For professional investors only

M&G Investments

M&G Catalyst

Annual Impact Report 2024

Front cover: Submer’s immersion cooling technology, read more about Submer on page 24

Contents

The value of investments will fluctuate, which will cause fund prices to fall as well as rise and investors may not get back the original amount invested. There is no guarantee objectives will be achieved. The views expressed in this document should not be taken as a recommendation, advice or forecast.

What is Catalyst?

Originating from a US$6 billion seed mandate provided by the Prudential Assurance Company in 2021, Catalyst started its journey as a multi-asset fund dedicated to investing in sustainable and impact-focused companies and funds globally. Since its inception, Catalyst has supported purpose-driven businesses and platforms, leveraging extensive research and investment expertise in the private capital domain.

The year 2025 marks the beginning of a new chapter in Catalyst's evolution, marking an exclusive focus on investing in growth-stage, impact-focused private enterprises that harness technological innovation. This concentration allows us to focus on the most compelling opportunities in relation to both our investment and impact strategies.

Our unwavering commitment to being a trusted and patient investment partner remains unchanged. We aim to support companies offering innovative solutions and pioneering technologies, with an emphasis on achieving attractive financial returns while maintaining a focus on creating positive impacts for the planet and its people.

Introduction

Each year, the introduction to our annual Impact Report reflects on the state of climate emergency. The year 2024 has once again highlighted the urgency of action to accelerate the global efforts towards climate risk mitigation. Latest projections by the Intergovernmental Panel on Climate Change indicate that global average temperatures are expected to exceed 1.5°C above pre-industrial levels, making it increasingly challenging to limit warming below 2°C. This milestone, once considered a distant threshold, is now shaping up to be a present reality. The ten warmest years on record have all occurred since 2014, with 2024 expected to break yet another record[1].

On the positive side, this year also marks a turning point in the energy transition. Global renewable electricity capacity additions are expected to increase over 520 gigawatts (GW), maintaining the record pace set in 2023[2]. However, emissions remain stubbornly high, and the world is not yet on track to meet the Paris Agreement goals. The International Energy Agency warns that current trajectories could lead to a 2.2°C to 2.6°C rise in global temperatures by 2050[3].

Climate change faces another emerging challenge: the energy demand of artificial intelligence (AI). The rapid expansion of AI applications, particularly large language models (LLM) and generative AI, has led to a significant surge in data centre energy use. By 2030, AI-related electricity demand could rival that of entire countries[4]. The climate impact of AI will depend heavily on how quickly the sector transitions to clean energy sources and improves computational efficiency[5].

Looking at the world from a healthcare perspective, countries across the globe continue to face a severe shortage of healthcare workers, with projections indicating a shortfall of 10 million by 2030, driven by factors such as burnout, inadequate funding in education, demographic changes, and shifting migration patterns. At the same time, the demand for healthcare workers is expected to surge by 29% over the next decade. The COVID-19 pandemic highlighted these global inadequacies, prompting healthcare systems worldwide to push for greater integration of emerging technologies, like predictive AI-driven clinical software and tools[6].

[1] Intergovernmental Panel on Climate Change (IPCC), 'AR6 synthesis report: Climate change 2023', (ipcc.ch), June 2023.
[2] International Energy Agency (IEA), 'Renewables 2024: Analysis and forecast to 2030', (iea.org), October 2024.
[3] International Energy Agency (IEA), 'Global Energy Review 2025', (iea.org), March 2025.
[4] Bloomberg NEF, 'Power for AI: Easier said than built', (about.bnef.com), April 2025.
[5] Bloomberg NEF, 'New Energy Outlook 2025', (about.bnef.com), 2025.
[6] Deloitte, '2024 global healthcare sector outlook', (deloitte.com), February 2024.

We believe these tools will support improved access to healthcare and the quality of that care, which is crucial to supporting aging populations around the world.

Lastly, 2024 proved to be a transformative year for sustainable and impact investing. Political developments in the US and other regions have introduced new headwinds. In the US, the politicisation of sustainable investing has introduced regulatory uncertainty, while conversely in Europe, the Sustainable Finance Disclosure Regulation (SFDR) continues to evolve, with new product categorisations proposed by the EU Platform on Sustainable Finance[7]. Despite these challenges, AUM in sustainable funds reached US$3.56 trillion, a new high, although their share of total AUM declined slightly due to stronger inflows into traditional funds[8].

At Catalyst, we view these developments not as deterrents, but as calls to action. The politicisation of sustainability in some markets creates an opportunity for conviction-led capital to stand out. We believe that long-term value creation is inseparable from environmental and social resilience.

Looking ahead to next year, the Catalyst strategy is evolving. The team will now exclusively focus on growth equity, a shift that reflects our belief in the critical role of intentional growth capital in scaling impactful businesses. This focus will allow us to engage more directly with our portfolio companies, enabling active ownership and value creation at a pivotal stage in their development. We are excited to build on this momentum with the launch of the Catalyst Growth Equity Fund in 2025. This new vehicle will back impact-driven businesses at the inflection point of scale: companies with proven models and strong impact potential, where our capital and partnership can accelerate both financial performance and positive impact outcomes.

We believe growth-stage impact investing is a powerful lever for change, and that the most scalable solutions often emerge when innovation meets ambition.

In this report, we present a selection of investments made in 2024. While quantifying impact in growth-stage companies presents challenges, we have continued to spend meaningful time with management teams to understand the purpose driving their businesses. The case studies that follow highlight these visionary leaders and their commitment to solving the world's most pressing challenges.

Niranjan Sirdeshpande
Global Head and Portfolio Manager of Catalyst

Rana Modarres
Impact Director

[7] The European Commission, 'Categorisation of products under the SFDR: Proposal of the Platform on Sustainable Finance', (finance.ec.europa.eu), December 2024.
[8] Morgan Stanley, 'Sustainable fund returns lag peers' in second half of 2024', (morganstanley.com), March 2025.

Catalyst 2024: At a glance

Fund statistics

Catalyst's mandate has two objectives: to achieve at a portfolio level an attractive financial return, whilst achieving positive impacts for people, communities and the planet.

We seek to achieve the targeted impact through: products and services that either deliver benefits to stakeholders, or that contribute to solutions around environmental or social causes. In both cases, the investments qualify against our criteria around sustainability risk management.

Moreover, along with our primary impact themes of Planetary Health, Human Health, and Access and Inclusion, we also categorise investments across our underlying theme of Enabling Technologies. Investments under this category focus on cutting-edge, frontier technology offerings that aim to accelerate progress within our impact themes.

Investments classified under Enabling Technologies are mapped to a respective impact theme, meaning that each Enabling Technologies investment must focus on delivering impact in any one of our three impact themes.

In 2024:

Total growth equity investments (as on 31 December 2024)

34

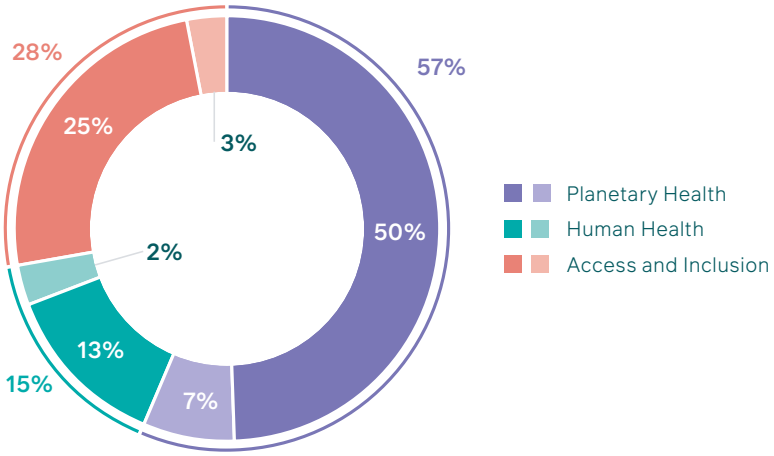
New investments

11

AUM (as on 31 December 2024)

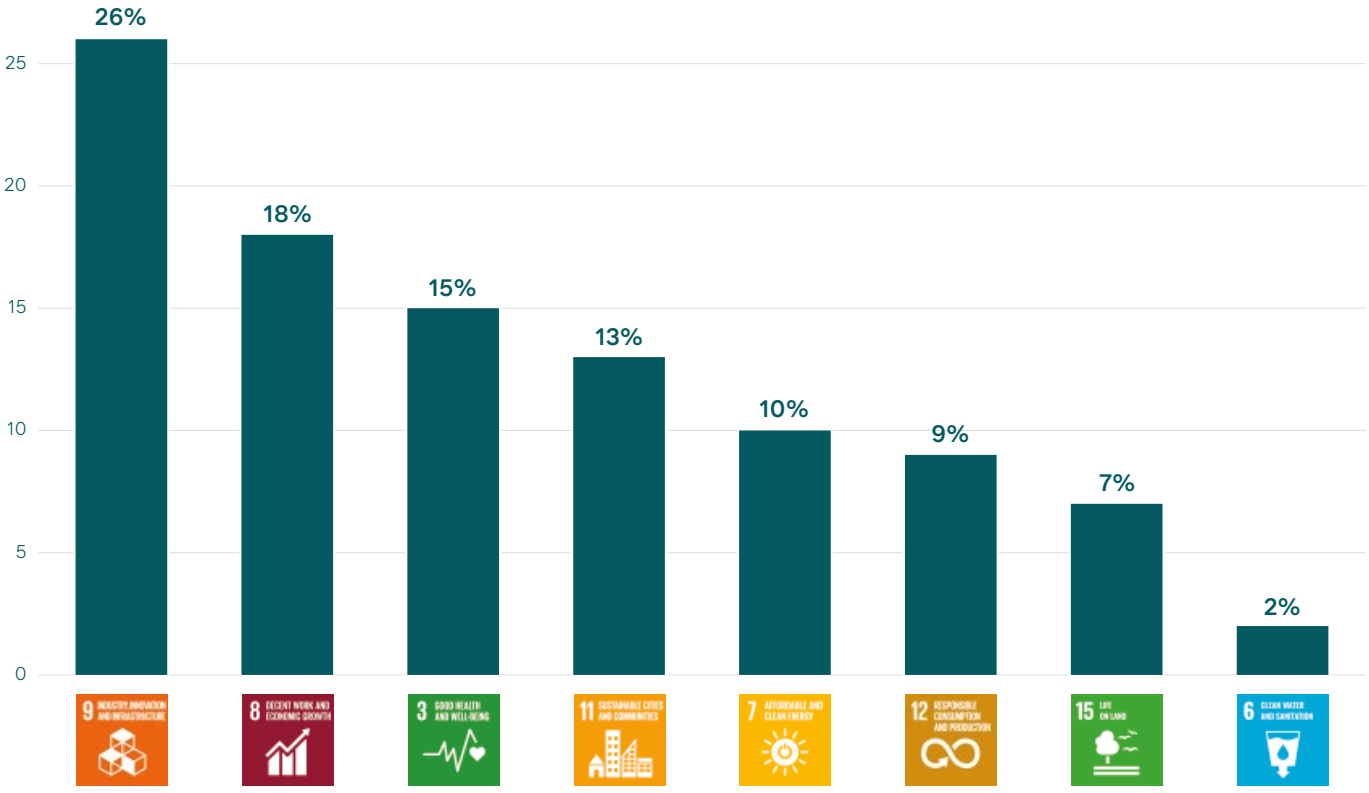
US$1.24 billion

Catalyst theme breakdown (% NAV)



Note: pale coloured portions represents investments made under 'Enabling Technologies' theme, aligned with a respective impact theme.

Primary SDGs addressed (as a % of NAV)

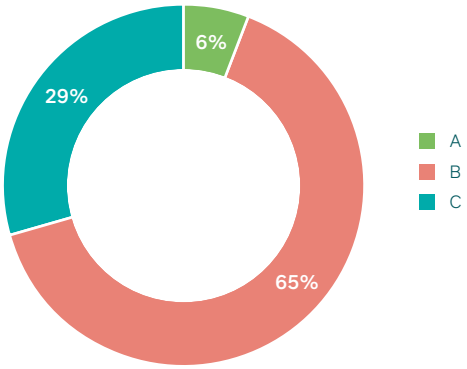


Note: While we support the UN SDGs, we are not associated with the UN and our funds are not endorsed by them

Portfolio analysis by Impact Score

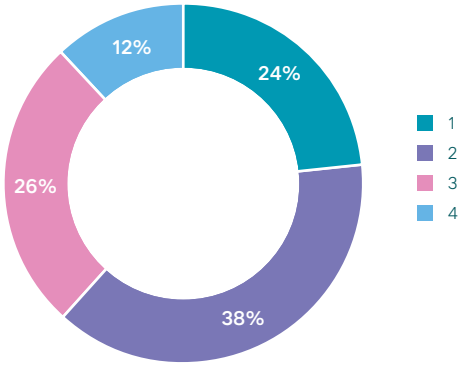
We classify our impact in accordance with the norms established by Impact Frontiers, the organisation maintaining the Impact Management Project's IMP framework. It consists of two parts: the ABCs of Enterprise Impact and the Investor Contribution. The ABCs stand for (A) Act to Avoid Harm, (B) Benefit Stakeholders, and (C) Contribute to Solutions. The Investor Contribution is a scale ranging from 1-4 indicating the potential for Catalyst as an investor to engage and drive additional impact. A categorisation of 1 shows we have signalled our impact intentions, through to 4, which involves active engagement and growing underserved markets. Read more about the framework on page 49.

ABCs of Enterprise Impact by number of investments



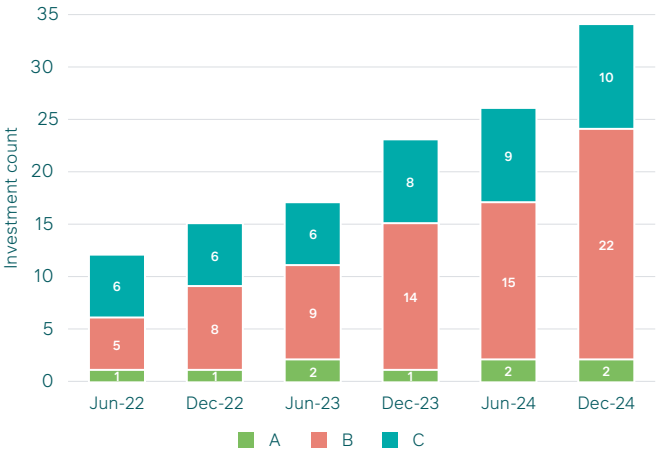
Source: M&G Investments, as of 31 December 2024.

