



**SUSTAINABLE
FUTURE GOALS
OUR FIRST
REPORT**

INTRODUCTION

A year has passed since Balderton adopted our Sustainable Future Goals

A year has passed since Balderton [adopted](#) our Sustainable Future Goals (SFGs).

More than simply a [framework](#), our SFGs are an OKR (Objective & Key Result) tree that maps across Balderton along three axes: our internal operations, our investment decision making, and the Balderton portfolio.

These OKRs are organised within our ten SFGs, which were modelled after and inspired by the UN SDGs. More details about our SFGs can be found [here](#).

The reason we opted to use an OKR tree as our impact framework for ESG was to ensure that as we embarked upon our ESG journey at Balderton, we prioritised a bias to action.

ESG efforts can sometimes become exercises in marketing. By holding ourselves accountable to specific actions we hope to challenge that convention. A clear rubric also means we can grade ourselves objectively along the way.

This is our first report card. We hope that by being open and transparent about both our accomplishments and our challenges we inspire others to take a similarly candid approach.

Alongside the global efforts related to fighting COVID-19 what the last year has taught us is that our behaviour can and has changed profoundly. As societal and business norms shifted we also began to make dramatic

changes to our individual preferences. Any big societal change begins with individual actors, be they people, firms or industries. Once we overcome COVID-19 we will continue to be confronted with the challenges of climate change, gender equality, inequality and unequal access to the basic tools required to compete in tomorrow's economy.

Many of our portfolio companies are already tackling these issues, either with the products and services they build or through how they are choosing to build their companies. We are excited to tell some of their stories, at companies like Infarm, Zego, Vestiaire Collective and Wagestream.

It is far too early for the dust to settle on our COVID chapter but once it does the question will be whether or not we can fundamentally change our behaviour not just to avoid the urgent crisis of a global pandemic but also to build a more sustainable and fairer world for the next generation. We believe we have made solid progress on our own journey in the first year of our SFGs, but much work remains to be done.

**COLIN HANNA,
PARTNER AT BALDERTON**

OUR FRAMEWORK: 10 SFGS



01	URGENT CLIMATE ACTION	12
02	RESPONSIBLE CONSUMPTION	18
03	GREEN CITIES	20
04	RENEWABLE ENERGY	22

ENVIRONMENTAL



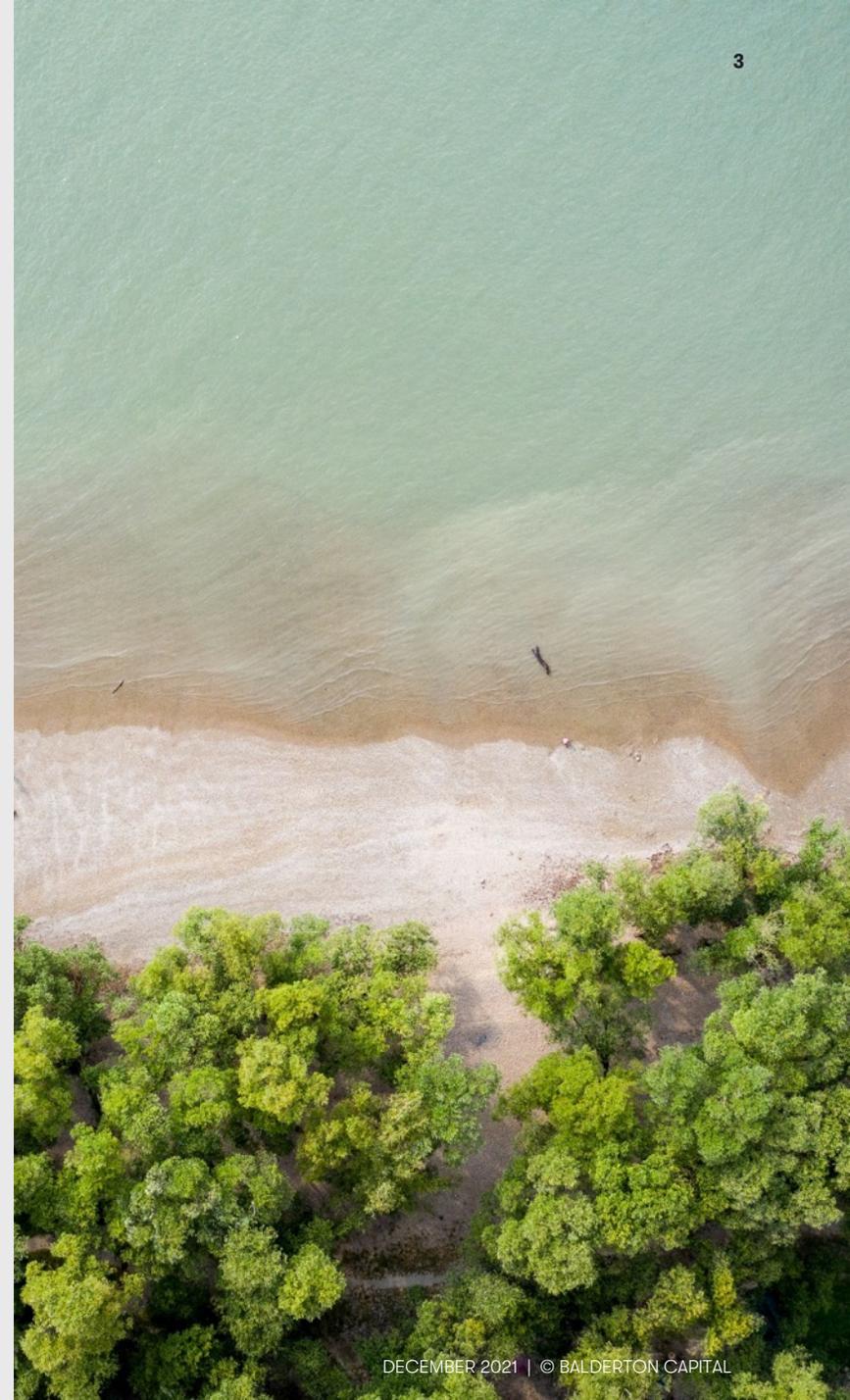
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SOCIAL



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10	DATA RIGHTS ARE HUMAN RIGHTS	40

GOVERNANCE



ACROSS 3 AXES

We believe that there are three main dimensions through which we can implement our objectives

I.

**THROUGH OUR
INVESTMENT
DECISION-MAKING**

The SFGs are a consideration for us during our investment process. While we will not measure our own investment performance through these goals, we have conviction the best entrepreneurs and young companies of today are similarly motivated to further these sustainable future goals either in their operations or through the products and services they develop.

II.

**OUR OWN INTERNAL
OPERATIONS
AS A COMPANY**

We exercise the greatest degree of control over our own behaviour, and we will hold ourselves to the strictest standards of measurement and transparency when delivering the SFGs.

III.

**AS SHAREHOLDERS
IN OUR PORTFOLIO
COMPANIES**

While we recognise our position as a minority shareholder, we endeavour to communicate and leverage the SFGs as a guide for the companies in our portfolio. We also seek to listen to, learn from, and share diverse approaches furthering the goals across our portfolio.

SFG KEY RESULTS

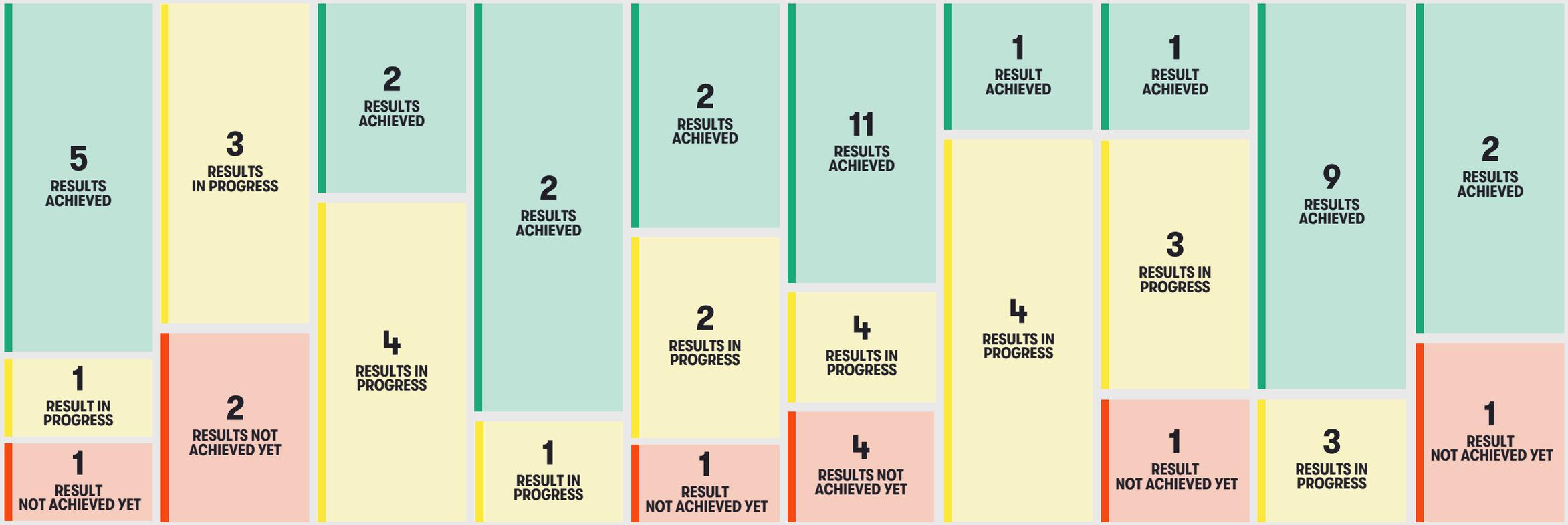
H2 2020-H1 2021

SFG

REVIEWING YEAR 1 KEY RESULTS

SFG1 URGENT CLIMATE ACTION	SFG2 RESPONSIBLE CONSUMPTION	SFG3 GREEN CITIES	SFG4 RENEWABLE ENERGY	SFG5 FAIRNESS & EQUAL OPPORTUNITIES	SFG6 GENDER EQUALITY, DIVERSITY & INCLUSION	SFG7 GOOD HEALTH & WELLBEING	SFG8 LIFELONG LEARNING	SFG9 HIGHEST ETHICAL & GOVERNANCE STANDARDS	SFG10 DATA RIGHTS ARE HUMAN RIGHTS
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KEY RESULTS



■ ACHIEVED
 ■ IN PROGRESS
 ■ NOT ACHIEVED YET

A SAMPLING OF OUR RESULTS

INVESTMENTS

5 NEW

portfolio companies that champion our Sustainable Future Goals alongside value creation

INTERNAL

€54.4

is the average price per ton of carbon offset by Balderton for FY 2020

PORTFOLIO

46%

of surveyed Balderton portfolio companies have an ESG and/or an impact policy in place, 31.7% are planning to add one in the future

27%

of surveyed Balderton portfolio companies are either B Corp certified (2.4%) or planning to become certified in the future (24.4%)

18.5%

of the founding teams that presented to our investment committee had gender diversity, but they achieved on average substantially higher approval rates than those with male-only founding teams

6 NEW

investments into female led businesses were made in 2021 YTD

1 FEMALE PARTNER

added this year

AWARDED

Diversity VC Level 2 Standard certification

51%

of surveyed Balderton portfolio companies measure the gender pay gap regularly

43%

of surveyed Balderton portfolio companies offer ESOP to 100% of their employee base

OUR FIRST SFG PORTFOLIO SURVEY

Setting the baseline for our future goals

In H2 2021, we ran our first portfolio survey related to the Sustainable Future Goals.

