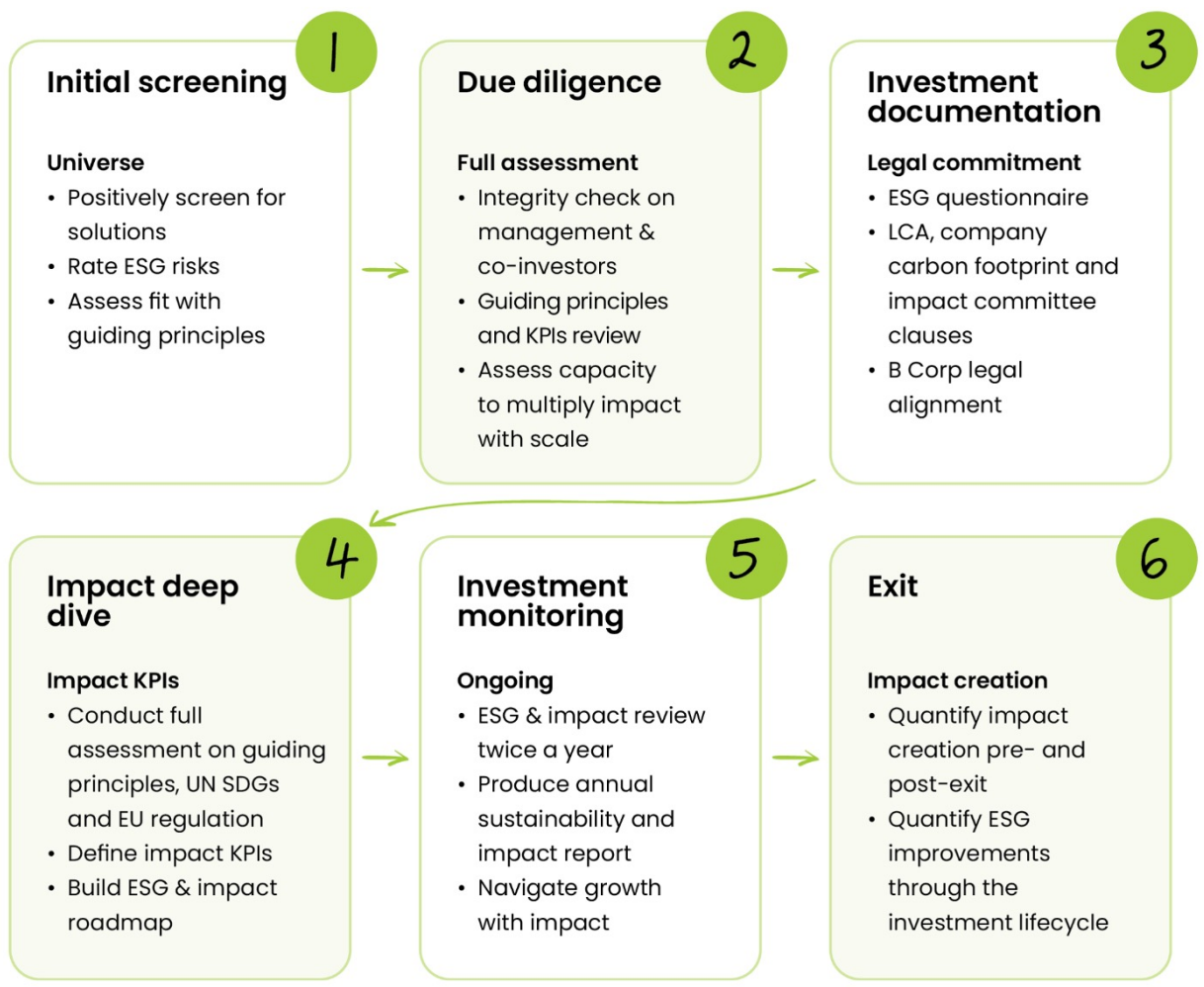
During investment negotiations with a potential investee, we ensure that our ESG and impact requirements are embedded in contractual documents to ensure full alignment with our sustainability ambition.