Investor Contribution by number of investments



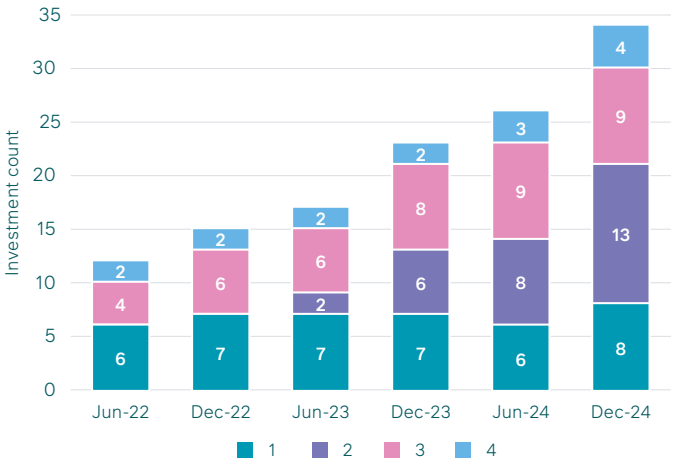
Source: M&G Investments, as of 31 December 2024.

ABCs of Enterprise Impact by number of investments, over time



Source: M&G Investments, as of 31 December 2024.

Investor Contribution by number of investments, over time



Source: M&G Investments, as of 31 December 2024.

Within our growth equity portfolio, our focus now shifts solely towards investing and growing investments that fall under either the 'B' or 'C' categories, emphasising Catalyst's strong commitment to being an impact-focused investor. Our focus on growing 'B' and 'C' rated investments is evident through the numbers, with only 6% of our investments remaining in the 'A' category as of year-end 2024, while the 'B' and 'C' account for 65% and 29% of our portfolio respectively. Similarly, 'B' and 'C' rated investments grew year-on-year between 2023 and 2024 by roughly 57% and 25% respectively.

Catalyst has also increased the share of investments where we can help to drive positive change through active engagement – either through an advisory role or by taking up a board seat and driving impact from top-to-bottom. As such, we have focused on investments rated '4', signalling to our investees that we aim to engage actively and help them grow underserved markets, evident through these investments growing by 100% between 2023 and 2024.

Impact at a glance

As of 31 December 2024

56.62%

% GAV in investments providing environmental solutions

47.20%

% GAV with know-your-customer and anti-bribery and corruption policies

15.27%

% GAV in investments providing better health

313,807,820

Number of people reached including people treated, customers served in target services

277,613

Total renewable energy produced (megawatt-hours)

48.40%

% GAV with diversity policy for workforce

25.58%

% GAV in investments aligned to SDG 9 Industry, Innovation and Infrastructure

8.91%

% GAV in investments aligned to SDG 12 Responsible Consumption and Production

10.25%

% GAV in investments aligned to SDG 7 affordable and clean energy

44.27

Weighted Average Carbon Intensity (WACI) for the fund

28.11%

% GAV in investments providing social inclusion

23.60%

% GAV with committed Science Based Targets

44.10%

% GAV Split CEO and Chairperson role

35,132,469

Tonnes of CO_2 emissions avoided by positive impact investments

7.80%

% GAV board gender female

12.94%

% GAV in investments aligned to SDG 11 sustainable cities and communities

15.27%

% GAV in investments aligned to SDG 3 Good Health and Well-being

Figures above are based on the Key Sustainability Indicators (KSIs) against which we measure individual companies in our portfolio. These have been aggregated to portfolio level. Figures are based on 2024 data reported by portfolio companies in response to our annual questionnaire.

Catalyst Theory of Change

	Sub-themes	Challenges we are trying to address	Solutions that address the challenges	Solutions we invest in
Planetary Health	• **Clean Energy and Decarbonisation** • **Environmental Solutions** • **Resilient and Sustainable Built Environment**	Energy use, industrial activities, and consumption-based economies have significantly raised global temperatures, likely surpassing the 1.5°C threshold this century[9], leading to more frequent extreme weather events. The world now faces increasing pressure to reduce emissions in high-emitting sectors and improve disaster-resilient infrastructure.	Meeting global climate targets demands significant CO_2 reductions, possible by integrating 85% renewable energy and 70% electrification of passenger vehicles[19]. Improved resource efficiency and reclamation techniques can further cut emissions and conserve resources[20]. Additionally, strengthening resilience against natural disasters through early warning systems and climate data analytics is also crucial to mitigate climate-related losses[21].	• Clean or green energy • Green mobility and associated industries • Solutions that support or accelerate renewable energy adoption • Long-term battery storage and energy efficiency solutions • Circular economy, waste management, or recycling • Water/wastewater reclamation • Eco-friendly alternatives to traditional solutions • Climate adaptation, monitoring, and analytics • Solutions to support sustainable and resilient infrastructure
Human Health	• **Life Sciences** • **Healthcare Delivery** • **Preventative Care**	Healthcare systems worldwide are struggling to meet the needs of a growing population; over half lack access to essential services[10] and are expected to face increasing pressure from a projected shortage of 11 million health workers[11], and increasing prevalence of Non-Communicable Diseases (NCDs)[12]. Outdated drug discovery methods add to the problems, caused by long development times, high costs, and high failure rates[13].	AI, data modelling, and analytics can enhance drug discovery and development, tackling global healthcare challenges[22]. These technologies can also aid in early diagnosis and chronic condition management[23]. Preventative care investments can ease the burden on healthcare systems, with researches indicating that 80% of NCDs are preventable[24]. Digital health solutions like telemedicine could save over two million lives and prevent seven million health events and hospitalisations in the next decade[25].	• Technology-driven solutions that assist in pharmaceutical discovery and drug synthesis processes • Advanced and novel therapeutics, diagnostics, and life-sciences solutions • Enterprises that offer innovative healthcare facilities and medical equipment and devices • Devices that create stronger and more resilient pharmaceutical supply chains • Sustainable and effective nutrition and supplemental offerings • Solutions offering health monitoring and analytics, such as wearables and IoT-enabled devices
Access and Inclusion	• **Financial Inclusion** • **Access to Essential Needs and Opportunities** • **Digital Access and Connectivity**	Nearly 700 million people worldwide lack sustainable livelihoods, limiting access to education and essential services[14]. Further, around 4.5 billion lack essential healthcare[15], two billion lack clean drinking water[16], 1.4 billion are unbanked[17], and three billion don't have internet access[18]. These factors contribute to social exclusion and limit opportunities.	Addressing deep-rooted socioeconomic inequalities is complex; however, promoting financial inclusion can reduce disparities by improving access to labour markets, trade, and social safety programs[26]. Additionally, resilient and affordable digital access can aid in reducing inequalities by providing better education and work opportunities for underserved communities[27].	• Fully digital banking, credit, mobile payments, and savings/investments-related solutions • Affordable and/or sustainable housing solutions • Solutions that drive access to essentials such as clean water, education, and training • Digital connectivity solutions helping underserved communities and hard-to-reach areas • Solutions that enhance the resilience of digital infrastructure

[9] International Panel on Climate Change (IPCC), 'AR6 Synthesis Report: Climate Change 2023', (ipcc.ch), 2023.
[10] World Health Organization (WHO), 'Billions left behind on the path to universal health coverage', (who.int), 2023.
[11] World Health Organization (WHO), 'Health workforce', (who.int), 2025.
[12] NCD Alliance, 'Why NCDs', (ncdalliance.org), 2017.
[13] The National Library of Medicine, 'Improving and accelerating therapeutic development for nervous system disorders: workshop summary: drug development challenges', (ncbi.nlm.nih.gov), February 2014.
[14] United Nations (UN), 'Ending Poverty', (un.org), 2025.
[15] World Health Organization (WHO), 'Billions left behind on the path to universal health coverage', (who.int), 2023.
[16] NPR, 'Billions of people lack access to clean drinking water, U.N. report finds', (npr.org), March 2023.
[17] World Bank Group, 'Financial Inclusion', (worldbank.org), January 2025.
[18] World Economic Forum (WEF), 'Accelerating digital inclusion for 1 billion people by 2025', (weforum.org), 2024.
[19] International Renewable Energy Agency (IRENA), 'How to transform the energy system and reduce carbon emissions', (irena.org), 2019.

Note: Companies highlighted in coral are also tagged as 'Enabling Technologies': Our fourth investment theme that cuts across our three primary impact themes, highlighting our strategy of investing in enterprises with cutting-edge technologies that accelerate development and adoption of solutions, delivering impact across environmental and social themes.

Impact KPIs we measure	Immediate outcomes we expect	Target impact we aim for	Our holdings	
• Emissions avoided and/or reduced (tCO_2e) • Renewable and/or low-carbon energy generation (kWh) • Water usage avoided or reduced, wastewater reclaimed (litres or m^3) • Waste avoided, recycled, or transformed into energy (tonnes) • Eco-friendly products created (kilos or tonnes)	• Reduction in fossil fuel-related dependencies • Gradual decrease in global pollution and emissions • Creation of sustainable material and progress towards circular economy • Improved infrastructure resilience and sustainability • Mitigation of damages from climate-related events	• Material and sustained reduction in temperature rise and significant progress towards 1.5°C goals • Mitigation of negative effects from climate change • A Just Transition[28] away from fossil fuels	• Boston Metal • UBQ Materials • Gradiant Corp. • Reactive Technologies • Storegga • Plastic Energy • Greencore Homes • Montra Electric • TIER-DOTT • Submer • Form Energy • Brusa HyPower • Climeworks • Svante • BioFirst • No Traffic	Pixxel Nearfield Instruments Pragmatic Semiconductor
• Patients and/or customers served/reached (numbers) • Underserved people reached or served, eg, low-income, marginalised, people living in remote areas (numbers) • Devices produced, sold, or installed at facilities (numbers) • Products and/or services delivering health outcomes (number of products in a line)	• Improvement in health access and healthcare system responsiveness • Improvement in disease prevention, detection, and diagnosis • Creation of innovative tools and technologies created to assist in pharmaceutical processes • Progress towards decreased cost burden on global healthcare systems	• Universal access to better health facilities, medication, and healthcare services • Achievement of superior patient outcomes • Increased longevity and healthy aging	• SkyCell AG • Barinthus Biotherapeutics • Nuritas • Innovaccer • Osler • Cytoreason • Harbinger Health	Nuclera Nucleics Oxford Nanopore Technologies
• Customers from underserved or under-represented markets reached (numbers) • Financial services provided to underbanked individuals and/or MSMEs (numbers)	• Better access to capital and financial services • Improved access to good quality essentials such as water, housing, and education • Improved access to information technology and services • Enhanced ease of doing businesses for MSMEs and individuals	• Enhanced financial security, inclusion, and resilience • Increased economic opportunities, and proliferation in number of MSMEs and small business owners • Reduction of barriers to access for marginalised communities	• Sun King • Udaan • Tyme Bank • Raisin	Relativity Space

[20] International Energy Agency (IEA), 'Material efficiency in clean energy transitions', (iea.org), March 2019.
[21] Organisation for Economic Co-operation and Development (OECD), 'Infrastructure for a climate-resilient future', (oecd.org), April 2024.
[22] Pfizer, 'Artificial intelligence: On a mission to make clinical drug development faster and smarter', (pfizer.com), 2025.
[23] World Economic Forum (WEF), 'How data-driven digital healthcare tools cut cost and boost outcomes', (weforum.org), September 2024.
[24] NCD Alliance, 'Why NCDs', (ncdalliance.org), 2017.
[25] World Health Organization, 'Boosting digital health can help prevent millions of deaths from noncommunicable diseases', (who.int), September 2024.
[26] World Bank Group, 'Increasing access to technology for inclusion', (worldbank.org), February 2023.
[27] World Economic Forum, 'How to finance digital inclusion so universal access to the internet drives sustainable growth', (weforum.org), October 2021.
[28] The United Nations defines 'just transition' as, 'A just transition ensures that environmentally sustainable economies are promoted in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind. It aims to ensure that the transition to net-zero emissions and climate resilience is orderly, inclusive and just'.

The Catalyst approach

Investing capital where it counts

Catalyst invests in innovative, growth stage businesses, seeking to tackle some of the world's biggest environmental and social challenges by delivering positive impact and reducing negative impact outcomes.

The world faces complex and deep-rooted problems around climate change, quality and affordable healthcare, financial and social exclusion, and accessibility of essential services, requiring targeted efforts and investment to address. Through our long-lasting and active relationships with entrepreneurs we aim to bring forward potential solutions to these challenges, driven by differentiated and novel technologies.

The Catalyst mandate has evolved since inception in 2021, when the strategy was designed in collaboration with the Prudential Assurance Company's (serving as our anchor investor) £145 billion With-Profits Fund with four key features: Impact, Patience, Flexibility, and Scale.

Going forward, ie, from 2025, our reporting and our mandate will evolve, shifting its focus exclusively on growth equity investments, with a narrower focus on impact. Growth stage private equity companies face a funding gap, despite their high impact potential. Unlike startups and mature enterprises, these companies need patient investors with a long-term thinking, who can adequately help them scale and commercialise. We invest in such businesses actively, supporting them to achieve positive impact outcomes.

Given ongoing developments, our previous reporting also focused on our investments in platforms or specialty assets along with equity investments, which will not be the focal point for this report, and for the ones in future. Our shift in focus, thus, builds on M&G's long-standing track record of innovating, seeding, and through these steps, scaling new investment strategies.

That said, while our fund may take a new shape our fundamentals remain the same: staying true to the core tenet of delivering both positive financial returns and impact outcomes. We aim to deliver this commitment by leveraging our team's extensive investment expertise and their capability to drive value within a global portfolio.

Impact

Catalyst's mandate has dual objectives: to deliver attractive financial returns for investors and generate positive outcomes for people and the planet. As such, Catalyst does not invest in concessional return opportunities and applies robust financial criteria, as well as sectoral exclusions, sustainability risk screening, and impact assessment to all our potential investments. A focus on intentionality, additionality and measurability of positive impact across three key themes: protecting the climate and environment; driving positive health outcomes for all; and tackling global inequality. Impact is at the heart of our platform, giving us the ability to offer solutions and products at any point on the spectrum of impact and sustainable investments.

Our investments are defined across a spectrum specified by the Impact Frontiers Investment Classification, which splits potential investments into three impact categories: (A) Act to Avoid Harm, (B) Benefit Stakeholders, and (C) Contribute to Solutions. Investments in our growth equity portfolio will solely be focused on the B and C categories (please read more about this classification framework on page 49).

Intentionality

We look for companies that aim to deliver positive impact outcomes, as defined in their mission statement, strategy, and daily operations. While inadvertent impact creation is possible, intention is considered necessary to sustain impact throughout the company's lifespan.