The goal was to provide us with a clear understanding of where the portfolio stands today on all aspects of ESG. We now have a strong baseline from which to measure progress and our updated goals for 2022 will be based on these benchmarks.

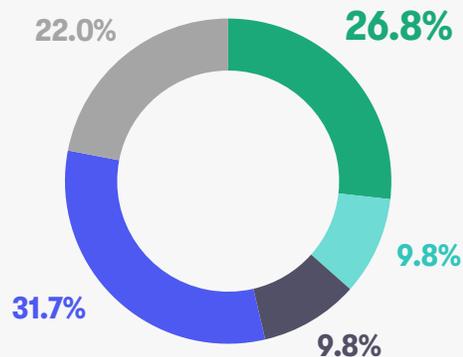
As of beginning of H2 2021, we had board seats in 76 portfolio companies and our total active portfolio consisted of >100 companies.

Participation was optional and 41 of our portfolio companies responded to the survey. It is possible that there is a positive selection bias amongst these.

In the future, all new portfolio companies will be asked to answer these questions as part of our due diligence process, and we will continue running annual surveys.

DO YOU HAVE AN INTERNAL POLICY OR A PLAN RELATED TO IMPACT OR ESG?

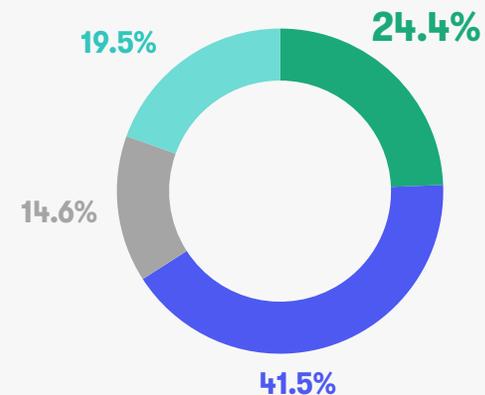
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- Yes - both ESG and Impact
- Yes - ESG only
- Yes - impact only
- No - but planning to in the future
- No - none

DO YOU PUBLICLY SHARE YOUR PROGRESS ON IMPACT OR SUSTAINABILITY, IF YOU WORK TOWARDS THESE TOPICS AT ALL?

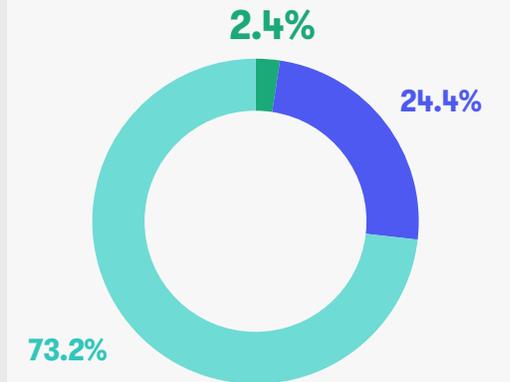
n = 41



- Yes
- No - but planning to in the future
- No - we do not work on these topics
- No

ARE YOU A CERTIFIED B CORPORATION?

n = 41



- Yes
- No - but planning to in the future
- No

DEALFLOW CHAMPIONING OUR SFGS

The one objective which cuts across all 10 of our SFGs

OBJECTIVE

We aim to make new investments that champion our Sustainable Future Goals alongside value creation.

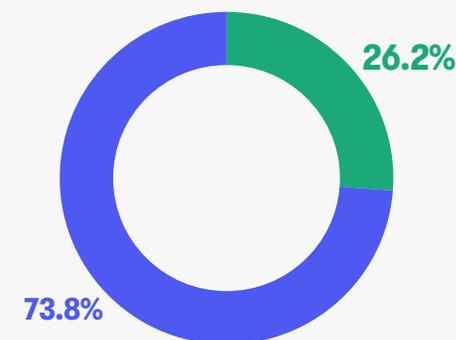
KEY RESULT – ACHIEVED

Annual # of new companies presenting at Partner Meeting that expressly champion this goal

NUMBER OF NEW COMPANIES PRESENTING AT OUR WEEKLY PARTNER MEETING THAT EXPRESSLY CHAMPION THIS GOAL

NUMBER OF NEW COMPANIES PRESENTING AT OUR WEEKLY PARTNER MEETING THAT EXPRESSLY CHAMPION THIS GOAL	PORTFOLIO COMPANY EXAMPLES
1. URGENT CLIMATE ACTION.  1	SimpleFeast, Tibber, VanMoof, Infarm, Voi
2. RESPONSIBLE CONSUMPTION.  2	Depop, Vestiaire Collective, Tibber, smol, Hubs
3. GREEN CITIES.  1	Voi, VanMoof, Citymapper
4. RENEWABLE ENERGY.  1	Tibber
5. FAIRNESS AND EQUAL OPPORTUNITIES.  2	Peakon, Frontier Car Group, Luno, Crowdcube, Wagestream
6. GENDER EQUALITY, DIVERSITY & INCLUSION.	
7. GOOD HEALTH AND WELL-BEING.  6	Kaia Health, Healx, Lifesum, Sophia Genetics
8. LIFELONG LEARNING.  1	Jolt, Prodigy Finance, Memrise, Labster
9. HIGHEST ETHICAL & GOVERNMENT STANDARDS.	ComplyAdvantage
10. DATA RIGHTS ARE HUMAN RIGHTS.  1	Jumbo Privacy, Detectify, Tessian, Ory, Darktrace, GitGuardian

COMPANIES THAT PRESENTED TO INVESTMENT COMMITTEE



■ Expressly champion one of our SFGs
 ■ Do not champion one of our SFGs



SFG RESULTS

H2 2020-H1 2021

SFG

SFG.1 URGENT CLIMATE ACTION



(UN SDG #13, #15)

Substantially reduce emissions and offset existing emissions.

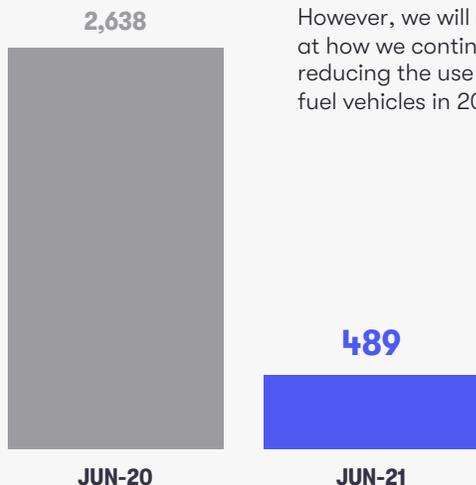
OBJECTIVE ONE

Avoid fossil fuel ground vehicles for all work-related local trips, and reduce usage on longer journeys

KEY RESULT – ACHIEVED

Reduce the number of work-related trips in principally fossil-fuel vehicles by 40% annually, per person

NUMBER OF TAXI TRIPS PER YEAR



Much of this reduction in travel was achieved due to COVID-19 restrictions. However, we will be looking at how we continue reducing the use of fossil fuel vehicles in 2022.

OBJECTIVE TWO

Minimise non-critical Balderton related air travel, promote video conferencing, travel by train as an alternative to flying where feasible

KEY RESULT A – ACHIEVED

30% reduction in air miles flown annually, per person

This was mainly achieved due to COVID-19 restrictions, however, we are committed to maintaining the use of video-conferencing and trains over the next year.

KEY RESULT B – IN PROGRESS

Promote video conferencing over travel. Have every meeting room at Balderton fully equipped with video conferencing capabilities by 1 October 2020

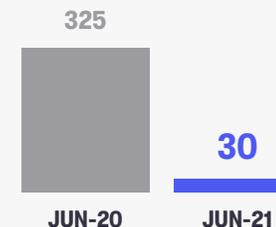
We estimated we will achieve this goal by FY 2021

KEY RESULT C – ACHIEVED

Attend 50% of non-local board meetings by video

Again, COVID-19 restrictions naturally led to more virtual meetings. However, as travel rules ease, we will aim to continue this reduction in travel and encourage use of video conferencing.

NUMBER OF FLIGHTS PER YEAR



NUMBER OF AIR MILES PER YEAR



OBJECTIVE THREE

Offset all carbon emissions each year with transparent and effective offsetting tools, including ensuring additional trees are being planted with our offsets

KEY RESULT – ACHIEVED

% of kg CO2 offset annually

In 2020, we emitted 121.6t of CO2. As this figure was impacted by COVID-19, we decided to offset our estimated total 2019 emissions (147.5 tonnes) as well as the carbon emissions of all individual employees, which represented 657.5 tonnes of CO2.

Please see case study on the next page for further details.

SFG.1 URGENT CLIMATE ACTION

Offsetting at Balderton.