In addition to the impact clause, we 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.



Stage 5 Closing

ESG and Impact deep-dive during which we establish an ESG roadmap and set relevant impact KPI. For our companies addressing a planet KPI, an LCA is required.





Pre-Investment

Workflow > **Methodology**

This section refers to [Frame's pre-investment methodology guidance](#). Visit the [Project Frame website](#) and view other related to resources, such as the [Frame glossary](#), to expand your understanding.

Methodologies That Best Align

Frame currently articulates two approaches to assessing impact: [planned](#) and [potential](#) impact.

Both Planned and Potential Impact

Time Frame of Assessment

10 years

Alignment with Frame's [Values & Principles](#)

Full alignment

Differences with Frame's [pre-investment methodology guidance](#)

Astanor has implemented an approach very close to the Frame Principles back in 2019. The assessment of the potential impact, the planned impact and the realized impact is core to our impact measurement approach. As we invest in early-stage companies (primarily series A), our focus is on building our portfolio companies' capabilities to measure impact (e.g. through LCAs). We establish a baseline and compare the impact creation of our companies against this baseline, i.e. the Impact Unit Economics which we then multiply by the volumes of sales or numbers of people reached.



Additionality

The additionality of the solutions we finance is its environmental and social value-add compared to what it replaces in the market. The key difference in our methodology is that we replicate the Frame Principles to GHG but also for our 5 others impact KPIs. GHG emissions is only one part of the equation for the agrifood sector and as an impact investor dedicated to transitioning the agrifood system we had to think more holistically about the impact we have on both the planet and its people.

Attribution

The computation of our impact creation integrates vertical attribution with the computation our Impact Multiple on Investment (IMOI) being based on our ownership. We don't apply horizontal attribution as the solutions in which we invest are the main contributors, e.g. electrical autonomous tractor, plant-based alternative, platform connecting farmers to consumers... The value add to engage on the complex exercise of horizontal attribution will be fairly limited.

Resources, Databases, or Datasets Used

Astanor has developed a full library of solutions to support companies on their journeys: network of LCA, carbon and B Corp consultants, software to collect ESG data and measure carbon footprint and template policies.

Portfolio Stewardship





Portfolio Stewardship
Monitoring > Reporting > Engaging

Summary

How and what is collected from portfolio companies to understand whether they are meeting impact-related expectations.

Impact data is collected on an annual basis. We meet with portfolio companies quarterly to discuss impact roadmap progress and to ensure we support them in setting robust impact capabilities. ESG data (including PAI indicators for SFDR) and carbon footprint are also collected on an annual basis.

Impact and Risk Monitoring & Realized Impact

How GHG and non-GHG risks (if applicable) or baseline scenarios are incorporated, including what questions are asked, how often, and how new projections are created.

This is an ongoing journey. For planet KPIs companies, we look to build portfolio companies' LCA expertise internally to ensure that environmental footprint data is updated as frequently as necessary and get business plans updates once a year. LCAs are at the backbone products. Impact realizations and future projections are reported once a year to LPs.

Evolving Process

How methodology has changed over time and it might still change.

This is an ongoing journey. For planet KPIs companies, we look to build portfolio companies' LCA expertise internally to ensure that environmental footprint data is updated as frequently as necessary and get business plans updates once a year. LCAs are at the backbone products. Impact realizations and future projections are reported once a year to LPs.



Portfolio Stewardship

Monitoring > **Reporting** > Engaging

Summary

How impact-related information shared with external and internal audiences, and how often.

Our funds’ advisory committees are fully involved in Astanor’s impact measurement journey. The impact KPIs and impact pathways are reviewed twice a year by the committee. Astanor reports on impact metrics at an aggregated level in our annual Impact Creation Report.

How often, if at all, is reporting audited by an independent party?