Measurability

Impact measurement, management, and reporting are integral to Catalyst's impact investing practices. Investments are screened and monitored according to two frameworks: the SASB materiality map[29], which focuses on issues that are highly relevant or pose material risks to financial performance and reputation. The other framework combines the ABC of Enterprise Impact[30] and the Investor Contribution[31] frameworks, supported by Impact Frontiers. This integrated approach, which we refer to as the 'Impact Score', serves as a mechanism to help us conduct impact analysis.

We deploy these frameworks from the screening stage and use them to periodically monitor our investments for adherence. Our reporting framework also uses defined metrics from industry databases for consistency and comparability. We primarily use IRIS+[32] as our core database of metrics but will use non-IRIS indicators if chosen by an investee company to ease reporting burden.

Additionality and Materiality

Within our impact assessment, we also view our investments from a lens that asks, what the world would look like if this company did not exist or if it were inadequately funded, or how replicable its products or services are. Essentially, the concept of additionality involves identifying opportunities to invest and create impactful outcomes that would not happen without support or capital. Further, we might also ask if the type and terms of our investment capital are additional to what the company could raise without us. For example, in many cases, potentially high-impact companies might not be able to access long-term or flexible capital from other sources.

We also factor in the materiality of the products or services provided by these companies, which is estimated or calculated as the level to which they help solve a given societal problem, and the percentage of the company's revenue derived from those activities.

In the UK, there is often clear additionality due to the shortage of patient scale-up capital available for innovative Intellectual Property-based businesses from other sources, making Catalyst one of the few investors in this space.

Flexibility and scale

Catalyst's mandate is supported by our offices in the UK, Singapore, and India, allowing us to invest across the world. Our globally positioned team's deep investment and impact expertise drives forward our goals in achieving sound financial returns and positive impact outcomes, unhindered by geographical boundaries. Local expertise also grants us the freedom to invest in private companies situated in emerging economies – an avenue that is not commonly explored by most investors in this space, but which has the capability of delivering significant positive outcomes.

Further, our belief lies in the fact that in transition to a sustainable economy, the most successful businesses will be purpose-driven, high-growth companies that contribute to solutions to the environmental, social, and economic challenges we face, often disrupting existing value chains and business models.

These businesses, however, especially those with differentiated technology-driven or IP-based solutions, generally require large capital outlays to truly deliver their impact potential. Moreover, once their technology and commercial relevance has been proven, they will require investment at scale to grow the business and continue to deliver a meaningful positive impact – beyond the funding that most early-stage investors are willing to provide. Catalyst is one of the few institutional investors in the UK and Europe with the scale and expertise to capitalise on this opportunity, by leading or making substantial commitments to later stage funding rounds.

[29] IFRS Foundation, SASB Standards, 'Exploring Materiality', (sasb.ifrs.org).
[30] Impact Frontiers, 'ABCs of Enterprise Impact', (impactfrontiers.org).
[31] Impact Frontiers, 'Investor Contribution', (impactfrontiers.org).
[32] Global Impact Investing Network (GIIN), 'Iris Catalogue of Metrics', (iris.thegiin.org).

Deep dive: Impact pillars

Planetary Health

57%
of Catalyst's NAV has been deployed into Planetary Health investments

In 2024, record-breaking incidents highlighted human-induced climate change, with average temperatures exceeding 1.5°C above pre-industrial levels and unprecedented greenhouse gas and air/sea surface temperatures. According to the Copernicus Climate Change Service's year-end study, 2024 was the warmest year since records began in 1850, and the last decade was the warmest on record. While surpassing the 1.5°C threshold for one or two years does not break the Paris Agreement, it underscores the urgency of slowing the warming rate through focused efforts[33].

Further, the Organisation for Economic Co-operation and Development's (OECD) 2024 Climate Action Monitor report highlights similar pressing issues, underlining ever rising temperatures, increasing frequency of extreme weather events, dropping soil moisture, and melting ice sheets. The report also outlines that the GHG emissions reduction commitments are inconsistent with the Paris Agreement, emphasising the need for stronger, more ambitious efforts to truly achieve net zero by 2050.

[33] European Commission: Copernicus Climate Change Service, 'Global Climate Highlights 2024', (climate.copernicus.eu), January 2025.

To address climate-related hazards, countries are developing their own national adaptation strategies, bolstered by increased policy action in the transport, building, and industry sectors[34].

At the COP 29, held at Baku, Azerbaijan, initiatives focused on priority actions going forward to keep the Paris Agreement goal through rapid and sustained emissions reduction globally, including solutions around energy (including hydrogen and hydropower), methane, sectoral actions on industry, transport, and build environment, and other imperative actions structured around tools and policies. Significant strides were made at the conference over progress in carbon markets, transparent climate reporting, and climate change adaptation, to name a few.

Additionally, the conference put special focus on financing and bridging the capital gap, providing greater possibilities to private sector participants, such as partnering with multilateral development banks, through collaboration with the Climate Investment Funds' international capital markets platform, and driving change with the voluntary Climate Finance Action Fund[35].

The Climate Policy Initiative reports that capital flows into positive climate actions, like renewable energy and low-carbon transport, exceeded USD$1.5 trillion in 2023. However, fossil fuel investments rose to USD$1.1 trillion. Despite annual climate financing doubling between 2018 and 2022, a fivefold increase is needed to reach the US$7.4 trillion required each year through 2030 under the 1.5°C scenario. Investing in climate mitigation can help avoid economic losses by 2100 under a 1.5°C scenario, which are estimated to be five times the needed climate finance by 2050. This highlights the need for targeted, impact-oriented investors[36].

Investable areas

We invest in a wide range of industries and types of companies within our Planetary Health theme. Specific investment areas are: clean or green energy and energy-efficiency, circular economy and waste management, water and wastewater management, green mobility, sustainable or eco-friendly material alternatives, sustainable housebuilding, carbon capture and storage, and climate adaptation, monitoring and analytics.

[34] Organisation for Economic Co-Operation and Development (OECD), 'The Climate Action Monitor 2024', (oecd.org), November 2024
[35] UN Framework Convention on Climate Change, 'Summary of Global Climate Action at COP 29', (unfccc.int), November 2024.
[36] The Climate Policy Initiative, 'Global Landscape of Climate Finance 2024', (climatepolicyinitiatie.org) October 2024.

Case study:

Tube Investments Clean Mobility

Sector: Automobiles

Geography: APAC – India

Catalyst Impact Score: B2

SDG alignment:
SDG 11 Sustainable Cities and Communities

Board representation:
No; Part of a Consultation Forum

Date of investment: June 2024

Introduction

Montra Electric, established in 2022 and headquartered in India, operates as the brand name for Tube Investments Clean Mobility (TICM). TICM is a commercial electric vehicle manufacturing subsidiary of Tube Investments India (TII), which is a part of the larger Murugappa Group, one of the leading industrial conglomerates in the country. TICM manufactures various types of electric vehicles, including electric three-wheelers, electric small commercial vehicles, electric medium to heavy commercial vehicles, and electric tractors.

Challenge

India faces significant challenges with pollution, consistently recording some of the highest levels globally. According to Yale's 2024 Environmental Performance Index, India ranks 177th out of 180 countries in air quality, highlighting the dangerous breathing conditions for its residents[37]. Particulate Matter (PM), which includes solid and liquid pollutants such as soot and smoke and classified as either PM 2.5 or PM 10, significantly impacts air quality in the nation. India's transport sector accounts for a third of the country's particulate pollution and 20-35% of PM 2.5 pollution in urban areas[38].

PM emissions and subpar air quality are just one part of the story. The transportation sector also accounts for roughly 15% of India's total GHG emissions, and contributes to severe environmental problems[39]. The emissions, largely driven by road transportation and including both passenger and freight vehicles, account for more than 90% of transport-related emissions in the country[40]. These figures are expected to grow exponentially, as the IEA estimates that energy use and CO_2 emissions from road transport could double by 2050, with demands only declining marginally post that.

As the Indian economy progresses, both demand and consumption are expected to rise, resulting in an increase in freight and logistics, primarily driven by commercial vehicles like trucks. A study conducted by NITI Aayog, a Government of India think tank, reveals that India transports approximately five billion tonnes of freight annually, predominantly via road and utilising heavy- and medium-duty trucks, which cover 70% of the country's domestic freight demand. While these trucks comprise only 3% of the total vehicle fleet of the nation, they account for 53% of PM emissions. Transitioning to zero-emission vehicles in this sector could potentially lead to a reduction of 2.8-3.8 gigatonnes of CO_2 by 2050[41].

Another vital part of the Indian economy, the agriculture sector, contributing around 16% of the nation's GDP[42], also poses an emissions-related challenge. There are about 900,000+ tractors in India that consume 8% of India's oil annually and accounts for 60% of agricultural fuel usage[43].

[37] Yale University, 'Environmental Performance Index', (epi.yale.edu), October 2024.
[38] Council on Energy, Environment and Water (CEEW), 'Vehicular emissions in India', (ceew.in), December 2021.
[39] International Energy Agency (IEA), 'Transitioning India's road transport sector', (iea.org), July 2023.
[40] Council on Energy, Environment and Water (CEEW), 'India transport energy outlook', (ceew.in), June 2022.
[41] NITI Aayog, 'Transforming trucking in India', (niti.gov.in), September 2022.
[42] India Brand Equity Foundation, 'Economic survey 2024-25', (ibef.org), January 2025.
[43] International Council of Clean Transportation, 'Incentives for electrifying agricultural tractors in India', (theicct.org), October 2022.

Electric mobility is, thus, one of the primary methods to reduce pollution, decrease PM emissions, and lower GHG emissions, particularly in the commercial vehicles sector in India. While the Government of India has undertaken several initiatives to transition the transportation sectors to low- or zero-emissions modes, a successful, large-scale transition requires sizeable investment and significant private capital involvement.

Solution

TICM manufactures four types of commercial electric vehicles aimed at reducing carbon emissions in the transportation sector. The selected vehicle categories are significant components of the Indian road transportation system. TICM's vehicles include both passenger and cargo vehicles. These vehicles offer an alternative, cleaner source of mobility along with providing a source of income for their customers, who are typically small, self-employed business owners.

One of TICM's products, the Super Auto, offers a certified range of around 160 kilometres on a single charge and 60 newton-metre of peak torque, capable of delivering multiple trips, with the power figures to traverse difficult terrains. In addition to these, the Super Auto comes with several features for driver convenience, including variable driving modes and an LCD instrument cluster. It also offers passenger comfort features such as increased legroom and ergonomic seating. Moreover, TICM's vehicles have an estimated 45-50% lower total cost of ownership compared to similar compressed natural gas (CNG) and diesel vehicles.

Montra Electric's product range

Impact performance highlights

Electric vehicles sold: 10,000+

Emmissions avoided: 60,000 tonnes of CO_2 per year[44]

To further promote the adoption of e-3 wheelers, TICM aims to establish a stronger rapport with drivers, positioning them as brand ambassadors. Through initiatives such as factory visits and driver outreach programs, TICM intends to improve drivers' understanding of electric three wheeler usage, highlighting the economic benefits to the drivers and the positive environmental impacts. The company also utilises the financial services division of the Murugappa group, Chola Finance, along with their connections with banks and fintech institutions, to offer financing facilities for both passenger three-wheelers and cargo customers.

Within the category of commercial vehicles, including tractors, medium and heavy commercial vehicles, and small commercial vehicles, there are currently limited alternative mobility products available, particularly for tractors. TICM is working to electrify a niche market with limited adoption, supporting the development of the market within these segments, driving adoption, and simultaneously contributing towards decarbonisation efforts.

Catalyst's value add

Catalyst participates in a monthly consultation forum comprising other investors and TICM's management, allowing us to share ideas and monitor the company's progress, ensuring it meets the desired impact outcomes and reporting standards. The forum is also a way for us to stay updated about the business and their sustainability outcomes.

Additionally, we are assisting TICM with an Environmental and Social Action Plan consisting of 58 action items for the company to address, ensuring that TICM implements processes and procedures that comply with global standards. We regularly engage in discussions with the company and receive updates on their progress against the plan. TICM has already achieved notable improvements in gender diversity, with the operations of their battery plant in Manesar, India, now exclusively managed by women. Additionally, TICM has improved its overall diversity ratio from 8% to 23% within the scope of their electric three wheeler manufacturing plant.

TICM's ambition

TICM is dedicated to enhancing the quality of life through sustainable and eco-friendly mobility solutions. In pursuit of this vision, the company aims to broaden their product portfolio to meet the diverse mobility requirements of the Indian commercial road transportation sector. This expansion includes the introduction of medium and heavy commercial vehicles with various load capacities, small commercial vehicles in different capacities, and additional options in its three-wheeler offerings to address last-mile mobility needs. Furthermore, TICM intends to launch electric tractors with varied power delivery capabilities, thereby advancing their mission of promoting green mobility across multiple segments.

[44] Across the portfolio of 10,000+ vehicles sold since 2024

> Road transportation is a significant contributor to air pollution in India, which remains a meaningful climate and health challenge in the country. Adoption of electric vehicles that provide strong customer value propositions with lower total cost of ownership is a key step in the right direction to help drive reduction in carbon emissions. TICM is well positioned to scale given its deep distribution network, a robust financing ecosystem and a strong supply chain and operational expertise.

Abhay Sagar
Director, Catalyst

Montra Electric's E-27 e-tractor

Case study:

Submer

Sector: HVAC

Geography: Global

Catalyst Impact Score: C2

SDG alignment:
SDG 9 Industry, Innovation and Infrastructure

Board representation: Yes

Date of investment: August 2024

Introduction

Submer, headquartered in Spain, is one of the leading providers of single-phase immersion cooling solutions for the data centre industry. Established in 2015, the company has been committed to enhancing the sustainability and efficiency of data centre operations and construction. It designs, and builds energy efficient liquid-cooled data centres. This includes manufacturing single-phase immersion cooling equipment for data centres, which provides higher heat conductivity compared to air and offers energy savings over non-liquid cooling methods.

Challenge

The rapid adoption of AI has increased the demand for data centres and advanced computing, leading to higher global energy consumption and a notable strain on grids. As per a McKinsey research, global demand for data centre capacity is projected to nearly triple by 2030, with around 70% of that demand expected to come from AI-related workloads. The estimated increase in data centre energy capacity from such workloads could range from 80 GW to over 200 GW between 2025 and 2030[45].