This year, we devoted substantial time to measuring our own emissions and building thought-leadership around a portfolio of different carbon offset mechanisms to help counter our firm-wide and personal carbon footprints.

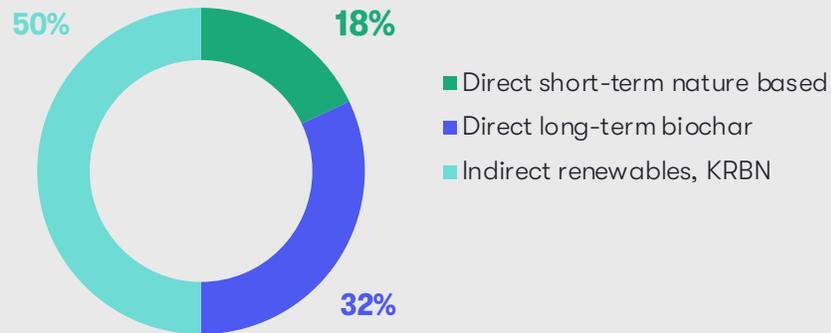
DESIGNING OUR OFFSET PORTFOLIO.

There are many different offsetting options, each with their own advantages and disadvantages. Direct offsets, for example, lead to direct carbon removal, but vary in durability, i.e. how long the CO2 is kept away from the atmosphere. Some are short-term (<100 years), including nature-based solutions such as planting trees or soil sequestration, and others are long-term (>100 years), such as technology-based solutions like enhanced weathering or direct air capture. There are also indirect carbon offsets which aid carbon reduction through methods such as increasing supply of renewable energy or by increasing prices of carbon allowances.

What became clear to us was that as no offset solution is perfect, building a portfolio would be necessary to mitigate against some of the disadvantages.

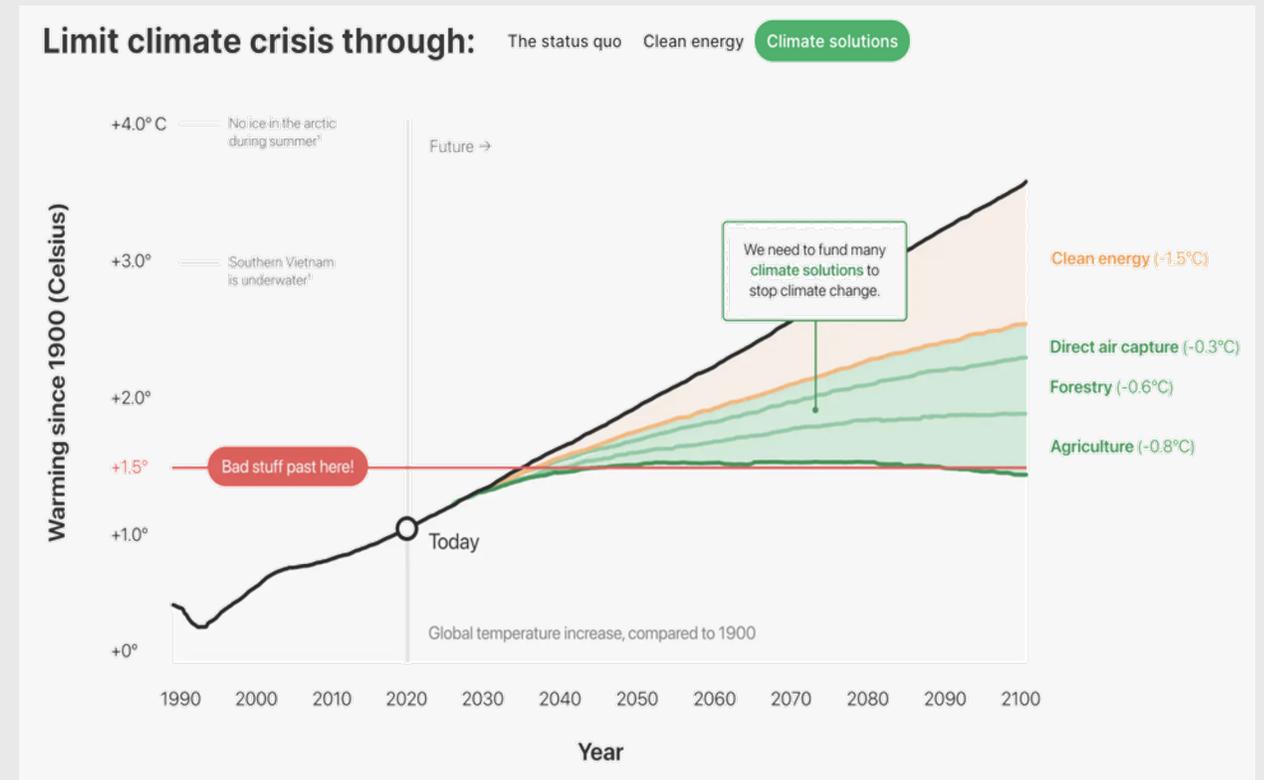
Based on the graph on the right, we decided to allocate 50% to indirect offsets and 50% to direct offsets. Within direct offsets, we added more weight to long-term carbon capture as we believe it's the right thing to do, despite higher prices.

OFFSET OPTIONS & ALLOCATION



DECIDING HOW MUCH TO OFFSET.

As our 2020 emissions were lowered by the impact of COVID-19, we decided to offset our estimated total emissions for 2019 (147.5 tonnes). In addition, we offset our individual employees' carbon emissions, based on the average emitted per individual in the UK, where most of our team is based. This represented 657.5 tonnes, nearly 4 times our company emissions. We felt this was a necessary addition as own emissions were likely underestimated as we only looked at our direct impact (Scope 1 and 2), leaving out our impact through our portfolio (Scope 3).



Historical emissions and predictions from En-ROADS. Predicted events via Special Report: Global Warming of 1.5°C (IPCC 2018) as cited [here](#).

SFG.1

URGENT CLIMATE ACTION

Offsetting at Balderton.

PICKING YOUR OFFSET PROVIDERS.

We spoke to many European offset providers and we used the following characteristics to evaluate them:

Measurable.

Is there a robust approach to tracking and reporting the offset?

Timing.

Are the credits issued before (ex-ante) or issued after the CO2 capture? What is the buffer in the ex-ante case if the CO2 capture was overestimated by the project owner? What happens in that situation?

Commission.

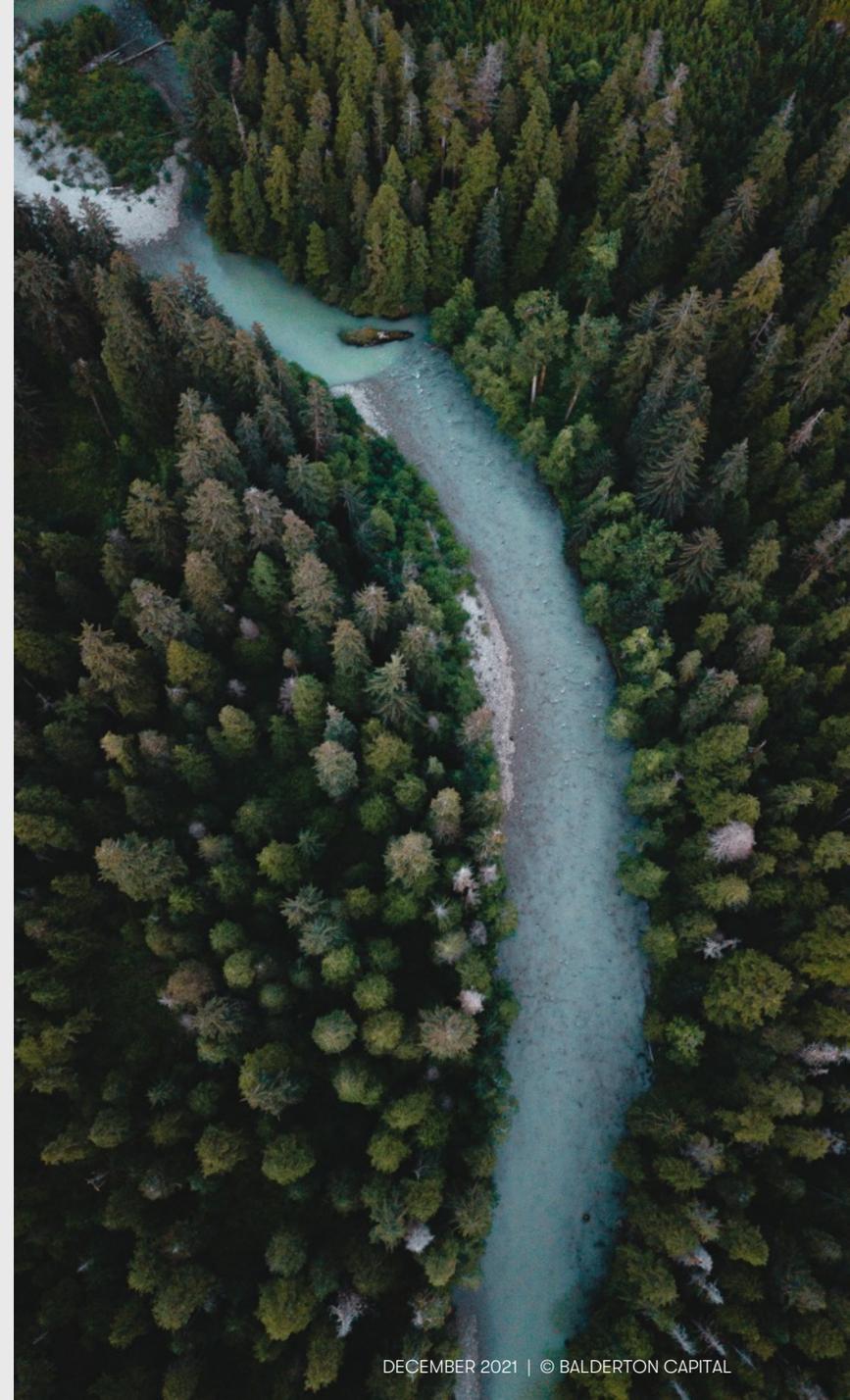
How much are the provider and intermediaries charging?

Uniqueness.

Is the carbon credit issued by a key organisation (e.g. Gold Standard)? How can an organisation ensure the offset can only be retrieved once?