Although the impact KPIs are not regularly audited, the impact KPIs of our portfolio companies and their respective impact valuation models are discussed with the funds’ advisory committees. The Impact Valuation model, and so the realized and expected impact potential of each company, will be externally reviewed at time of exit.

Recommendations for Accountability

There is need to standardize the double-materiality reporting to ensure that all companies disclose their financial and extra-financial performance. To this goal, the impact valuation model supports investment funds and companies to measure and report on their extra-financial performance by internalizing the net positive impacts of their solution on people and the planet.



Portfolio Stewardship

Monitoring > Reporting > **Engaging**

How we help portfolio companies reach, sustain, or exceed impact expectations.

We maintain a very close relationship with our investees and act as a sustainability partner: challenging, advising and supporting them through their ESG and impact journey. We provide support to our companies through in-house guidance as well as through our network of partners and external experts to guide them on these first steps. For example, an environmental LCA is required to have a complete understanding of the environmental impacts of a solution. While LCAs were traditionally conducted every few years by an external consultant, we have seen a growing need for an in-house, dynamic LCA model. This approach leads to more agility, more robust data and increased reactivity for companies. To support our companies in this journey, we have also developed partnerships with universities to provide access to a network of qualified students for companies to hire and with experts who serve as mentors to the next generation of LCA experts.

Finally, we also engage with our portfolio's co-investors to ensure we align on impact and ESG roadmap and KPIs through the creation of an impact committee composed of key stakeholders.

Impact-linked compensation

Tying portfolio manager compensation to impact actions, performance, or specific activities they take to engage companies on impact.

No this is not something we have put in place. Having the key commitments and deliverables to support our companies in their impact journey clearly stated into the impact clause further supports long-term alignment.

Our approach is more on engaging them on their impact journey by demonstrating to them the benefit of robust measurement notably through the impact valuation model described previously.

Exit Spotlight





Exit Spotlight

Exit strategy summary

With all the work done during and after the initial investment process to assess and improve the ESG and impact of our companies, it is key to ensure that we also assess how impact will scale up with the potential exit scenario. The full assessment of impact creation will be conducted at time of exit with both the measurement of the realized impact during the investment period as well as the potential forward looking impact based on the exit scenario.

Impact-linked carried interest

Tying carried interest to impact actions, performance, or specific activities taken to engage companies on impact.

Yes. Impact is at the core of who we are at Astanor. We condition our long-term incentive program around the non-financial performance of our Fund to ensure a complete alignment between our incentive structure and our long-term impact goals. If we fail to deliver on our impact creation mission, up to 30% of the team's carried interest will be distributed to NGOs and charities selected by Astanor, a process overseen by the fund's Advisory Committee. If we meet our impact creation goals, on a voluntary basis, we will distribute 1% of the carried interest to NGOs and charities.

At exit, the impact valuation model will be the basis to compute each portfolio company's Impact Multiple on Investment (IMOI) with both the computation of the realized impact pre-exit and the discounted impact post-exit based on our ownership. The IMOI measures the value of the environmental and social benefit created by a company per euro invested.

All portfolio company IMOIs are aggregated at the fund level by multiplying them by the amount invested by the fund per company, resulting in the Fund IMOI. The fund IMOI translates how well the capital of the fund has been deployed and is then the basis to assess if part of the carried interest should be donated.

Lessons Learned





Lessons Learned

Realized Impact

Results and findings to date

Yes, we report on realized impact at the firm level within our annual Impact Creation report. Realized impact at portfolio company level is reported to LPs.



Characteristics of Practice or Resources We're Proud Of

Impact measurement is a journey. It took centuries to build the financial accounting system, building a globally accepted impact measurement framework will take time (and we don't have centuries to do it). In the four years since we embarked on this journey, we have already developed an approach that challenges the status quo, and we continue to work hand in hand with portfolio companies, investors and peers to refine and improve that approach.

General Lessons Learned

To support the standardization of impact and ESG reporting, it is key to start by aligning the data collected on ESG and the methodologies used in the case of LCAs as well as valuation factors used in models.