Submer's SmartPod EVO

[45] McKinsey & Company, 'The cost of compute: A $7 trillion race to scale data centres', (mckinsey.com), April 2025.
[46] MIT News, 'Explained: Generative AI's environmental impact', (news.mit.edu), January 2025.
[47] International Energy Agency (IEA), 'Electricity 2024', (iea.org), January 2024.
[48] United Nations Environment Programme, 'AI has an environmental problem. Here's what the world can do about that', (unep.org), September 2024.
[49] World Economic Forum, 'Why circular water solutions are key to sustainable data centres', (weforum.org), November 2024.
[50] Bloomberg, 'Thirsty AI creates another climate risk', (bloomberg.com), May 2025.

A Massachusetts Institute of Technology article notes that while the AI 'gold rush' has deployed powerful data models across industries, it has also caused significant environmental impacts. Training these models requires substantial electricity, adding pressure on electric grids and increasing carbon emissions. Additionally, real-world deployment demands constant fine-tuning and performance improvements, consuming large amounts of energy on a near-constant basis[46].

A recent IEA report states that data centres, including AI workloads, consumed 460 terawatt-hours of electricity in 2022, making up 2% of global usage. By 2026, this is expected to reach 8%, about the same as Japan's consumption. Cooling needs account for 40% of this demand[47].

Energy is only one part of the equation. Data centres need large amounts of water during their construction phase and for cooling electrical components. The United Nations Environment Programme estimates that AI infrastructure might soon consume six times more water than Denmark[48]. A World Economic Forum (WEF), study shows a one megawatt (MW) data centre can use up to 25.5 million litres of water per year for cooling, equal to the daily consumption of around 300,000 people[49]. With many data centres located in highly water-stressed areas across the world (two-thirds of new data centres built or planned since 2022[50]), the growing demand for AI and data centres presents a significant challenge requiring innovative solutions.

Impact performance highlights

Energy savings achieved: 599.50 GW

Tonnes of CO_2e emissions reduced: 313,775 tCO_2e

Litres of water saved: 3.5 billion

Solution

Submer is one of the leading providers of liquid cooling technology solutions for the data centre industry. Their single-phase immersion cooling technology achieves 100% cooling by transferring all heat to the liquid, with 1,400 times more conductivity than traditional air cooling. Operating on this principle, Submer's solutions immerse the IT hardware directly into scalable tanks filled with a proprietary, non-conductive, non-toxic biodegradable fluid. These tanks are regulated by efficient Cooling Distribution Units controlled by software algorithms that enhance performance and efficiency over time.

Submer's technology, developed over a span of nine years, offers innovative cooling solutions that are energy-efficient, cost-effective, and environmentally friendly. Their systems use 99% less water and reduce energy consumption by 40-50%, lowering the environmental impact of large data centres. They also manage to achieve a Power Usage Effectiveness (PUE)[51] of less than 1.03 compared to the industry average of 1.57. Additionally, Submer's OECD-certified SmartCoolant is biodegradable, non-toxic, and has no global warming potential.

Submer's technology also allows for 99% of the heat generated by hardware to be captured and repurposed. By operating in a liquid state, the system collects generated heat as hot water, which can then be used to support heat recovery systems, providing data centres efficient means to reduce net power costs.

Submer's SmartPod, one of their most popular products, is intended to be used primarily by co-locators and hyperscalers. This solution requires minimal ongoing maintenance, can operate with water temperatures up to 42°C, and can integrate into heat reuse solutions. Ultimately, this product will deliver a reduced environmental footprint for data centres, while enhancing computing density, reducing water consumption, utilising less energy, and providing cost-effectiveness.

Submer's solutions include a full tech stack for clients, encompassing hardware, services, fluid and chemistry, software, and lab validation. Submer's goal is to reduce environmental impacts in an industry with traditionally high negative effects, facilitating the transition to a low-carbon, low-resource intensive future.

Catalyst's value add

We are collaborating with the company to develop their annual Impact and Sustainability Plan and progressing to producing an annual impact report. Our support also includes establishing clear, measurable KPIs and creating a robust reporting framework. We are also engaging with the company to form a panel of advisors to tap into experts already engaged in data centre building activities. These initiatives aim to align the company with global sustainability standards while enhancing stakeholder trust through demonstrable impact.

Submer's ambition:

Submer aims to service over 400 MW of data centres by 2028, potentially saving more than 10 billion litres of water annually. Submer was created with the vision to make operating and constructing data centres more sustainable and efficient. Cognisant of the environmental impact of the data centre industry, the company believes in giving back to communities and the environment, by joining programs around social and environmental responsibility.

[51] Power Usage Effectiveness, or PUE, is a metric used to measure the energy efficiency of a data centre. PUE is calculated by dividing the total amount of power entering a datacentre by the power used to run the IT equipment within it. It is expressed as a ratio, with overall efficiency improving as the quotient decreases towards 1.0.

> **As growing data centre capacity is becoming one of the largest incremental buyers of electricity, and some new data centre clusters will have the equivalent power need of cities, it is imperative that energy efficiency is optimised. Submer is at the heart of designing next generation data centres that can deliver the higher efficiency, lower energy requirements, and lower Total Cost of Ownership**

Zachary Webb
Investment Director, Catalyst

Demonstration of Submer's immersion cooling technology

Deep dive: Impact pillars

Human Health

15%

of Catalyst's NAV has been deployed into Human Health investments

Global healthcare delivery continues to be impacted by a significant shortage of healthcare workers, a challenge that is particularly pronounced in low-income countries, which have the lowest health worker density and distribution. The COVID-19 pandemic emphasised the importance of ensuring a robust, sustained, and resilient supply of essential medicines and other healthcare products all over the world, especially in low-income countries.

Moreover, the COVID-19 pandemic set back the progress and gains made over decades in both life expectancy at birth and overall healthy life expectancy, rolling back to levels last seen in 2012 (71.4 years and 61.9 years, respectively, in 2021)[52]. The global proportion of deaths continues to shift towards noncommunicable diseases, reaching 65.3% in 2021. The World Health Organisation (WHO) reports a notable shortfall in progress towards the 2025 targets for achieving universal health coverage, access to essential health services, emergency preparedness, and healthier populations[53].

Conversely, there also have been significant positive improvements in global healthcare, including reducing maternal and childhood mortality rates and expanding treatment for infectious diseases like HIV, TB, and malaria[54].

However, with the rising elderly population[55], increasing prevalence of non communicable diseases[56], and the insufficient global healthcare infrastructure, it is necessary to finance and invest in novel healthcare solutions, such as telemedicine, health technology, and analytics-driven advancements in diagnostics, therapeutics, and preventative care. The OECD highlights the need for increased healthcare spending on prevention, preparedness, and response. The world needs an extra US$10.5 billion annually to improve healthcare systems[57]. Innovative financing from public and private sectors is crucial to bridge this gap and achieve global health goals.

Investable areas

We invest across the value chain of healthcare and life sciences. As opposed to investing in individual drug or treatments, we prefer to invest in platform technologies that help healthcare providers broaden their reach and impact. These can include innovations to improve the speed and accuracy of diagnosis, early detection of diseases, and technologies that improve the speed, cost, and accuracy of drug discovery. We also invest in deep tech-driven solutions that utilise big data and artificial intelligence to accelerate research and development in pharmaceutical and biotechnology industries.

[52] World Health Organization (WHO), 'COVID-19 eliminated a decade of progress in global level of life expectancy', (who.int), May 2024.
[53] World Health Organization (WHO), 'WHO warns of slowing global health gains in new statistics report', (who.int), May 2025.
[54] World Health Organization (WHO), 'World health statistics 2024', (who.int), 2024.
[55] World Health Organization (WHO), 'Ageing and health', (who.int), October 2024.
[56] Our World in Data, 'Burden of disease', (ourworldindata.org), February 2024.
[57] Organisation for Economic Co-operation and Development (OECD), 'Smart spending to combat global health threats', (oecd.org), June 2025.

Case study:

Innovaccer

Sector: Healthcare

Geography: United States

Catalyst Impact Score: B1

SDG alignment: SDG 3 Good Health and Well-being

Board representation: No

Date of investment: July 2024

Introduction

Innovaccer, founded in 2014 and operating out of San Francisco, is a US-based healthcare SaaS platform working on healthcare data aggregation. Innovaccer's Data Activation Platform collects, cleans, aligns and integrates data from various sources within a medical ecosystem, unlocking operational efficiency by connecting fragmented data from a variety of medical departments and providers.

Challenge

The magnitude of data collection in the healthcare sector is immense: by 2020, it was estimated that the global healthcare industry would produce 2.3 zettabytes of data[58]. A 2022 research estimated that approximately 43% of global healthcare data collection is attributable to the US[59].

Despite the massive scale of data collection, healthcare data fragmentation remains a critical challenge in the US, where patient information is dispersed across multiple siloed systems. Thousands of healthcare organisations across the nation utilise their own IT platforms, standards, and privacy controls, thereby creating a situation where no single medical institution has a complete view of any single patient[60].

This fragmented data impairs healthcare providers' ability to access comprehensive patient records, leading to inefficiencies, increased cost, and suboptimal healthcare outcomes. A 2021 McKinsey study estimated that 20-25% of US healthcare spending – approximately US$1 trillion is wasted annually, with 50-75% of that waste potentially avoidable through an updated and shared electronic medical platform.

Various systems, such as primary care physicians, specialists, laboratories, imaging centres, and hospitals, each with their own Electronic Health Record (EHR) platforms, store patient information in an isolated manner, causing data fragmentation. These systems often fail to interoperate, leaving critical health data siloed and inaccessible when urgently required. The strict privacy regulations and compliance requirements as well as the absence of standardised data formats across EHR systems further hinders integration and collaboration[61].

Additionally, data fragmentation is a major barrier to the effective use of AI in US healthcare. While AI offers transformative potential for diagnostics and personalised care, adoption is slowed by poor data quality, legacy infrastructure, inconsistent governance, and regulatory complexity. These challenges, compounded by massive data volumes and opaque AI systems, make it difficult to integrate AI into clinical workforce and realise its full benefits[62].

[58] World Economic Forum (WEF), 'How to harness the power of health data to improve patient outcomes', (weforum.org), January 2024.
[59] Grand View Research, 'US healthcare data collection and labelling market size and outlook', (grandviewresearch.com), 2022.
[60] Boyden, 'Impact of Data Fragmentation in Healthcare', (boyden.com), 2024.
[61] McKinsey & Company, 'Administrative simplification: How to save a quarter trillion dollars in US healthcare', (mckinsey.com), October 2021.
[62] MeshDigital, 'AI in healthcare: cutting through the noise & overcoming data barriers for success', (insights.meshdigital.io), April 2025.

As a major portion of the US population transitions to Value-Based Care (VBC), additional complexities emerge due to the need to link patient data with monitoring and tracking outcomes while adhering to detailed reporting standards set by the Center for Medicare and Medicaid Services (CMS)[63]. Although VBC models are undoubtedly beneficial for both healthcare providers and consumers, resource and data constraints slow down the pace of adoption. An effective transition requires strong technological infrastructure in place to handle the extensive data and analysis needed[64].

Solution

Innovaccer's Healthcare Intelligence Cloud is a cloud-based platform designed to unify fragmented and siloed patient data across healthcare systems, delivering a comprehensive, 360-degree view of each patient's medical history. This integrated data infrastructure enables healthcare organisations to better leverage patient information to advance healthcare outcomes, accelerate AI-driven digital transformation, and support the transition to VBC models that rely on real-time insights to inform clinical decisions and improve health outcomes.

The platform offers a robust suite of applications supporting VBC, population health management, and customer relationship management. Built on a scalable cloud foundation, Innovaccer is increasingly expanding its AI capabilities, including tools such as an AI-powered medical scribe for documentation, solutions to streamline prior authorisation processes, and systems to manage denied claims.

By utilising AI across a range of use cases – such as population health analytics, ambient clinical documentation, digital engagement, and business intelligence – health systems can identify high-risk patients, enabling early interventions that reduce hospitalisations and save providers hours per day on administrative tasks.

Today, Innovaccer serves six of the top ten healthcare systems in the US and is rapidly expanding its reach to insurers, pharmaceutical companies, and government agencies. Providers using the platform have reported meaningful reductions in hospital readmissions and emergency department visits, along with substantial cost savings. Innovaccer's approach illustrates how integrated, AI-driven data platforms can transform healthcare delivery – making it more efficient, effective, and patient-centred.

[63] Value-Based Care (VBC) is a healthcare delivery model in which providers, including hospitals and physicians, are paid based on patient health outcomes. It emphasises improving the quality of care and rewarding providers for efficiency and effectiveness, rather than the volume of services provided.

[64] IKS Health, 'How to overcome challenges in Value-Based Care implementation', (ikshealth.com), October 2024.

Impact performance highlights

Lives being managed: 54 million

Cost savings delivered: US$1.5 billion

How Innovacer is delivering impact

- Physicians of Southwest Washington (PSW), a leader in value-based care in US with over 400,000 patients, needed a data-driven approach to streamline care coordination, improve efficiency, and drive cost savings.
- By harnessing Innovaccer's analytics and reporting tools, along with effective care management solutions, PSW was able to generate actionable insights from the aggregated Admit, Discharge, Transfer (ADT) feeds. This led to a reduction in avoidable emergency department visits related to urinary tract infections by 12%.
- PSW also leveraged Innovaccer analytics to track and incentivize high-performing Skilled Nursing Facilities (SNF). Through these efforts, PSW was able to reduce SNF utilization by 16.7% from 2022 to 2023 and lower the average patient length of stay by 8.1% during that period.

Catalyst's value add

We engaged with the company to accurately bring out their impact, ie KPIs that define the positive impact Innovaccer is providing to a variety of stakeholders in the US healthcare system. Catalyst worked with Innovaccer to define meaningful impact KPIs, whether that is delivering better patient outcomes (improved diagnosis, reduction in hospitalisation rates), or savings value for healthcare providers (efficient use of staff, reduced administrative burden) and payors alike. As part of these ongoing discussions, we aim to help the company to adopt an appropriate methodology to define, measure, and report these KPIs on a consistent basis.

Innovaccer's ambition

Innovaccer envisions a future where healthcare transcends traditional service delivery to become a seamless, empowering experience for every individual. The core of this vision is to establish a connected ecosystem that integrates various separate sources and uses advanced analytics. This approach leverages data to help healthcare providers make informed decisions, deliver effective care, and focus on patient-centric outcomes.

Over the next few years, Innovaccer aims to be the data analytics provider of choice for all of the top ten healthcare systems in the US and make further inroads in the next top twenty systems. By expanding their reach, Innovaccer aims to have more patients on their systems. Companies with the most data will be able to leverage ongoing advances in AI in order to train the most reliable models for healthcare. This in turn will help Innovaccer continue to drive transformation of US healthcare systems.