At the end of the process, this is what our final 2020 offset portfolio looks like:

OFFSET OPTIONS	OFFSET ALLOCATION	TONNES IN 2020	PROJECT CHOSEN	COST PER TONNE (€)
Direct	18.00%	118	France, forest	28.4
Direct	32%	211	Germany, biochar	115
Indirect	16.67%	110	France, data farm & Poland, wind farm	7.2
Indirect	16.67%	110	TBC	21.6
Indirect	16.67%	110	Carbon allowances	45.5
TOTAL	100%	656		54.4



SFG.1 URGENT CLIMATE ACTION



(UN SDG #13, #15)

Substantially reduce emissions and offset existing emissions.

OBJECTIVE ONE

To minimise flight travel, actively advocate that a minimum of 1 board meeting per company each year be via video conference only. To counterbalance the remote meeting, ensure that if travel is necessary one board meeting per year spans more than one day in order to maintain familiarity within the board and leadership team

KEY RESULT – ACHIEVED

Annual # of portfolio companies with at least 20% of their board meetings being remote per year

Due to COVID-19, all of our board meetings through to June 2021 were remote or hybrid. However, this will be a key area for us to continue to monitor over the coming year.

OBJECTIVE TWO

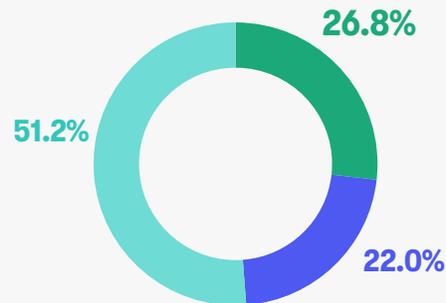
Encourage all portfolio companies to measure and offset their annual carbon emissions. Promote the sharing of the most effective platforms and ways to perform offsetting

KEY RESULT – NOT YET ACHIEVED

Annual # of portfolio companies who have fully offset their carbon emissions

ARE YOU MEASURING YOUR CARBON EMISSIONS?

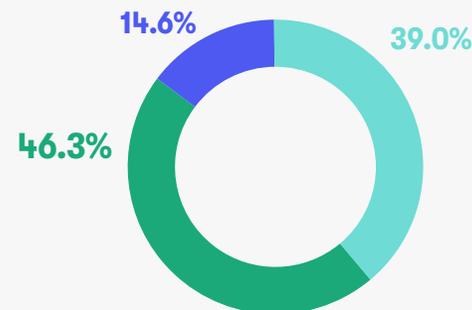
n = 41



- Yes
- No - but planning to in the future
- No

ARE YOU ACTIVELY WORKING ON REDUCING YOUR CARBON EMISSIONS?

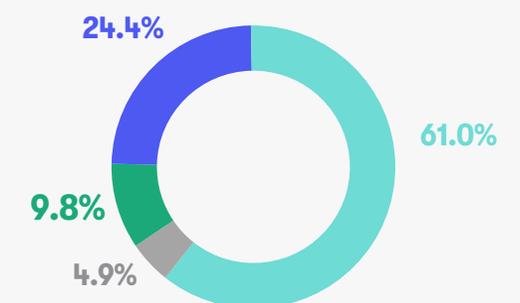
n = 41



- Yes
- No - but planning to in the future
- No

ARE YOU OFFSETTING YOUR CARBON EMISSIONS?

n = 41



- Yes - partially
- No - but planning to in the future
- No
- Yes - all of it

SFG.1 INFARM

We spoke to Sudhanshu (Suds) Sarronwala, Chief Impact Officer at Infarm about how the company is making a positive impact on the environment.

HOW DOES INFARM CONTRIBUTE TO BUILDING A MORE SUSTAINABLE FOOD SYSTEM?

Food production and 'big ag' is responsible for a dramatic proportion of biodiversity degradation and for greenhouse gas emissions. According to the [UN FAO](#), our current food system contributes more than one third of global carbon emissions and leads to soil degradation, food waste and nutritional loss.

Infarm's produce is more sustainable for the planet than crops cultivated by industrial agriculture. We're building a global network of urban vertical farms to grow and distribute fresh food close to urban centres at affordable prices in a way that's good for people and the planet. Our highly efficient method of vertical farming requires significantly less space and water, fewer food miles, and uses zero chemical pesticides. We're also investigating how we can achieve carbon neutrality in the coming years.

INFARM IS CURRENTLY EXPANDING RAPIDLY INTO NEW MARKETS WHILE GROWING ITS FOOTPRINT IN EXISTING MARKETS LIKE CANADA, GERMANY, THE US AND THE UK. AS YOU GROW SO QUICKLY, WHAT ARE SOME OF THE KEY SUSTAINABILITY METRICS YOU TRACK?

As we look to reinvent food systems, we focus on our 'Big Four' strategic areas across the business. These reflect the global environmental and social macro trends, planetary boundaries and the key impact areas our customers care about, namely:

- Water
- Land use and biodiversity
- Carbon and energy
- Food miles and local, urban production.

By focusing on these four essential environmental factors, we keep critical impact areas in sight. Biodiversity, water security and carbon all continue to demonstrate alarming trends across the world. Our aim is to lead by example within the vertical farming industry (and FoodTech, more generally) on each of these topics.

It's essential for any business to take stock of its carbon footprint and support global efforts to tackle climate change. As a business that consumes electricity for its primary production activities, we are cognizant of our carbon footprint of and are on a path to reduce and mitigate it where possible across the value chain. This is why we use 90% green certified energy already across our entire farming network, and why we offset what we ultimately can't mitigate, using credible and accepted offsetting frameworks. At a broader level, we are also paying close attention to waste management; within that food waste is really key.



SFG.1 INFARM

We spoke to Sudhanshu (Suds) Sarronwala, Chief Impact Officer at Infarm about how the company is making a positive impact on the environment.

WHAT ADVICE DO YOU HAVE FOR COMPANIES AND ENTREPRENEURS WHO WANT TO EVALUATE THE ENVIRONMENTAL IMPACT OF THEIR OPERATIONS AND CREATE A PLAN OF ACTION ON CLIMATE?

Arguably the most important starting point for any climate roadmap is a solid and accurate data baseline. This is why we conducted an extremely thorough life cycle assessment (LCA). Piloted in our Pfungstadt hub near Frankfurt, the LCA determined the relevant metrics we needed to measure to understand the carbon impact of all upstream, downstream and primary production activities. These helped us better understand the relationship between our Scope 1 (direct carbon emissions from fuels burnt on site, such as for HVAC systems); Scope 2 (indirect emissions from electricity purchased); and Scope 3 (indirect emissions from the value chain). The initial findings showed around half of our total footprint (~47%) is from our value chain (Scope 3), with the other half mostly (~42%) related to electricity consumption (Scope 2). This also helped us identify carbon hotspots. We now know where the low-hanging fruit are and where we want to focus our efforts. We are planning a company-wide LCA next year in preparation for setting our long-term climate target.

Approximately 90% of Infarm's electricity already comes from green-certified sources and we're on track to reach 100% green-certified electricity in 2022. This means for every unit of energy we purchase, we're funding the production of an equivalent amount of clean energy.

In each market we operate in, we have a green electricity which provides a certain energy mix from different renewable and non-renewable sources. This mix is different from market to market. This is why it's crucial not only to source green-certified electricity, but to actively pursue energy contracts with suppliers who can offer lower-carbon, cleaner energy from certified sources.

APART FROM THE COMMITMENT TO SOURCE GREEN-CERTIFIED ENERGY, WHAT ARE SOME OTHER COMMITMENTS INFARM HAS MADE TOWARD REDUCING ITS ENVIRONMENTAL IMPACT?

The processes we initiated and the management tools we developed this year are fundamental to our work in the next decade. We learned a great deal from our B-Corp certification process (in progress), and our teams are now working to implement various social and environmental recommendations. The Materiality Assessment we conducted this year, to determine the most relevant sustainability issues to our business and stakeholders, also helped us determine gaps and strengths, and implement improvements. The LCA process initiated discussions on developing our first policy regarding packaging, strengthening our waste management implementation, our logistics and transport approach, and many other areas.

Finally, as a data-driven company we are committed to leveraging the invaluable data we gather in our cloud-connected growing centres. Each of our next-generation farming units has over 75 sensors in place measuring the performance of the farm and the health of our plants, and we have already collected over 300bn data points to improve operations. We use proprietary software and AI to drive improvements in efficiency; since 2018, we've reduced our unit costs by 82% and improved yield by 240%. In the future, we aim to further improve our sustainability by targeting an increase in farm output by 10k+ plants a month, and reducing energy usage per plant by up to 10%.



SFG.2 RESPONSIBLE CONSUMPTION



(UN SDG #2, #12, #14)

**Best standards for responsible consumption and production.
Sustainable food manufacturing, distribution and retail. Reduce food waste to minimal levels.**

OBJECTIVE ONE

Reduce food waste to minimal levels, source locally for our kitchen

KEY RESULT – IN PROGRESS

Use local food suppliers and educate employees on greenhouse gas emissions across the food supply chain to encourage them to avoid food waste and to choose more environmentally responsible options

We use feedr for staff meals and source food locally. Now our team is back in the office, we are planning an educational session on responsible consumption Q4 2021.

RECYCLING POINTS IN BALDERTON'S OFFICE



OBJECTIVE TWO

Maximise recycling of our office waste and packaging. Ensure all our waste is properly recycled and encourage employees to choose reusable food packaging wherever possible

KEY RESULT – IN PROGRESS

Maximise recycling of our office waste and packaging. Ensure all our waste is properly recycled and encourage employees to choose reusable food packaging wherever possible

In May 2019 we introduced food waste bins in the kitchen and reviewed our office waste system, including adding recycle stations for cardboard, cans, glass, batteries, pens & plastic. We also recycle used ink toners, coffee pods, light bulbs and fluorescent tubes. We are also committed to sourcing greener stationary items, e.g. Our pens are made from 74% recycled material and we use plastic-free binding covers made from corn starch. We are sourcing printing paper which supports projects that improve biodiversity.