Case Study





Case Study

Solution	Plant-based whole cut chicken fillet
Company Name	Umiami
High Emissions Status Quo Replaced	Umiami’s plant-based chicken alternative is having positive impacts on the environment by emitting 45% less GHG emissions
<u>Direct component; Direct product; Facilitating</u>	Direct product
Contributions to Future GHG Emissions Impact	Umiami replaces animal chicken fillet with a plant-based alternative with lower GHG emissions. In addition to GHG, it is essential to take a holistic approach to Umiami’s environmental product footprint and consider the positive impact on water and land use as well.
Use Cases/Applications	Umiami is a B2B company selling plant-based whole-cut to substitute chicken meat in human diets with the potential to replace other meat and fish in the future.
GHG Impact Estimated	Compared to chicken meat: -45% GHG emissions -47% of water consumption -76% of land used
Methodology Used	Astanor measures Umiami’s impact based on its Impact Unit Economics which measures the net impact between the status quo product (chicken fillet) and Umiami’s impact

Company Summary

Umiami has developed a **processing technique** which enables alternative meats – whole cuts in particular – to resemble the texture and taste of animal products. The “Umization” process is a new texturization approach based on water science to obtain fibers and on food science to master the firmness and the cohesiveness of these fibers.



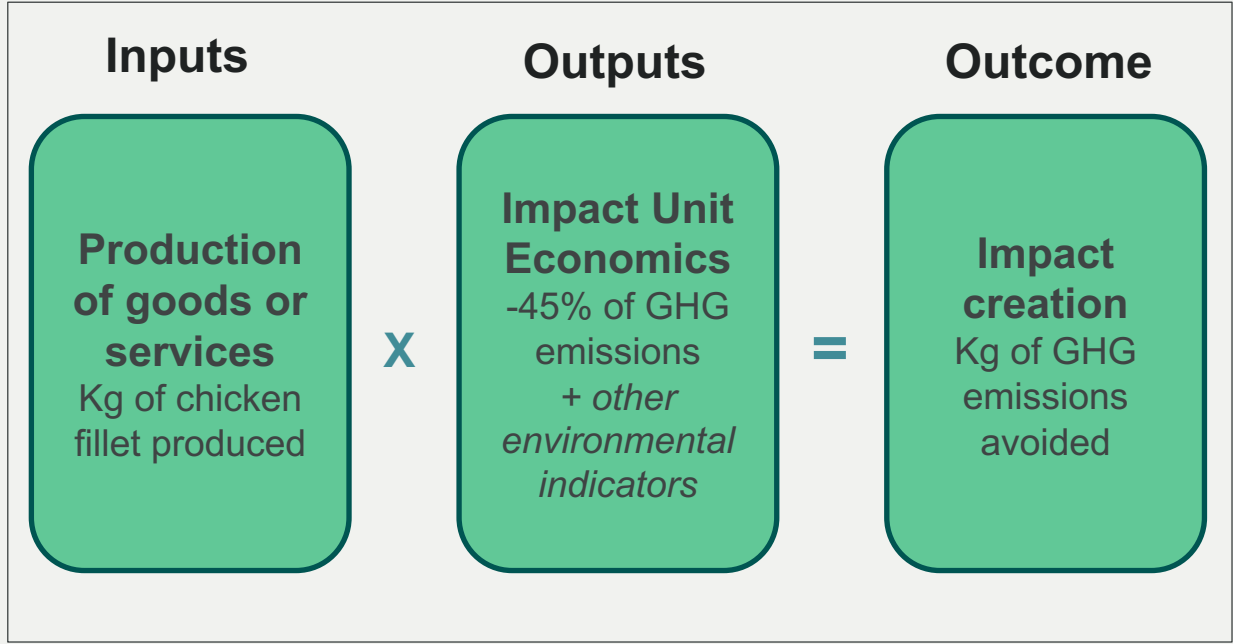
Solution Summary

The livestock sector is responsible for 14.5% of global greenhouse gas (GHG) emissions. Moreover, raising livestock, and growing crops for their feed takes up 77% of global farming land.