> **Innovaccer is transforming healthcare by unifying siloed patient data into a single intelligence platform. By enabling real-time insights, improving care coordination and serving as a foundation for digital and AI-enabled solutions, Innovaccer is addressing inefficiencies across the US healthcare system while accelerating the shift towards value-based care. Having unified more than 54 million patient records and saved over US$1.5 billion for customers, Innovaccer's industry-leading platform is well-positioned to be a frontrunner in the digital transformation of US healthcare.**

Amit Deshpande
Director, Catalyst

Case study:

Nuritas

Sector: Specialised Ingredients (Peptides)

Geography: Global

Catalyst Impact Score: B2

SDG alignment: SDG 3 Good Health and Well-being

Board representation: Yes

Date of investment: December 2024

Introduction

Nuritas is an Ireland-based business using a proprietary AI platform to create plant-based peptides with clinically validated health benefits for use as ingredients in food and beverage, medical food and vitamins, minerals and supplements sectors.

Nuritas Team at their Dublin HQ

Challenge

Despite significant advancements in healthcare, a substantial portion of the global population continues to face persistent health challenges. A major analysis on the global burden of disease published in the Lancet found that 95% of the global population suffered from some ailment, with one-third of the global population suffering from more than five ailments[65].

This shows the extent of the global health challenge and despite all the drug developments, advances in medicine, and improved understanding of diet, this remains a colossal problem. Among these, muscular health, bone density[66], sleep[67], and metabolic health are critical areas requiring effective solutions, which drive significant negative impacts on all-cause mortality.

Improvements in muscle strength and health are associated with a 10-17% reduction in all-cause mortality[68]. Whilst bone density loss is a particular issue faced by menopausal women who on average lose 1% bone density per annum[69], increasing the risk of bone injuries and arthritis. Improved sleep regularity has also been associated with 20-48% lower risk of all-cause mortality[70]. All of these health factors can be addressed by Nuritas' novel functional peptides.

[65] Lancet, 'The Global Burden of Disease 2014', (thelancet.com), August 2015.
[66] Salari, N., Ghasemi, H., Mohammadi, L. et al., 'The global prevalence of osteoporosis in the world: a comprehensive systematic review and meta-analysis', (josr-online.biomedcentral.com), October 2021.
[67] Lei, T., Li, M., Qian, H., Yang, J., Hu, Y., Hua, L., 'The Effect of Sleep on Metabolism, Musculoskeletal Disease, and Mortality in the General US Population: Analysis of Results From the National Health and Nutrition Examination Survey', (pmc.ncbi.nlm.nih.gov), November 2023.
[68] Momma, H., Kawakami, R., Honda, T., et al, 'Muscle-strengthening activities are associated with lower risk and mortality in major non-communicable diseases: a systematic review and meta-analysis of cohort studies', (bjsm.bmj.com), February 2022.
[69] DeSapri, K., Brook, R., 'To scan or not to scan? DXA in postmenopausal women', (ccjm.org), April 2020.
[70] Windred, D., Burns, A., Lane, J., Saxena, R., Rutter, M., Cain, S., Phillips, A., 'Sleep regularity is a stronger predictor of mortality risk than sleep duration: A prospective cohort study', (academic.oup.com), January 2024.

Solution

Nuritas discovers and produces bioactive peptides derived from plant-based sources, with the ability to address wide ranging health factors. Nuritas' existing peptides focus on providing benefits including enhancing muscular health, increasing bone density, improved sleep quality and improving metabolic health. These peptides have clinically validated health benefits, through rigorous clinical studies and importantly, are broadly accessible given low costs, particularly relative to drug-based solutions. As a result, Nuritas is able to drive meaningful population-level preventative health benefits.

Nuritas' flagship product, PeptiStrong is an AI-discovered ingredient for muscle health derived from fava bean protein. It has been clinically backed to improved muscle strength, muscular endurance and reduce muscle atrophy. PeptiStrong has the potential for applications in paediatric health, particularly in regions affected by child malnourishment, as well as in elderly populations to support muscle health.

Nuritas' laboratory

Impact performance highlights

Volumes (doses) of PeptiStrong sold: 31 million

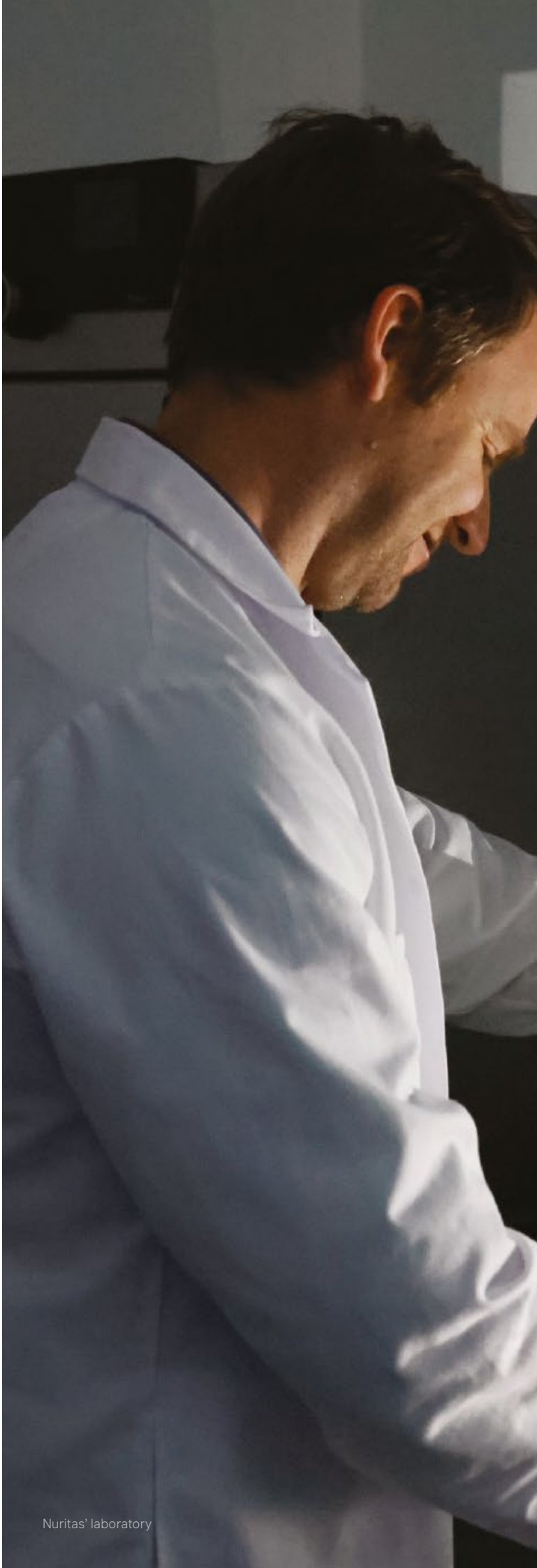
Total number of commercial ingredients developed: Three

Catalyst's value add

We are collaborating with the company to develop its annual Impact and Sustainability Plan and progressing to producing an annual impact report. Our support also includes establishing clear, measurable KPIs and implementing a comprehensive framework for impact measurement and reporting. These efforts are expected to drive alignment with global sustainability benchmarks while reinforcing stakeholder confidence through measurable impact.

Nuritas' ambition

Nuritas plans to commercialise two new products in 2025 – PeptiSleep, aimed at improving sleep quality, and PeptiControl, focused on supporting metabolic health through glucose regulation. Nuritas is on a mission to scale its portfolio of bioactive peptides, targeting key health indicators, providing broad-based preventative health benefits.



Nuritas' laboratory

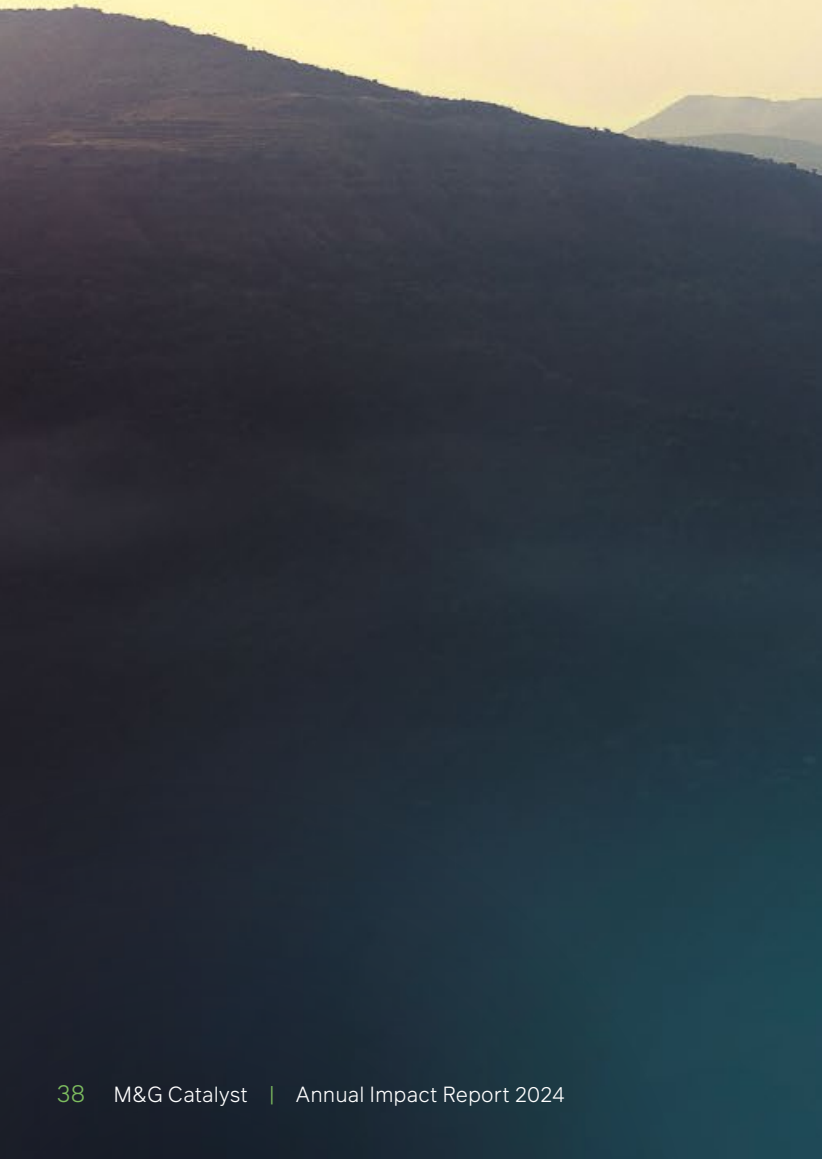
> **“Nuritas’ visionary and mission-driven team is focused on addressing population wide health issues by developing functional plant-based peptides that are broadly accessible to consumers worldwide. With clinically validated, commercial products addressing improved muscle health and sleep quality, and pipeline ingredients for metabolic health and a wide range of other impactful targets, Nuritas can drive significant preventative health benefits. With a proven, proprietary peptide database and AI-driven discovery tool, Nuritas will continue to build upon this ingredient portfolio and remain at the forefront of advancing the ingredient sector.”**

James Tortoishell
Director, Catalyst

Deep dive: Impact pillars

Access and Inclusion

28%
of Catalyst's NAV has been deployed into Access and Inclusion investments.



The world continues to grapple with economic inequalities, a condition exacerbated by climate change, income disparities, food insecurity, and geopolitical conflicts. Naturally, the poorest nations face the greatest challenges, experiencing increasing difficulties in securing basic needs due to stagnant wages and rising costs. Around 700 million people around the world today live in extreme poverty, surviving on less than US$2.15 per day, and while the global trend on extreme poverty continues to decline, the progress has stagnated in recent years, even regressing further due to the COVID-19 pandemic[71].

Income averages globally obscure the actual disparities; while averages have risen since 1980, so has the global wealth inequality. In 2023, the top 10% of earners commanded over 50% of national income in most countries, while the bottom 50% held less than 10%[72]. Further, in the same year, the top 1% of adults held around 48% of global wealth, roughly amounting to US$213 trillion, in stark contrast with the adults possessing only 1% of the global wealth, but accounting for around 40% of the world's population[73].

[71] World Bank Group, '2023 in nine charts: a growing inequality', (worldbank.org), 2023.
[72] World Inequality Database, '10 facts on global inequality in 2024', (wid.world), November 2024.
[73] UBS Global Wealth Management, 'Global Wealth Report 2024', (ubs.com), 2024.

Closing the global gender gap is progressing slowly, with full parity expected in 134 years according to the WEF. Women make up about 42% of the global workforce and 32% of senior leaders, lagging behind men in nearly all industries and economies[74]. Further, the UN highlights other challenges plaguing gender equality worldwide, such as food insecurity, malnutrition, conflict and displacement, limited education participation, and discriminatory legal frameworks[75].

Climate change is another major driver of rising global inequalities, with poorer populations facing the greatest brunt of negative impacts and threats from extreme weather events. The World Bank estimates that climate-related impacts could drive 216 million people to migrate within their own countries by 2050, driven by increased water stress and food insecurity resulting from diminished crop yields[76].

The UN, thus, urges both public and private investors to fund efforts that combat global inequalities and advance Sustainable Development Goals (SDGs), addressing an annual financing gap of around US$4 trillion[77]. The OECD also emphasises the importance of investing in avenues that reduce inequality, whilst promoting decarbonisation, adaptation, and preservation of our natural resources[78].

Investable areas

We invest in businesses that focus intentionally on achieving more inclusive growth. Their business activities may be responding to structural and systemic issues such as racial and gender inequalities, leading to some groups being marginalised, or working around specific issues such as health, food insecurity, education, or financial inclusion, where there might be overlap with our other two key impact themes. Some of the investable sectors that we potentially explore cover sustainable and affordable housing, affordable clean energy, access to essentials like water and healthcare, and enhancing financial inclusion through capital and/or credit.

[74] World Economic Forum (WEF), 'Global gender gap report 2024', (weforum.org), June 2024.
[75] United Nations Women (UN Women), 'Progress on the sustainable development goals: The gender snapshot 2024', (unwomen.org), 2024.
[76] World Bank Group, '2023 in nine charts: a growing inequality', (worldbank.org), 2023.
[77] United Nations News, 'Massive investment and financial reform needed to rescue SDGs', (news.un.org), April 2024.
[78] Organisation for Economic Co-operation and Development (OECD), 'Investment', (oecd.org), 2025.