OBJECTIVE THREE

Make a pledge to abstain from all single use plastics

KEY RESULT A – NOT YET ACHIEVED

% of employees taking the pledge to abstain from single use plastics

We will be asking all employees to take the pledge in Q4 2021

KEY RESULT B – NOT YET ACHIEVED

Remove single use plastic from our office, including from meal deliveries

We have supplied the team with Ocean bottles and through that have funded the collection of 11.4kg of plastic, which the equivalent of 1,000 plastic bottles.

SFG.2 RESPONSIBLE CONSUMPTION



**Best standards for responsible consumption and production.
Sustainable food manufacturing, distribution and retail. Reduce food waste to minimal levels.**

OBJECTIVE ONE

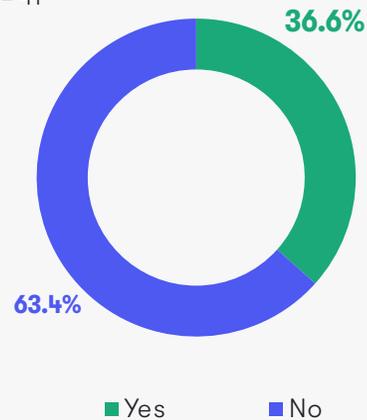
For companies producing physical goods – advocate sustainable production and packaging

KEY RESULT – IN PROGRESS

% of portfolio companies that have policies to drive sustainable production and packaging

ARE YOU SELLING, BUYING OR ENABLING TRANSACTIONS OF PHYSICAL GOODS AS PART OF YOUR CORE OPERATIONS?

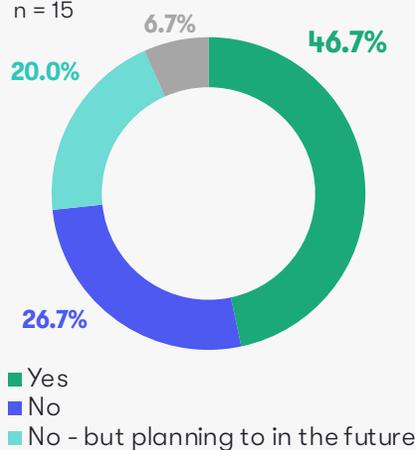
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SUSTAINABLE PRODUCTION

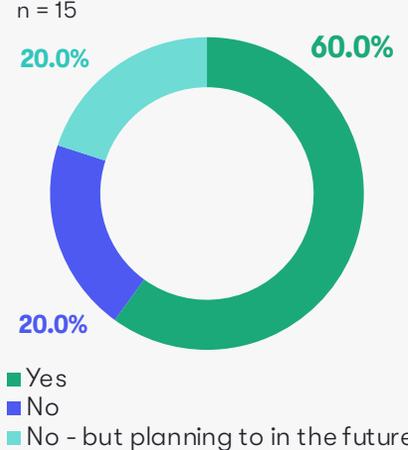
DO YOU HAVE A POLICY/PLAN TO DRIVE SUSTAINABLE PRODUCTION IN THE GOODS YOU PRODUCE?

n = 15



DO YOU HAVE A POLICY/PLAN TO DRIVE SUSTAINABLE PACKAGING IN THE GOODS YOU PRODUCE?

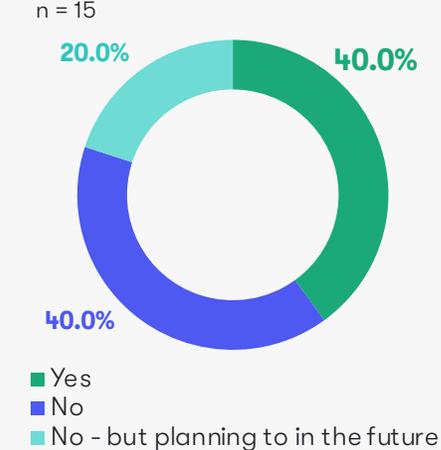
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SUSTAINABLE PACKAGING

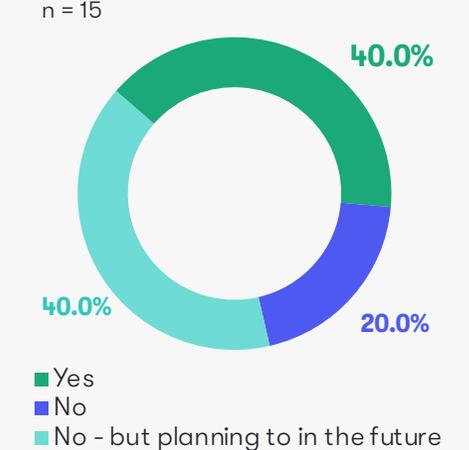
DO YOU HAVE A POLICY/PLAN TO DRIVE SUSTAINABLE PRODUCTION IN THE GOODS YOU BUY, SELL OR RESELL?

n = 15



DO YOU HAVE A POLICY/PLAN TO DRIVE SUSTAINABLE PACKAGING IN GOODS YOU BUY, SELL OR RESELL?

n = 15



SFG.3 GREEN CITIES



(UN SDG #11)

Help make cities more breathable, liveable and sustainable.

OBJECTIVE ONE

Make it easier for all Balderton team members to choose a green work commute

KEY RESULT A – IN PROGRESS

Ensure there is proper space for bike storage in the office for all employees that want to ride a bike to work

As part of the office refurbishment, we are adding new bike storage facilities that will enable us to accommodate 20 bikes in the office.

KEY RESULT B – IN PROGRESS

Annual measurement and increase % of Balderton team members cycling or using public or non-fossil fuel transportation on their commute, catalysed by our green commuting benefit

A Ride To Work (RTW) scheme was implemented in early 2020 and by June that year, 4 employees had taken advantage of it. This doubled to 8 by June 2021. Discounts are also offered to employees on VanMoof bikes and 6 team members have taken advantage of this to date. We will monitor this closely as travel returns to 'normal'.

KEY RESULT C – ACHIEVED

Encourage employees to work from home at least one day per month to avoid travel

A flexible working policy was introduced enabling employees to spend three days or more in the office.

OBJECTIVE TWO

Bring more nature into our office

KEY RESULT – IN PROGRESS

Bring more nature into our office

As part of the office refurbishment we adding more greenery and trees to the office space.

**AS WE MOVE TOWARDS OUR NEW OFFICE SPACE IN H1 2022
WE WILL BE ADJUSTING THESE GOALS**

SFG.3 GREEN CITIES



(UN SDG #11)

Help make cities more breathable, liveable and sustainable.

OBJECTIVE ONE

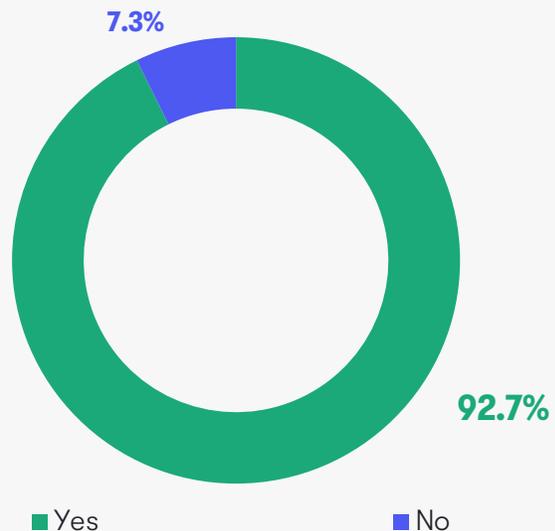
Reduce unnecessary commute emissions across the portfolio

KEY RESULT A – ACHIEVED

% of portfolio companies that offer flexible working policies where appropriate

DO YOU HAVE A FLEXIBLE WORKING POLICY /PLAN

n = 42

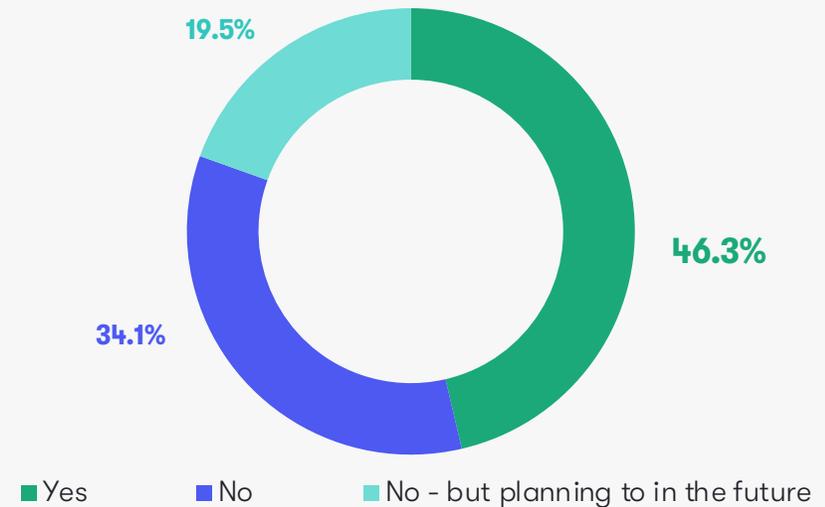


KEY RESULT B – IN PROGRESS

% of portfolio companies offering green commuting benefits (either through bicycle or micromobility purchase schemes, public transportation vouchers, or similar)

DO YOU OFFER ANY GREEN COMMUTING BENEFITS TO YOUR EMPLOYEES?

n = 42



SFG.4 RENEWABLE ENERGY



(UN SDG #7)

Accelerate the shift to affordable and clean energy.