Demand for land can drive habitat loss and fragmentation, damaging biodiversity. Almost 5 billion animals in the EU are raised for human consumption. With the increase in meat demand, livestock living conditions have deteriorated with the development of factory farming and mistreatments that it creates.

Umiami is on a mission to address the issues associated with meat production, from animal welfare to environmental concerns, by developing sustainable meat alternatives that are delicious, but also highly nutritious and healthy. Umiami offers a soy based whole cut meat substitute that replicates the taste and texture of chicken. While much progress has been made, several technological frontiers have not been crossed yet. One of them is the frontier of whole cuts. Currently, no market participant can deliver a product that is comparable to meat whole cuts in terms of texture, flavor and nutritional profile whilst promising cost-competitive production near term.

Theory of Change





Case Study

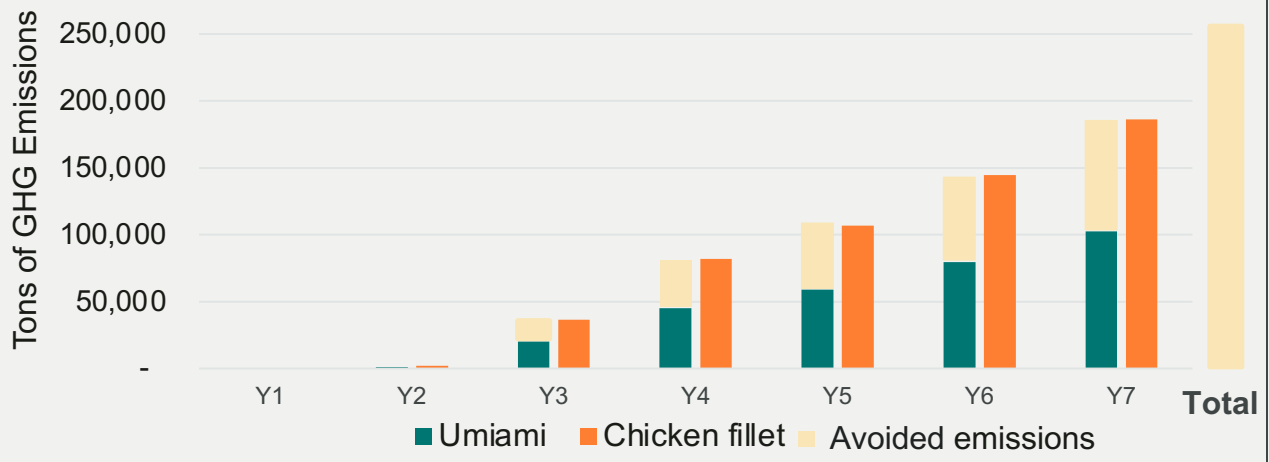
GHG Impact

Umiami conducted a life cycle assessment comparing 1kg of their product with 1kg of the market baseline: chicken fillets produced in France. The LCA is cradle-to-grave covering the sourcing of raw material, the processing and transportation to the final customer. The LCA excluded the impact of the supermarkets, the transportation by the final consumers and its conservation. Very few assumptions were made for the product as well as the environmental footprint of chicken is well documented in the Agribalyse database.

Based on the results of the LCA, we were able to measure that the impact of Umiami's chicken is 45% lower in GHG emissions than animal chicken.

Based on the estimated volumes of chicken sold between year 1 (Y1) and year 7 (Y7), we anticipate that Umiami has the potential to avoid a total of 250,000 tons of CO₂e.

Avoided GHG Emissions
Umiami vs Chicken



Similar calculations are done for all other indicators of the LCA

Background Work

The background calculations and data sources underlying the final chart that are important for us to understand where your data come from and how you are interpreting the data that is available.

Topic	Value
LCA conducted by Greenly in february 2023 measures the avoided impact of Umiami's chicken in comparison with chicken fillet	-45%

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