Case study:

Livpure

Sector: Consumer Durables

Geography: APAC – India

Catalyst Impact Score: B4

SDG alignment: SDG 6 Clean Water and Sanitation

Board representation: Yes

Date of investment: July 2024

Introduction

Livpure, an India-based brand headquartered in Delhi, specialises in selling Reverse Osmosis (RO), Ultraviolet (UV) and Ultra-Filtration (UF) water treatment systems that provide households with affordable access to clean and safe drinking water.

Challenge

India continues to struggle with the challenge of providing clean drinking water for its population. A 2018 report from the Government of India's think tank, NITI Aayog, indicated that 163 million Indians lack access to clean water near their homes, and 70% of the country's surface water is contaminated[79]. Additionally, a 2017 World Bank report attributed 21% of communicable diseases in India to unsafe water[80].

According to Yale's 2024 Environmental Performance Index report, India ranks 144 out of 180 countries in terms of providing water access to its citizens. In 2021, 3.25% of all deaths in India were linked to unsafe drinking water. Additionally, the report indicates that access to safe sanitation and drinking water in India reflects major socioeconomic disparities[81].

An independent survey conducted in 2025 indicated that while a majority of the urban population in India receives piped water supply, only around 2% of respondents reported receiving potable quality water from their local bodies. Additionally, about 65% of respondents reported using some form of modern water filtration system[82]. The adoption of modern water filtration devices in India faces several roadblocks, such as high initial costs and ongoing service expenses, public perceptions around the final quality and taste of the filtered water, and competition from widespread yet dubious alternatives such as PET water jars.

Livpure team with Livpure's brand ambassador (front-centre, seated), famed Indian

[79] NITI Aayog, 'Composite Water Management Index', (niti.gov.in), August 2019.
[80] Stockholm International Water Institute, 'The water crisis in India: Everything you need to know', (siwi.org), April 2018.
[81] Yale University, 'Environmental Performance Index', (epi.yale.edu), October 2024.
[82] LocalCircles, 'Drinking water survey', (localcircles.com), 2025.

Solution

In India's highly price-sensitive market, Livpure's products and services seek to offer affordable water filtration solutions to households, aiming to improve access to potable water, reduce water-borne diseases, and enhance the quality of life for many families. Livpure's Water-as-a-Service (WaaS) business model offers quality RO and UV water filtration systems to customers on a subscription basis, eliminating the need for high upfront payments while integrating maintenance costs into the rental fees. Livpure's vision of accessibility is evident through its customer base: around 58% of WaaS subscribers are first-time water purifier users and around 55% of their WaaS customers belong to low-income groups with a monthly household income under US$600.

Moreover, Livpure offers a novel, technology-driven experience through its IoT-enabled devices that continuously monitor the condition of the machines. This allows the company to take on the responsibility of maintaining the health of the filters and equipment, relieving consumers of this burden.

This proactive approach ensures a safe and uncontaminated water supply, eliminating a critical maintenance step that is often neglected or delayed by many consumers due to high cost and inconvenience.

Livpure also exhibits good environmental stewardship practices in its operations by refurbishing WaaS devices, extending their usable life by two years. The company also recycles plastic and electronic parts during refurbishment or at the end of product life.

cricketer Sachin Tendulkar

Impact performance highlights (financial year 2025)

Number of new WaaS subscribers: 153,884

Number of water purifiers sold: 305,215

Litres of water processed in WaaS: 713 million

Apart from its WaaS devices, Livpure also provides varied affordable filtration solutions, such as their Allura range of purifiers that offer 30 months of free maintenance integrated into the upfront cost of the device, retaining the very low cost of maintenance proposition similar to its WaaS offerings, while offering an alternative to its subscription-based model for customers who prefer to own the machine.

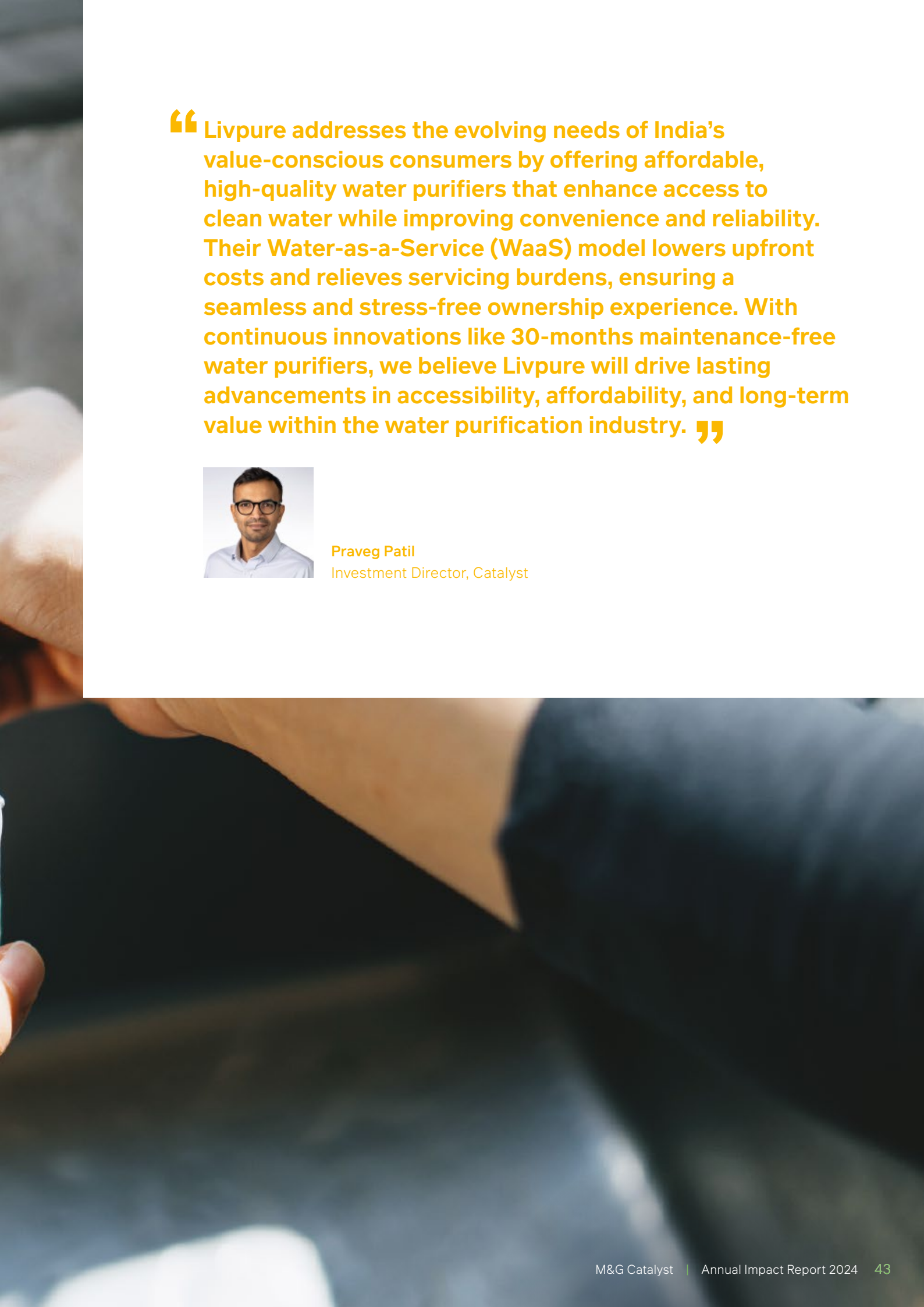
Additionally, RO systems strip away desirable minerals from water such as iron, calcium, and potassium during the filtration, a problem that Livpure solves by outfitting its devices with a re-mineralisation chamber.

Catalyst's value add

Our partnership with Livpure enabled the company to go beyond scaling their operations. We assisted Livpure in establishing industry-standard sustainability measures, including a regular reporting framework, key policies like a supplier code of conduct and responsible procurement, and employee training programs on good governance. These initiatives have helped Livpure to meet contemporary expectations around sustainability practices and in building stakeholder confidence.

Livpure's ambition

Livpure aims to expand its WaaS subscriber base by more than 800,000 over the next few years, delivering positive impact outcomes through the provision of clean, affordable water supply to numerous Indian households. The company also intends to establish itself as a lifestyle brand, offering varied products such as air coolers, kitchen appliances, and mattresses, focusing on affordable quality of life enhancements.



“Livpure addresses the evolving needs of India’s value-conscious consumers by offering affordable, high-quality water purifiers that enhance access to clean water while improving convenience and reliability. Their Water-as-a-Service (WaaS) model lowers upfront costs and relieves servicing burdens, ensuring a seamless and stress-free ownership experience. With continuous innovations like 30-months maintenance-free water purifiers, we believe Livpure will drive lasting advancements in accessibility, affordability, and long-term value within the water purification industry.”

Praveg Patil
Investment Director, Catalyst

Catalyst investment process

Our investment analysis utilises an end-to-end process involving sustainability assessment and impact categorisation, from the earliest screening and consideration stages, up until the time we hold the investment, periodically monitoring the progress on the impact being delivered. The process is set out below:

1 Screening

At this stage, the investment is screened against our Exclusion List (please see page 58 of the Appendix). Investments exclude companies involved with controversial weapons or violating UN Global Compact principles or OECD guidelines. Further, stringent revenue thresholds are applied to other revenue generating activities, such as conventional weaponry, fossil fuels (separate thresholds for upstream and downstream activities), adult entertainment, gambling, tobacco (distribution), predatory lending, cannabis, and alcohol.

Additionally, at this stage, initial sustainability, impact, and intent analyses are conducted to ensure eligibility and alignment with our expectations, ensuring that the investment presents a strong impact case alongside traditional financial return considerations. This initial analysis focuses on identifying risks and opportunities in four key areas across policy and practice, operations, and across the value chain:

- governance
- climate
- social, with a special emphasis on Modern Slavery
- diversity and inclusion.

Alongside this, we map the investment to an industry and identify material SASB issues associated with that sector, wherein we focus on the top three-to-five key risks.

We also conduct a preliminary SFDR assessment, covering Good Governance, testing against Do No Significant Harm principles, and positive contribution (for more information on our definition and assessment criteria against SFDR requirements, please see page 59 of the Appendix).

An initial intent analysis at this stage assists in understanding the company's approach to managing sustainability risks and impact objectives. This involves examining various factors, such as the company's vision, mission, and strategy, governance and leadership, people and culture, implementation, and impact management. The analysis here focuses on outlining the company's potential impact against the Impact Frontiers' Investment Classification and the Five Dimensions of Impact (also collectively referred to as the Impact Score. See the section, 'How we assess impact' on page 48 for more information). Our investments must meet, at minimum, 'Benefit Stakeholders' classification, considering activities and benefits delivered to the stakeholders: people, communities and the planet.

2 Green Light

Financial considerations, initial sustainability analysis, and impact and intent assessments, conducted at a high level, are considered at the Green Light meeting, where the potential investment is presented to the Investment Committee. Here, the Committee decides if work on the investment opportunity should continue, along with guidance on further diligence. This interim step serves as a useful stage to ensure that investments are brought to the Investment Committee with correct information, sufficient for decision-making, which can serve as a base for an in-depth assessment.

3 Further Analysis

Post approval at the Green Light stage, the deal teams then undertake a more detailed analysis to validate or enhance their initial assessments. With the screening analysis serving as a starting point, a detailed analysis of the areas listed under sustainability assessment – governance, climate, social, as well as SASB industry material risks, is carried out. Additional, in-depth analysis will also be carried out on impact and intent at this stage, specifically addressing further areas of diligence or material issues highlighted at the Green Light committee. The analysis dives deeper into some of the aspects, such as: within the Five Dimensions of Impact, the 'What' pillar is split between positive and negative impact to provide a holistic view, and the 'Contribution' pillar is split between enterprise and investor to highlight the role Catalyst will play. Impact Risks relating to the 'What' and the Ten Impact Risks categories must consider the likelihood of the risk occurrence as well as the consequences for the stakeholders, should the risk materialise.

Additionally, the impact and intent analyses along with the sustainability assessment will be used to establish the impact thesis of each potential deal, something that we consider as equally important as the financial investment thesis, combined with the Impact Score of the deal. While we recognise that SDGs were not designed as investment goals but as broad policy goals, we still appropriately map primary and secondary SDGs, along with the relevant sub-targets, for each deal.

We focus exclusively on companies that are likely to have a classification of 'B' (Benefit Stakeholders) or 'C' (Contribute to Solutions). As such, the impact assessment and thesis created at this stage will include additional analysis on the impact context and, where possible, an impact case study. Further, we carry more detailed analysis across the five categories of our intent framework, based on the Operational and Management Due Diligence carried out by the investment team.

4 Investment Committee

Completed summaries of our sustainability and impact analyses, along with the impact and financial investment cases, are presented to the Investment Committee (IC). The IC will provide final considerations around the alignment with the business model, impact, and with the Catalyst mandate objectives, making the decision to approve or reject a proposal for investment. The IC will be responsible for confirming that the investment meets the Exclusion List and the Impact Score is appropriate.

5 Execution

As private equity investors, we have the ability to request certain contractual controls relating to sustainability and impact during the deal execution process, tailored and modified as per each deal. As far as possible, we request reporting KPIs in line with the agreed impact plan (see below) and continued adherence to the Exclusion List evidenced for all investments. We may also require investees to meet KPI targets, publish impact performance, or bring in specialist skills/external consultants to focus on sustainability risk management. Catalyst may also request a governance role, including a seat on a company's board, to help ensure decisions are taken in line with the impact intentions of Catalyst's mandate. Further, we also develop an impact plan, a shared agreement between Catalyst and the investee on key sustainability and impact objectives, which serves as a basis for monitoring, managing, and reporting sustainability and impact over the life of the investment. We aim to set up to three objectives aligned with the sustainability and impact thesis to sit alongside KPIs and set annual targets, aligned with calendar year as much as possible.

The KPIs are chosen to be meaningful, material and aspirational while still realistic. Although KPIs are primarily quantitative, qualitative information is used to support them. If the investee has either not considered impact management or is early in its journey, it may require support to set targets and measure, manage and report impact. The Catalyst team will provide tools and guidelines to support investees to address key material actions that arose from our Intent analysis.