OBJECTIVE ONE

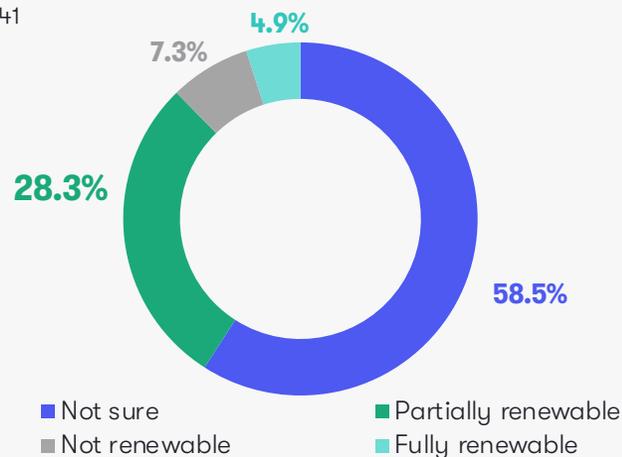
Advocate for the use of renewable energy by portfolio companies, including minimising the environmental impact from data centres

KEY RESULT – IN PROGRESS

% of portfolio companies that have policies in relation to improving use of renewable energy

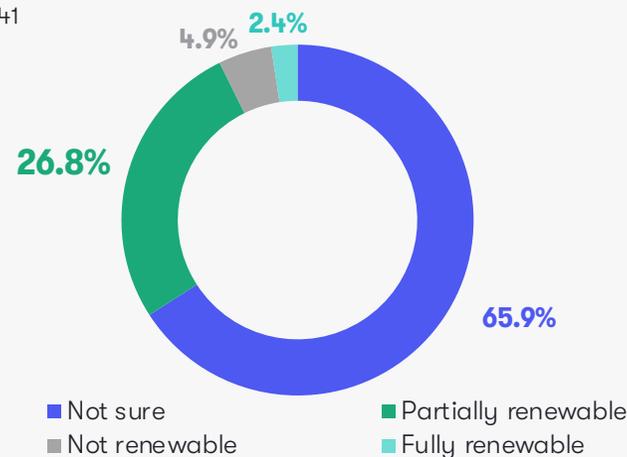
ENERGY SOURCE: WHEN FULLY IN CONTROL (E.G. OWN OPERATIONS)

n = 41



ENERGY SOURCE: WHEN NOT FULLY IN CONTROL (E.G. OUTSOURCED PRODUCTION)

n = 41



OBJECTIVE TWO

Ensure all electricity used in the Balderton office is renewable and choose ‘green’ providers for all other energy sources

KEY RESULT A – ACHIEVED

100% renewable electricity usage by 31 Dec 2020

We moved to Octopus in H1 2021, so we are now using 100% renewable electricity.

KEY RESULT B – ACHIEVED

Switch to greener providers for other energy sources (e.g. Gas) by the end of 2020

The move to Octopus also ensures we are using ‘green’ providers for other energy sources. For example, we are now using a carbon neutral gas option.

SFG.5 FAIRNESS & EQUAL OPPORTUNITIES



(UN SDG #1, #8, #10)

Jobs and services that improve the lives of vulnerable groups. Workplaces that enable employees to have equal opportunities and to reach their full potential as we and our companies grow and thrive.

OBJECTIVE ONE

Provide a framework to ensure employees can reach their full potential within the firm

KEY RESULT – IN PROGRESS

Provide coaching and tailored training programmes to employees and ensure all employees have a structured appraisal and appropriate development programme to grow within the firm

Balderton has a mentoring programme which is currently available to some employees and is being rolled out across the whole firm.

A training and development programme is being developed by our new Head of People. A structured appraisal programme is already in place.

OBJECTIVE TWO

Commit to ensuring that modern slavery does not exist within Balderton's ecosystem

KEY RESULT – NOT YET ACHIEVED

Ensure all our suppliers sign up to the modern slavery statement

We will be doing an in-depth audit and contacting all Balderton's suppliers over the next few months.

OBJECTIVE THREE

Support charities that improve the lives of vulnerable groups

KEY RESULT – IN PROGRESS

Launch Balderton in the Community Charity Programme, for all Partners and Employees

Balderton has a charities team and is developing a programme of activity dedicated to supporting the local community. We are an Executive Member of Urban Partners (UP) - a partnership of businesses based across Euston, King's Cross and St Pancras which donate time, expertise and resources in order to build and sustain a thriving urban neighbourhood.

CHARITABLE GIVING DURING 2020/2021 (INCLUDING EMPLOYEE DONATIONS THROUGH TYVE)

DONATIONS TO LOCAL HOSPITALS	£2,031
FELIX PROJECT CHRISTMAS	£4,000
BLM DONATIONS	£2,390

SFG.5 FAIRNESS & EQUAL OPPORTUNITIES



(UN SDG #1, #8, #10)

Jobs and services that improve the lives of vulnerable groups. Workplaces that enable employees to have equal opportunities and to reach their full potential as we and our companies grow and thrive.

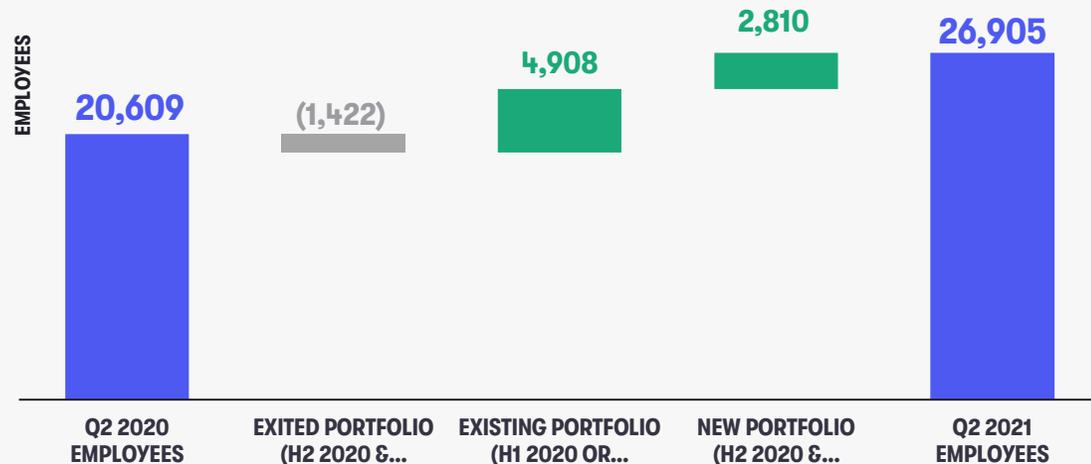
OBJECTIVE ONE

Help to create new jobs

KEY RESULT – ACHIEVED

of job opportunities created annually across the portfolio globally

NET 4,900 JOB OPPORTUNITIES CREATED BY BALDERTON PORTFOLIO



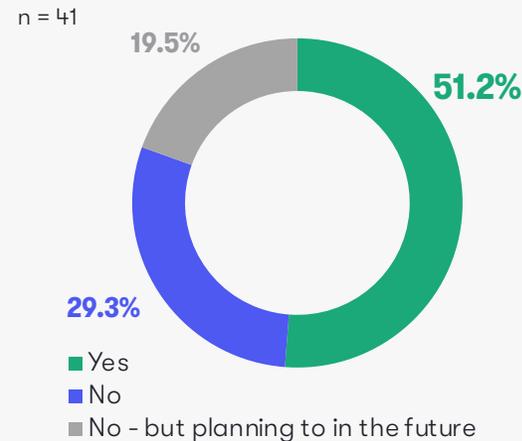
OBJECTIVE TWO

Ensure and promote fair compensation and broad access to equity ownership within the companies in our portfolio

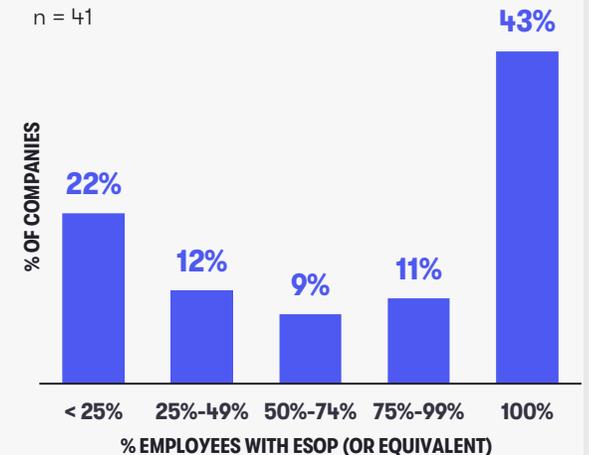
KEY RESULT – ACHIEVED

% of portfolio companies that have implemented fair and structured compensation packages, either cash, equity, or some combination thereof, for their employees

DO YOU MEASURE THE GENDER PAY GAP IN YOUR COMPANY ON A REGULAR BASIS?



APPROXIMATELY HOW MANY OF YOUR EMPLOYEES HAVE HAD AN EMPLOYEE STOCK OWNERSHIP PLAN (OR EQUIVALENT) ALLOCATED?



SFG.5 WAGESTREAM

We spoke to Wagestream's founders, Peter Briffett and Portman Wills, about how the company is improving the financial lives of vulnerable groups.

TELL US ABOUT YOUR VISION, AND THE SOCIAL PROBLEM YOU'RE SOLVING?

We set up Wagestream to tackle in-work financial stress caused by an unfair financial system, which stacks the odds against much of the working population.

We increasingly live in a fintech-powered world, but the benefits aren't evenly distributed. The upsides mostly accrue to well-paid knowledge workers, while front-line workers continue to be ignored or marginalised. The bottom 50% of earners live paycheck to paycheck, but [pay more](#) for credit, insurance, advice, and savings than the top 50% of earners.

We're solving the problem by providing an increasingly broad set of fairer financial services, all through the employer and one smartphone app. By delivering fairer financial services we can replace financial stress with financial control and wellbeing – leading to a better working world, underpinned by happy, financially-empowered people.

HOW DO YOU ENSURE WAGESTREAM IS HAVING A POSITIVE SOCIETAL IMPACT, AS A BUSINESS?

We're a social business by nature - so in some ways, we don't have a choice! The business operates on a social charter which holds us accountable to improving the lives of front-line workers, and prohibits us from offering unfair financial products that don't contribute to their financial wellbeing.

That charter means we have a dual responsibility: improve peoples' lives, and grow a commercially sustainable business that can help more people at scale.

Some might assume that means making trade-offs, but the two are often symbiotic. Having to focus on impact forces us to get closer to our users, to understand their day-to-day lives and measure the impact of our features. It also pushes us to take on external guidance: from charity partners to advise on the Fair Financial Products principles that guide the products we offer and partners we work with; to setting up a Customer Advisory Board and co-creating our product roadmap with employers; to working with regulators and peers on a Code of Conduct for our industry.



SFG.5 WAGESTREAM

We spoke to Wagestream's founders, Peter Briffett and Portman Wills, about how the company is improving the financial lives of vulnerable groups.

HOW DO YOU MEASURE THAT PROGRESS?

Our dual focus means we've had to become more research-driven- which, in turn, has had a huge impact on the products we build and the way we grow. Measuring our social progress now ranges from:

- **Making a daily difference** - sharing almost real-time updates internally, so the team can see the difference they've made that day. Maybe 55 users started saving for the first time, or 150 people didn't have to take out a predatory loan, for example
- **Quarterly health-checks** - we've built a financial health-check feature into the app so users can set goals, see relevant content and tools, and begin improving their financial health over time
- **Bi-annual impact assessments** - we've publish most of our data externally, sharing bi-annual reports charting the usage, perceived and behavioural impact of Wagestream on our users' day to day lives. Becoming the first provider in our sector to do this sent an important signal to our team, our customers, our investors and the wider sector
- **Closing the loop** - reporting on aggregate social impact to our investors, and using the data to help inform our roadmap decisions

HOW DOES THAT IMPACT FRAMEWORK INTERACT WITH TEAMS ACROSS THE BUSINESS, AND YOUR FUTURE GOALS?

It cuts right to the core of the business. Our product roadmap, for example, is designed to create positive financial pathways - helping guide people towards financial wellbeing and empower them with tools and fairer products that give them choice and control.

We consistently find being focused on impact has positive effects right across the business. It means we're more disciplined on the problems we solve, we make decisions for the right reasons, we hire passionate people, we're more discerning about investors and partners, and we're seen by employers and end-users as a more trustworthy provider. We even find it leads to more positive relationships with stakeholders like regulators, analysts and the media - because our values and our agenda are clear from the outset.

We believe passionately by scaling an industry-leading technology company which achieves 'profit with purpose', we'll be able to inspire more like-minded founders and encourage more investment in purpose-driven tech companies.

Flexible pay

Budgeting

Coaching

Savings



SFG.6

GENDER EQUALITY, DIVERSITY & INCLUSION



(UN SDG #5)

We stand for gender equality, diversity in all its forms, and an inclusive working environment with a zero-tolerance approach to discrimination of any kind.

OBJECTIVE ONE

Support parents in a gender-blind way

KEY RESULT A – ACHIEVED

Offer a gender-blind parental leave policy, by providing all new parents with 26 weeks fully-paid leave

We revised Balderton's parental leave policy and are delighted that employees are currently taking advantage of it.

OBJECTIVE FOUR

Celebrate and champion diversity in all forms

KEY RESULT A – ACHIEVED

Run events selectively at Balderton to embed our commitment to conscious inclusion e.g. International Women's Day, Pride, and Black History

We're excited to run more events over the coming year. Our ability to run events over 2020-21 was limited due to COVID.

KEY RESULT B – NOT YET ACHIEVED

Provide an open forum at Balderton for third party events to support important conversations within the ecosystem, e.g. related panel discussions and training sessions

While our ability to run physical events was limited, we could have done more to leverage remote or virtual events to support third parties working on D&I.

OBJECTIVE TWO

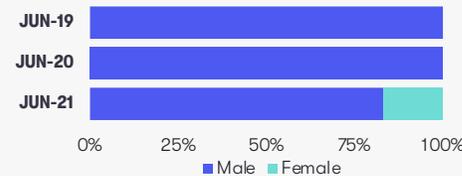
Improve Gender Balance of our Partnership and Investment Team

KEY RESULT A – NOT ACHIEVED

50/50 gender split annually for all new members of the Partnership

Between H2 2020 and H1 2021 3 people were added to the Partnership: Rana Yared, Colin Hanna and Adrian Rainey. While this was below our target of 50/50 new entrants, we remain extremely committed to improving the diversity of the partnership. We are actively searching externally at both early and growth stage and cultivating our internal investment team for future female Partners.

PARTNERS

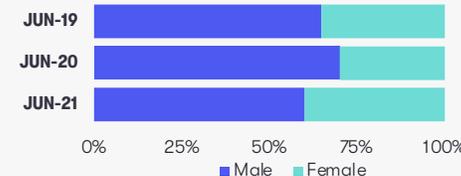


KEY RESULT B – ACHIEVED

50/50 gender split annually for all new members of our Investment Team, and other senior leaders

In the past 12 months we added 5 professionals to the investment team, a new Head of People and a new Operating Partner. Of those 7 new hires, 4 are women and 3 are men.

INVESTMENT TEAM INCL PARTNERS



KEY RESULT C – IN PROGRESS

Institutionalise mentoring and leadership training for women

Balderton has a framework for mentoring which is currently being rolled out across the whole firm. We also work closely with Level20 to support the women in our investment team through mentorship.

OBJECTIVE THREE

Improve the diversity of our team

KEY RESULT A – ACHIEVED

Implement a new recruitment policy that promotes diversity, structuring it to ensure diverse candidate lists across all roles, including within the Partnership, and to remove biases from the hiring process

The hiring process is split into two main streams - recruitment and selection. To underpin our approach we have also rolled out a suite of holistic training and D&I focused workshops across the firm.

KEY RESULT B – ACHIEVED

Partner with organisations that aim to improve access to venture capital, technology and finance roles for under-represented groups

We are proud to announce that as of November 2021 we are one of only ten funds globally to have been awarded Level 2 Certification Standard from Diversity VC.

KEY RESULT C – IN PROGRESS

Institutionalise mentoring and leadership training for under-represented groups within the firm

Balderton's new mentoring framework will provide greater support for under-represented groups across the firm. Our new Head of People is also creating a new training and development programme.

SFG.6 GENDER EQUALITY, DIVERSITY & INCLUSION



(UN SDG #5)

We stand for gender equality, diversity in all its forms, and an inclusive working environment with a zero-tolerance approach to discrimination of any kind.

OBJECTIVE ONE

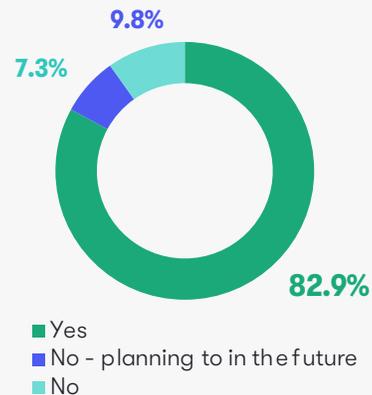
Encourage the adoption of diversity and inclusion practices and policies within our portfolio

KEY RESULT – ACHIEVED

Measure and report number of companies in the portfolio which have implemented D&I policies related to hiring or otherwise

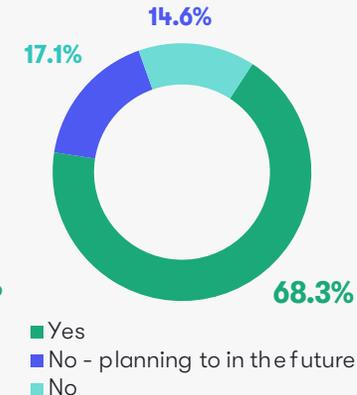
DO YOU HAVE ANY HIRING POLICIES RELATED TO DIVERSITY AND INCLUSION?

n = 41



DO YOU MEASURE DIVERSITY AND INCLUSION IN YOUR COMPANY?

n = 41



OBJECTIVE TWO

Diversity of gender and ethnicity in portfolio leadership teams

WHAT PERCENTAGE OF YOUR MANAGEMENT TEAM DO YOU BELIEVE IDENTIFY AS FEMALE?

n = 40

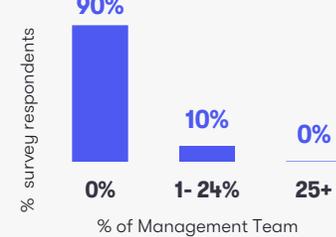


KEY RESULT – ACHIEVED

Assess/measure the diversity of portfolio leadership teams

WHAT PERCENTAGE OF YOUR MANAGEMENT TEAM DO YOU BELIEVE IDENTIFY AS TRANS, BI-GENDER, NON-BINARY, OR OTHER

n = 40



WHAT PERCENTAGE OF YOUR MANAGEMENT TEAM DO YOU BELIEVE IDENTIFY AS A RACIAL OR ETHNIC MINORITY GROUP?

n = 40



OBJECTIVE THREE

Diversity of gender and ethnicity in board composition

This year, we assessed gender, but not ethnicity diversity.

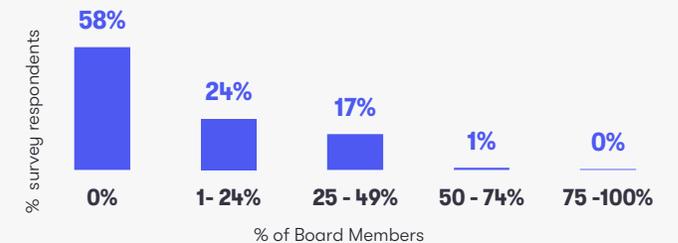
No portfolio board members were thought to identify as trans, bi-gender, non-binary, or other.

KEY RESULT – ACHIEVED (BUT MORE WORK TO BE DONE)

Assess/measure the diversity of boards we serve on

WHAT PERCENTAGE OF YOUR BOARD MEMBERS DO YOU BELIEVE IDENTIFY AS FEMALE?

n = 76



SFG.6 GENDER EQUALITY, DIVERSITY & INCLUSION



(UN SDG #5)

We stand for gender equality, diversity in all its forms, and an inclusive working environment with a zero-tolerance approach to discrimination of any kind.

OBJECTIVE ONE

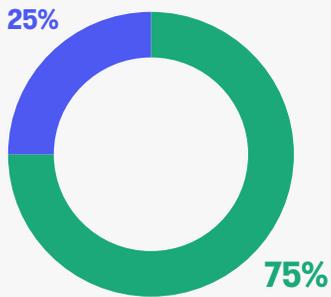
We believe that diverse teams will enhance the performance of start-ups. We aim to prove this hypothesis by collecting the necessary data.