6 Engagement

We aim to play an active role in engaging with our investees, focusing on activities that improve positive impacts and reduce negative ones. Wherever needed, engagement plans will be agreed with the companies during the execution phase. We intend to follow a structured, feedback loop-driven approach that involves identifying focus areas for engagement, designing a framework, setting-up point of contact(s), establishing a frequency, engaging regularly with the investee, ensuring a consistent update on impact KPIs, and periodically reviewing the fulfilment status of the engagement items and smoothing out issues, if any. Annual sustainability and impact performance review meetings will be carried out for each investee, utilising the time to discuss what went well and what could have gone better, incorporating the learnings in the future engagement processes. If needed, we might adjust engagement objectives to reflect the company's current performance, future trajectory, or market conditions. In case of repeat underperformance, we will trigger an escalation, which might involve exercising our governance rights or, in extreme cases, restrict future funding.

7 Reporting

Published each year, our sustainability and impact report will reflect the impact performance across our portfolio and engagement activities. Using both qualitative and quantitative assessments, this report draws on the KPIs from individual investments, includes commentary by Catalyst team, and uses case studies to illustrate the difference to people, communities, and the planet that Catalyst is helping to achieve.

Our impact processes, measurement and reporting, were independently verified by BlueMark (see the Appendix for the verification statement), in line with M&G's overall intent to align with the Operating Principles for Impact Management[83].

[83] Operating Principles for Impact Management, 'The 9 Principles', (impactprinciples.org).

How we assess impact

The Impact Frontiers' Investment Assessment Frameworks

Our impact assessment methodology is guided by the norms established by the Impact Frontiers (formerly The Impact Management Project). Impact Frontiers is a collaborative effort between several impact-oriented investors who wanted to build a global consensus on how to measure, manage and report impact on sustainability. Impact Frontiers' assessment guidelines are globally recognised as robust standards for impact measurement and management. The initiative began in 2015, launching its first investor cohort in 2018. In 2022, The Impact Management Project concluded as planned, and transitioned its created resources to Impact Frontiers. Currently, over 140 institutions and 340 participants across four continents, managing over US$60 billion in impact assets, take part in Impact Frontiers' cohort program.

The Five Dimensions of Impact

The first step of our impact assessment process is aligning our potential investments as per the Impact Frontiers' Five Dimensions of Impact[84]. These five pillars provide us with an additional means to understand the scope of the impact being generated, these are:

- **What:** Tells us what outcome the enterprise is contributing to, whether it is positive or negative, and how important the outcome is to stakeholders.
- **Who:** Tells us which stakeholders are experiencing the outcome and how underserved they are in relation to the outcome.
- **How Much:** Tells us how many stakeholders experience the outcome, what degree of change they experience and how long they experience the outcome for.
- **Contribution:** Tells us whether an enterprise's and/or investor's efforts resulted in outcomes that were likely better than would have occurred otherwise.
- **Risk:** Tells us the likelihood that impact will be different than expected.

[84] Impact Frontiers, 'Five Dimensions of Impact', (impactfrontiers.org).

The ABCs of Enterprise Impact

Ultimately, all enterprises create intended or unintended positive or negative impact on the people and/or the planet. Motivations to manage impact can range from creating positive social or environmental change, or as a way to mitigate regulatory or reputational risks, or as a desire to unlock additional commercial value.

The ABCs of Enterprise Impact ('Act to Avoid Harm', 'Benefit Stakeholders', and 'Contribute to Solutions'), as formulated by Impact Frontiers, offer a framework for assessing and managing the impact potential of our investments by providing a standardised terminology to understand the continuum of investment types.

While all potential deals are categorised using this framework, we invest exclusively in deals that are rated 'B' or 'C'. Our focus is on investees that, at a minimum, achieve primary or secondary impact outcomes through their business activities for one or more groups of people and/or environmental conditions.

Investees rated 'C' are expected to 'Contribute to Solutions' by generating sustainable/impactful outcomes where natural resources are endangered, and/or underserved populations are lacking access to essential needs.

Source: Impact Management Project

Investor contribution

The final part of our impact classification system is based on the Investor Contribution framework by the Impact Frontiers. Together, the ABC of Enterprise Impact and the Investor Contribution serve as our impact scoring methodology, collectively referred to as the 'Impact Score'.

The investor contribution framework determines Catalyst's ability to influence or guide investee companies to deliver a positive impact. A categorisation of '1' shows that we have signalled that impact matters, whereas a '4' classification indicates active engagement and helping the investee in growing under-served markets.

Signal that impact matters

1

- Engage actively
- Grow new/undersupplied capital markets
- Provide flexibility on risk-adjusted returns

Signal that impact matters

2

- **Engage actively**
- Grow new/undersupplied capital markets
- Provide flexibility on risk-adjusted returns

Signal that impact matters

3

- Engage actively
- **Grow new/undersupplied capital markets**
- Provide flexibility on risk-adjusted returns

Signal that impact matters

4

- **Engage actively**
- **Grow new/undersupplied capital markets**
- Provide flexibility on risk-adjusted returns

The Impact Score

Our way to categorise and grade impact of our investments is thus, a combination of the ABCs of Enterprise Impact and Investor Contribution, allocating either a 'B' or a 'C' to our potential investments and our potential contribution marked by a number from 1 to 4. An example matrix below showcases how investments can be scored across the spectrum.

		Impact of Underlying Assets/Enterprises		
		Act to avoid harm	**Benefit stakeholders**	**Contribute to solutions**
Investor's Contribution	**1** **Signal that impact matters** + Engage actively + Grow new/undersupplied capital markets + Provide flexible capital	Eg ethical bond fund	Eg positively-screened / best-in-class sustainable fund	Eg sovereign-backed bonds (secondary market) funding vaccine delivery to understand people or renewable energy projects
	2 **Signal that impact matters** **+ Engage actively** + Grow new/undersupplied capital markets + Provide flexible capital	Eg shareholder activist fund	Eg positively-screened / best-in-class sustainable fund using deep shareholder engagement to	Eg public or private equity fund selecting and engaging with businesses that have a significant effect on education and health for underserved people
	3 **Signal that impact matters** + Engage actively **+ Grow new/undersupplied capital markets** + Provide flexible capital	Eg anchor investment in a negatively-screened real estate fund in a frontier market	Eg positively-screened infrastructure fund in a frontier market	Eg bond fund anchoring primary issuances by businesses that have a significant effect on environmental sustainability, access to clean water and sanitation
	4 **Signal that impact matters** **+ Engage actively** **+ Grow new/undersupplied capital markets** + Provide flexible capital	Investment archetypes not yet defined	Eg positively-screened private equity fund making anchor investments in frontier markets	Eg private equity fund making anchor investments in businesses that have a significant effect on income and employment for underserved people

Our allocations

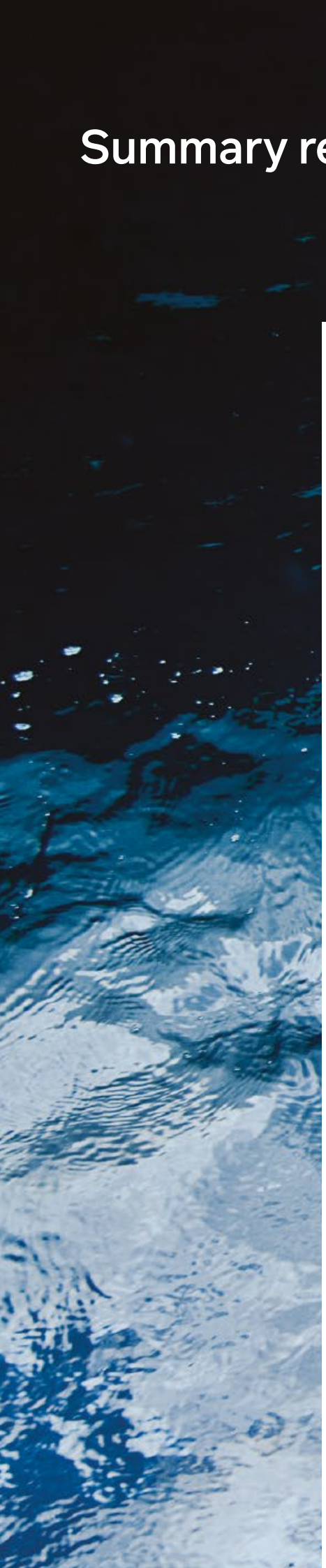
At the end of year 2024, the ABC allocation across the Catalyst Growth Equity portfolio stood at: 6% investments in 'A', 65% in 'B' and 29% in 'C' categories. In terms of numbers of investments, only two investments remain rated at 'A', 22 are in 'B' and 10 are in 'C' categories.

Sustainable Finance Disclosure Regulation (SFDR)

Sustainable investment refers to investing in economic activities that contribute to environmental or social objectives, provided that such investments do not significantly cause any environmental or social harm within those objectives, and that the investee companies adhere to good governance practices.

Catalyst's Growth Equity portfolio is an Article 9 strategy, with every investment having passed the sustainable investment test. M&G's definition of 'sustainable' as per the SFDR includes three requirements, all of which need to be met for investment to be classified as sustainable: Do No Significant Harm, Good Governance, and Environmental or Social contribution. Details of the requirements are on page 59 in the appendix.

Summary reflections



The year 2024 has been a significant period for us. Our fund has embarked on a new direction, our investment strategy has become more focused on delivering impact, and the investments we have made reflect the eventful journey we have undertaken thus far. As the world addresses challenges related to climate change and societal issues, new questions and doubts about sustainability present a complex path forward. We see this as an opportunity. We are committed to investing in resilient, innovative businesses that positively impact our planet and its people.

The following sections showcase our reflections from the past year:

More engagement, more data

Each year we ask our portfolio companies to complete a detailed sustainability questionnaire – an exercise that can be demanding given the volume of similar requests they receive from other investors. In 2024, we were pleased to observe a significant improvement in response rates, rising from 75% in 2023 to 97%. This progress reflects not only our efforts to initiate the process earlier and maintain consistent communication, but also a broader shift in mindset: companies are increasingly recognising the strategic importance of sustainability and impact data. This awareness is translating into more thoughtful engagement and a stronger foundation for measuring and managing impact across our portfolio.

Data quality challenges

Reliable, accurate, and high-quality data is the foundation of driving progress in sustainable finance, yet it continues to suffer from shortfalls. While we made progress in expanding our data coverage, the consistency and comparability of non-financial disclosures continues to present challenges. Disclosures from portfolio companies still vary widely in scope, format, and reliability, making it difficult to draw meaningful insights and consolidate essential metrics across the portfolio. As regulatory frameworks evolve and mature, and expectations for investor transparency rise, we recognise the need to further support our companies in improving the depth, accuracy, consistency, and timeliness of their reporting. Shaping this area up will be a key area of focus in the year ahead.

Targeted engagement for value creation

We have continued to deepen our engagement with portfolio companies through frequent discussions with their management, extending support wherever possible, and leveraging our network to provide assistance. However, we see further opportunities to make these interactions more targeted and outcome-oriented. As we transition to a growth equity focus, which is more geared towards delivering impact, we aim to refine our engagement approach. We will prioritise areas where we can add the most value through stewardship, strategic input, and operational support. Our ambition is to move beyond mere monitoring and into more collaborative, meaningful partnerships that accelerate both impact and commercial performance.

Evolving our impact measurement framework

As the impact investing landscape matures, so too must our approach to measurement. In the year ahead, we intend to refine our impact scoring framework to better reflect the outcomes that matter most. This includes moving beyond what is easy to measure and instead focusing on what is meaningful: capturing the depth, resiliency, and significance of the change our capital delivers. We are also exploring differentiated tools and methodologies to assess impact across diverse sectors and geographies, while maintaining an approach that is in equal parts, pragmatic and ambitious.

Enabling Technologies

In 2025, we are developing a new investment theme alongside our core impact themes: Enabling Technologies. We believe that disruptive, innovative, and novel technologies have the potential to achieve our impact goals in unique ways, compared to investing solely in established industries. The challenge with such investments, especially in untested or non-commercial technologies, lies in the difficulty of quantifying and measuring their impact. These enterprises often operate at very early stages, presenting the added risk that the intended impact may not materialize upon full commercialisation. Nevertheless, by leveraging our team's expertise in evaluating these companies and technologies, combined with the patient nature of our investment strategy, we will continue to support them, ensuring their intended impact closely aligns with one of our three impact themes.

Looking ahead

As we reflect on the progress made in 2024, our conviction in the power of impact-driven investing has only deepened. This year has reinforced the idea that long-term value creation and measurable societal benefit are not mutually exclusive, but mutually reinforcing. Our portfolio companies continue to demonstrate that commercial success can be achieved while tackling some of the world's most pressing challenges – from decarbonising heavy industries to transforming global healthcare, and enhancing accessibility for marginalised communities.

Looking ahead to the next year, the Catalyst strategy is evolving. The team will now exclusively focus on growth equity, a shift that reflects our belief in the critical role of intentional growth capital in scaling impactful businesses. This focus will allow us to engage more directly with our portfolio companies, enabling active ownership and value creation at a pivotal stage in their development.

We are excited to build on this momentum with the launch of the Catalyst Growth Equity Fund in 2025. This new vehicle will back impact-driven businesses at the inflection point of scale: companies with proven models and strong impact potential, where our capital and partnership can accelerate both financial performance and positive outcomes.

We believe growth-stage impact investing is a powerful lever for change and that the most scalable solutions often emerge when innovation meets ambition.

While Catalyst's focus sharpens, M&G's broader commitment to impact remains strong. The Asset Equity and Impact Private Credit strategies continue to be supported within their respective centres of excellence, Structured Finance and Private Credit, where they are best positioned to thrive alongside peers in similar domains. This evolution builds on M&G's long-standing track record of seeding, innovating, and scaling new investment strategies.

The Catalyst Growth Equity Fund will also benefit from the insights and relationships we've cultivated through our existing platform. Our experience in sourcing, evaluating, and supporting high-impact businesses has laid a strong foundation for this next chapter. We are grateful to the clients and partners who have joined us on this journey so far, and we look forward to deepening those relationships as we expand our reach and ambition in 2025 and beyond.

The Catalyst team

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Director

Aruttam Biswas
Manager

Alex Seddon
Head of Impact and Private Equity

Hrushikesh Patil
Senior Analyst

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Global Head and Portfolio Manager of Catalyst

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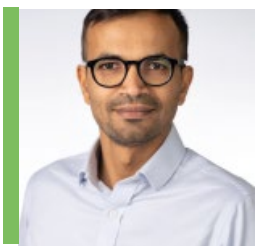
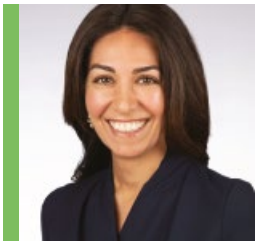


Praveg Patil
Investment Director

James Tortoishell
Director



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Senior Associate

Sean Ang
Associate Director

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Manager

Shantanu Pathak
Manager

QiaoWei Tan
Associate Director

Zachary Webb
Investment Director

Rahul Verma
Manager

Investment Committee Member

Appendix A – Catalyst's exclusion list

Global norms
Companies assessed to be in violation (severe, repeated and/or systemic breach) of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines of Multinational Enterprises (ME).

Defence and Other Weapons
Any enterprise that derives 5% or more of its revenue from the production or sale of weapons systems, components, and/or support systems and services or the manufacture and retail of civilian firearms and ammunition.

Controversial Weapons
Any enterprise that is involved in any activities related to controversial weapons (as referred to in international treaties and conventions), such as anti-personnel mines, cluster munitions, chemical and biological weapons, nuclear weapons outside the non-proliferation treaty, depleted uranium and white phosphorous munitions, blinding laser, and non-detectable fragment weapons.

Fossil Fuels
Any enterprise that derives 5% or more of its revenue from activities involving the exploration, mining, extraction, manufacturing, distribution, or refining of thermal coal, conventional and unconventional oil and gas, and fossil fuel power generation. Further, any enterprise that derives 1% or more of its revenue from exploration, mining, extraction, distribution or refining of hard coal and lignite.

Adult Entertainment
Any enterprise that derives 5% or more of its revenue from production and/or distribution of adult entertainment.

Gambling
Any enterprise that derives 5% or more of its revenue from gambling-related services.

Tobacco
Any enterprise that derives any revenue from production and cultivation of tobacco, and any enterprise that derives 5% or more of its revenue from distribution of tobacco.

Predatory lending
Any enterprise that derives 5% or more of its revenue from payday lending and/or coercive loan origination.

Cannabis
Any enterprise that derives 5% or more of its revenue producing or selling cannabis in non-medical or recreational purposes, including production and sale of end products containing cannabis for same purposes.

Alcohol
Any enterprise that derives 5% or more of its revenue from production of, and/or 10% or more of its revenue from distribution (wholesale and retail) of alcohol for consumption.

Appendix B – SFDR definition

Sustainable investment means an investment in economic activity that contributes to an environmental or social objective, provided that the investment does not significantly cause any environmental or social harm within those objectives, and that the investee companies follow good governance practices. Catalyst's Growth Equity portfolio is an Article 9 fund, meaning that all investments under the portfolio have passed the sustainable investment test.

M&G's sustainable definition as per SFDR includes three requirements, all of which must be met for an investment to be classified as sustainable: Do No Significant Harm, Good Governance, and Environmental or Social Contribution.

1. **Do No Significant Harm (DNSH)**

    a. M&G has developed a list of exclusions that need to be met for investment to be considered sustainable. They exclude activities considered to be harmful to environment and society. While some four of those exclusions are required by the regulation for sustainable investment test (UNGCs, controversial weapons, fossil fuel activities), other ones are selected by M&G (adult entertainment, tobacco, gambling, predatory lending, cannabis, alcohol, and defence and weapons).

    b. SFDR regulation specified that 'Do No Significant Harm' test should be linked to the evaluation of Principal Adverse Indicators (PAIs). SFDR defines 14 mandatory PAIs and M&G has selected further four optional PAIs. Catalyst considers the following indicators as part of DNSH test:

        i. Greenhouse gas emissions

        ii. Carbon footprint

        iii. Greenhouse gas emissions intensity

        iv. Exposure to companies active in the fossil fuel sector

        v. Share of non-renewable energy consumption and production

        vi. Energy Consumption for high impact climate sectors

        vii. Activities negatively affecting biodiversity-sensitive areas

        viii. Emissions to water

        ix. Hazardous waste

        x. Violations of UNGC Principles and OECD ME Guidelines

        xi. Lack of processes and compliance to monitor UNGC and OECD ME Guidelines

        xii. Unadjusted pay gap

        xiii. Board gender diversity

        xiv. Exposure to controversial weapons

        xv. Carbon reduction initiatives

        xvi. Workplace accident prevention policies

        xvii. Human rights policies

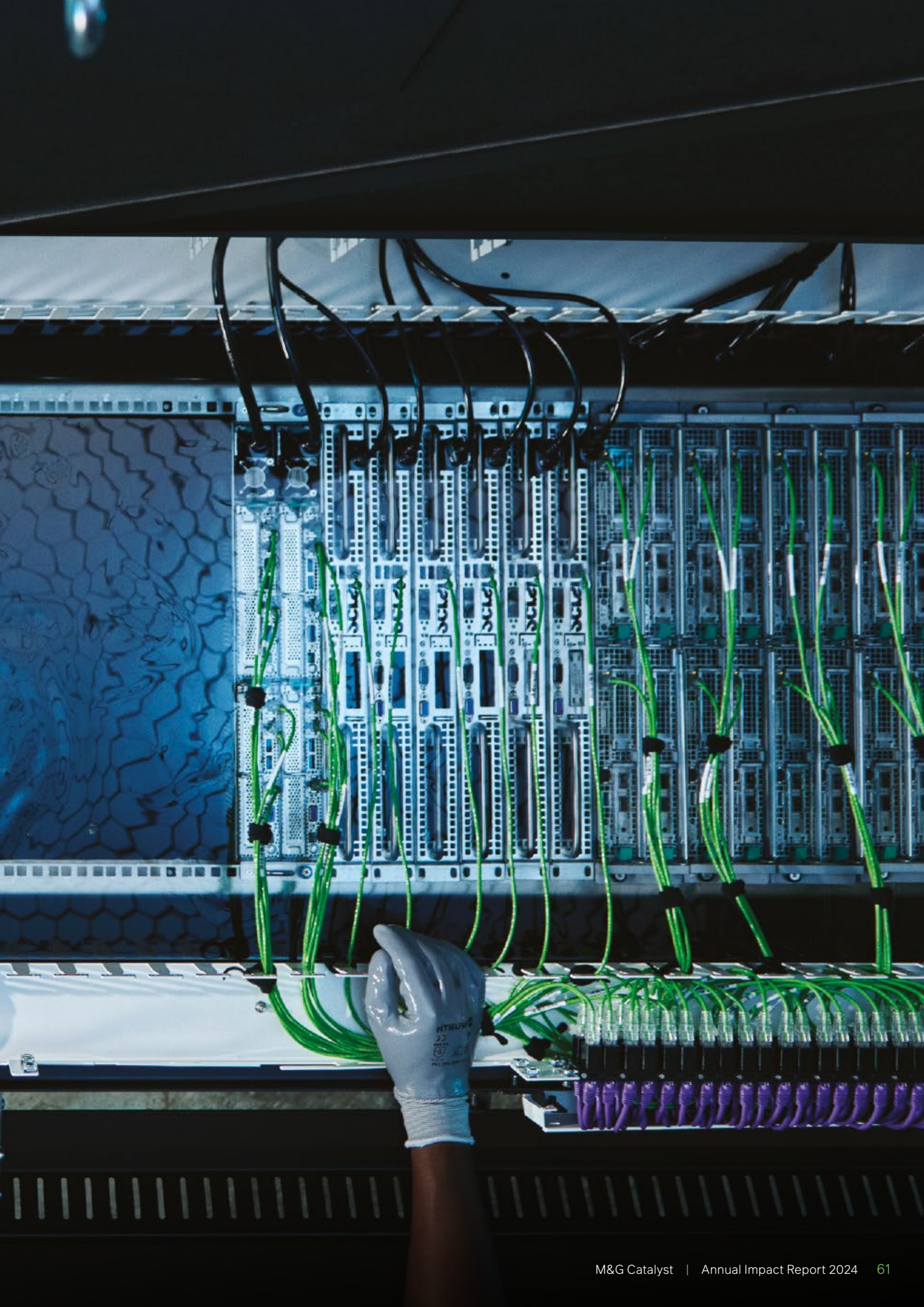
        xviii. Anti-corruption and anti-bribery policies

2. **Environmental or Social (E/S) Contribution**
Positive contribution evidenced by investment exceeding pre-defined threshold on one of sustainability metrics:

Metric used for E/S Contribution Test	Test for E/S contribution in sustainable investment test
Circular Economy Solutions	>20% revenue
Environmental Solutions	>20% revenue
Renewable Energy Generation	>20% revenue
Better Health	>20% revenue
Social Inclusion	>20% revenue
Ratified Science-Based Target to reduce Carbon Emissions	Yes
≤1.5°C – Paris Aligned	≤1.5°C
Green Bond/Green Loan	Only if certified
Board gender diversity +33%	≥33%

3. **Good Governance:** As per SFDR, Good Governance test applies to investee companies and, as per regulation, needs to consider four factors: sound management structures, employee relations, employee remuneration, and tax compliance. Assessment is qualitative and performed in the context of the investee company and the sector it operates in, thus there are no set thresholds to pass this test.

Submer's immersion cooling technology, read more about Submer on page 24



Appendix C – BlueMark impact process verification

BLUE/MARK

Verifier Statement

Independent Verification Report

Prepared for M&G Catalyst: 29/09/23

Introduction

M&G Catalyst engaged BlueMark to undertake an independent diagnostic verification of the alignment of M&G Catalyst's impact management (IM) system with the Operating Principles for Impact Management (the Impact Principles).[1] BlueMark's diagnostic conclusions are intended to provide M&G Catalyst with learning output on the extent of its alignment.

Summary assessment conclusions

BlueMark has independently verified M&G Catalyst's extent of alignment with the Impact Principles. Key takeaways from BlueMark's assessment are as follows:

Principle 1: M&G Catalyst broadly focuses on three impact themes in alignment with the SDGs, leveraging the IMP's ABC classification framework as a basis for portfolio composition. To further align, the firm should add more specificity to its impact objectives and clearly document the logic, assumptions, and evidence behind its thematic focus areas.

Principle 2: M&G Catalyst utilises the IMP+ACT framework to rate and classify the impact proposition of each of its investments and to facilitate portfolio-wide analyses. To further align, the firm should develop cross-cutting impact metrics to facilitate portfolio-level impact comparison and consider aligning staff incentives to the achievement of impact.

Principle 3: M&G Catalyst's contribution to investees' impact achievement aligns with the IMP's framework, clearly defining activities for "Engage" and "Grow" pillars. To further align, the firm should consistently monitor its engagement activities to assess and document results achieved, alongside strengthening its approach to impact signaling.

Principle 4: M&G Catalyst's assessment of expected impact encompasses the IMP's five dimensions and suggested KPIs for monitoring. To further align, the firm should set targets for its impact KPIs in alignment with industry standard metrics, and consistently document the size of the challenge being addressed by the investee in relation to its geographical context.

Principle 5: M&G Catalyst's ESG risk assessment approach includes negative screening, detailed analyses aligned with SASB and proposed mitigation strategies for identified risks. To further align, the firm should consistently monitor ex-post for identified ESG risks and formalise its process for managing ESG underperformance.

Principle 6: M&G Catalyst's monitoring processes include regular reviews and updates to IMP+ACT classifications and a RAG assessment of impact performance primarily informed by qualitative evaluations of impact by the team. To further align, the firm should establish structured data collection protocols, monitor performance relative to targets, and engage with stakeholders to validate the impact that has occurred.

Principle 7: M&G Catalyst should develop a responsible exit framework to document impact considerations related to an exit. This should include actions taken throughout the investment lifecycle to maximise the likelihood of sustained impact.

Principle 8: M&G Catalyst has multiple structured forums to discuss key learnings and monitor investment performance. To further align, the firm should solidify its process for identifying unintended impacts and leverage key learnings to refine its overarching impact strategy and IM system.

[1] M&G Catalyst is not currently a signatory to the Impact Principles. BlueMark's diagnostic verification was undertaken as an independent assessment exercise and does not represent an official verification of the alignment to the Principles.

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BLUE/MARK

Verifier Statement

Independent Verification Report

Prepared for M&G Catalyst: 29/09/23

Assessment methodology and scope

M&G Catalyst provided BlueMark with the relevant supporting documentation for the policies, processes, and tools related to the IM system applicable to the Covered Assets. The scope of BlueMark's work was limited to processes in place related to the Covered Assets as of March, 2023. BlueMark believes that the evidence obtained in the scope of its assessment is sufficient and appropriate to provide a basis for our conclusions.[2]

BlueMark's full assessment methodology, based on its professional judgment, consisted of:

1. Assessment of the IM system in relation to the Impact Principles, using BlueMark's proprietary rubric, and examining processes and policies against the following criteria:
    - *Compliance* of the IM system with a threshold level of practice;
    - *Quality* of the IM system's design in terms of its consistency and robustness; and
    - *Depth* of sub-components of the system, focused on completeness
2. Interviews with M&G Catalyst staff responsible for defining and implementing the IM system;
3. Testing of selected M&G Catalyst transactions to check the application of the IM system; and
4. Delivery of detailed assessment findings to M&G Catalyst, outlining areas of strong alignment and recommended improvement, as well as BlueMark's proprietary benchmark ratings on the extent of alignment to each of the Impact Principles.

Permissions

This statement, including our conclusions, has been prepared solely for M&G Catalyst in accordance with the agreement between our firms. We permit M&G Catalyst to disclose this statement in its entirety online, or to furnish this statement to other interested parties to demonstrate M&G Catalyst's alignment with the Operating Principles for Impact Management. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than M&G Catalyst for our work or this statement except where terms are expressly agreed between us in writing.

About BlueMark

BlueMark, a Tideline company, is a leading provider of impact verification services in the impact investing market. BlueMark was founded with a mission to "strengthen trust in impact investing" and to help bring more accountability to the impact investment process. BlueMark is a wholly owned subsidiary of Tideline Advisors, LLC, a certified women-owned advisory firm in impact investing. Since its founding in 2014, Tideline has become a recognized leader in impact measurement and management, working with leading asset owners and managers to design and implement impact management systems.

BlueMark has conducted this verification with an independent and unconflicted team experienced in relevant impact measurement and management issues. BlueMark has implemented a Standard of Conduct requiring our employees to adhere to the highest standards of professional integrity, ethics, and objectivity in their conduct of business activities.

BlueMark has office locations in London, UK; New York, NY; Portland, OR; and San Francisco, CA and is headquartered at 915 Battery St, San Francisco, CA 94111, USA. For more information, please visit www.bluemarktideline.com.

[2] The scope of BlueMark's assessment procedures does not include the verification of the resulting impacts achieved. BlueMark's assessment is based on its analyses of publicly available information and information in reports and other material provided by M&G Catalyst. BlueMark has relied on the accuracy and completeness of any such information provided by M&G Catalyst. The assessment results represent BlueMark's professional judgment based on the procedures performed and information obtained from M&G Catalyst.