KEY RESULT A – ACHIEVED

Track gender diversity and other diversity in founding teams during our sourcing process in our CRM

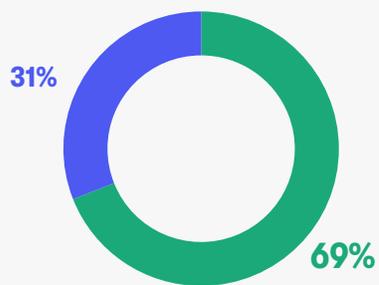
Across all companies that were highlighted in our weekly dealflow meeting, when did we track gender diversity and other diversity?

COMPANIES HIGHLIGHTED IN OUR WEEKLY DEALFLOW MEETING



■ Gender tracked
■ Gender not tracked

COMPANIES HIGHLIGHTED IN OUR WEEKLY DEALFLOW MEETING



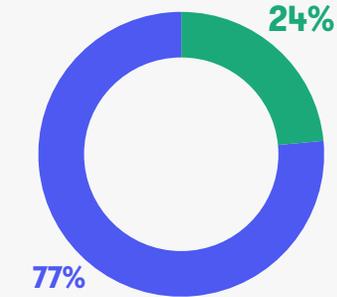
■ Other diversity tracked
■ Other diversity not tracked

KEY RESULT B – IN PROGRESS

Invite founding teams to self report gender diversity and other diversity as we enter advanced due diligence

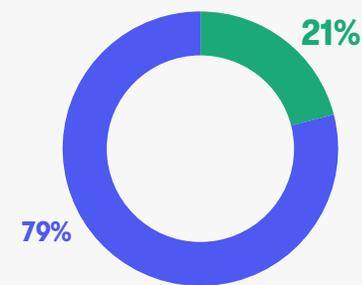
Across all companies that were highlighted in our weekly dealflow meeting, how many had gender diversity or another diversity, when measured?

COMPANIES TRACKED IN OUR WEEKLY DEALFLOW MEETING



■ Had gender diversity
■ No gender diversity

COMPANIES TRACKED IN OUR WEEKLY DEALFLOW MEETING



■ Had other diversity
■ No other diversity

OBJECTIVE TWO

Increase our exposure to under-represented founders

KEY RESULT A – ACHIEVED

Implement initiatives like office hours that allow exposure to more diverse founding teams

We've implemented our own office hours program for under-represented founders. In the past year, we had 23 office hour sessions and 11 different members of the investment team.

KEY RESULT B – IN PROGRESS

Partner with organisations which work to support founders from under-represented groups

We work with many different organisations, including Female Founders, Like Minded Females, Diversity VC and Level20 and plan to expand this list significantly in the future.

OBJECTIVE THREE

Unbiased decision making in the investment process.

KEY RESULT A – NOT ACHIEVED

% Balderton employees that have completed Unconscious Bias training within 12 months

KEY RESULT B – NOT ACHIEVED

Annually assess the impact of this training on our decision-making process

We have signed a contract with Fearless Futures. Our whole team will be undergoing a programme of workshops in Q1 2022 which covers areas including, inclusion, gender norms, anti-racism and classism.

SFG.6 GENDER EQUALITY, DIVERSITY & INCLUSION



We stand for gender equality, diversity in all its forms, and an inclusive working environment with a zero-tolerance approach to discrimination of any kind.

OBJECTIVE FOUR

Back founding teams with a greater gender balance

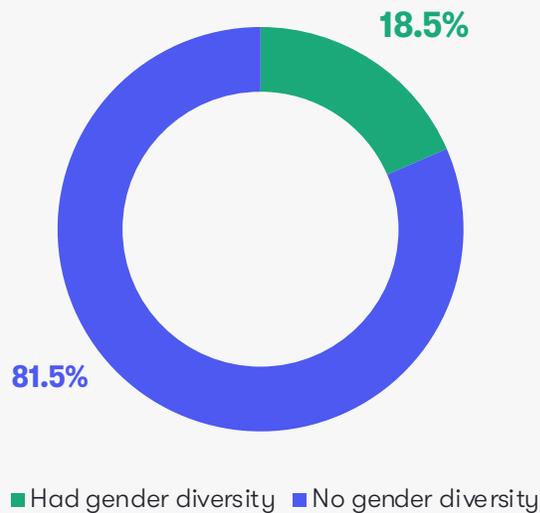
KEY RESULT – ACHIEVED

Measure gender split of new founding teams presenting at Partner Meeting with the goal of backing fewer male-only founding teams

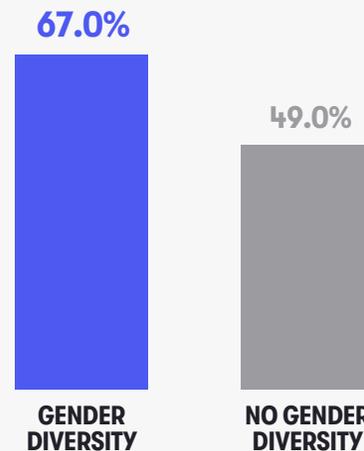
Out of the 65 founding teams that presented to our investment committee, 12 had gender diversity. And out of the teams with gender diversity, 8 were approved and we invested in 6.

THE PACE AT WHICH BALDERTON IS BACKING FEMALE LED COMPANIES CONTINUES TO ACCELERATE. IN 2021 YTD WE HAVE BACKED 6 FEMALE LED COMPANIES.

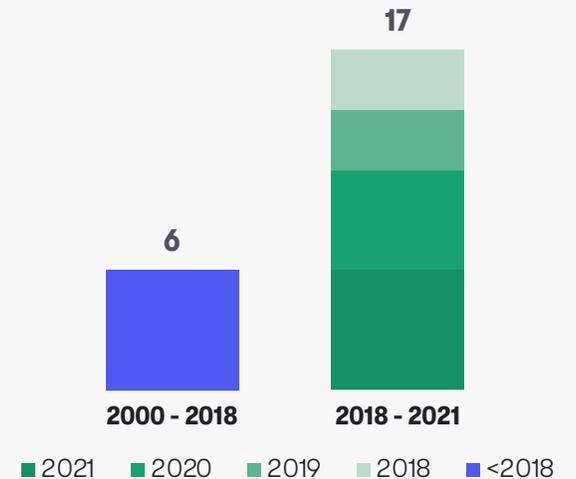
COMPANIES THAT PRESENTED TO INVESTMENT COMMITTEE



COMPANIES THAT PRESENTED TO INVESTMENT COMMITTEE THAT WON APPROVAL VS %



FEMALE-LED BALDERTON INVESTMENTS (FOUNDER, CO-FOUNDER OR CEO)



*Follow-on investment in portfolio companies included here.

SFG.6

ZEGO

We spoke to Kingsley Macey, Chief People Officer at Zego about how the company is improving its inclusive working environment.

WHAT POLICIES DO YOU THINK ARE ESSENTIAL TO BUILDING AN INCLUSIVE CULTURE?

We start by ensuring inclusivity when policies are written. It's key to focus on intersectionality and not just on one community. Intersectionality is where diverse communities merge. For example, think about how your policies would work for a disabled, ethnic minority woman, or a gender-fluid, black man.

At a basic level – write down your commitments and levels of acceptable behaviour. Having a clear and accessible policy shows that you care about your culture.

Be bold and be restless for advancing employer policies around unknown areas, like LGBTQ+, Trans, Pregnancy loss, Menopause. You should aim to develop policies before you have a need based on your existing employees.

Focus on getting your core, high volume needs to a competitive level as this will help you attract and close high calibre candidates and reduce friction. At a minimum you should have healthcare, family care, and financial care like pensions. Consider critical care and life insurance, as this will help you hire more people with families that want security and reassurances.

HOW IMPORTANT IS EMPLOYER BRAND IN ATTRACTING A DIVERSE RANGE OF TALENT?

Employer brand is critical. One of our top priorities is activating our brand internally and externally. Partnering with your internal brand team is key and it's worth considering partnering with an employee brand agency.

You need to consistently define who you are, and articulate the 'two-way promise' – what you give and what employees will get. Tell stories and create advocates for storytelling within the business. This will enable your employees to be brand advocates within their communities. You should also try to provide assets for employees to share which create an authentic human connection. E.g. at Zego we've created a video series: (on topics like Women in Technology, Neurodiversity or LGBTQIA+) and content including - [Forewords to diversity topics](#), [Q&As](#), [Infographics and other content mediums](#)

Other assets I would suggest are created and shared include brand guidelines and Employee Value Proposition (EVP) guidelines



SFG.6 ZEGO

We spoke to Kingsley Macey, Chief People Officer at Zego about how the company is improving its inclusive working environment.

HOW DO YOU ENSURE THAT YOUR INTERNAL PROCESSES ARE FAIR FOR EVERYONE, INDEPENDENT OF RACE, ETHNICITY, SOCIO-ECONOMIC BACKGROUND, GENDER OR SEXUALITY?

Be clear on the intention of the process, have objectivity, have checks and balances. A few examples of what we do at Zego:

Hiring

- Use gender-neutral language in job adverts
- We train all employees who interview on evidence-based hiring and unconscious bias
- Various hiring steps with scorecard expectations that ensure accurate evaluations using set criteria
- Ensure any multi-person assessments-like tasks are representative
- Offers are managed with an awareness of possible biases or perpetuating any gender disparities

Performance coaching conversations

- A robust data orientated model
- All managers trained for ~28 hours over a period of time on a) leading great performance conversations and b) ensuring they are healthy and helpful via the NeuroLeadership Institute.
- No ratings nor forced distribution to avoid biases and bad decisions.

Pay review or promotions

- Gender review of pay increases
- Multiple people partner, reward and CPO checks of the increases during the process
- Ensure promotions are done through objective criteria approved by various business levels and people partners.

Compliment your policies with deliberate practices:

- Continuous development: deliberately look at what the knowledge, skills and abilities of people of diverse backgrounds are which allow them to gain new experiences and get promoted
- Participation programme: Having diverse teams in place is the first step. You need to then think about their participation in the business and how welcomed their ideas are. Try to understand if their voices are heard.
- Measure the involvement: For example, look into how many of each diverse group completes the people survey, offer suggestions, receive job rotation or cross-training, being informed about important issues.



SFG.7 GOOD HEALTH & WELLBEING



(UN SDG #3)

Ensure good health and wellbeing in the workplace.

OBJECTIVE ONE

Ensure the well-being of our employees

KEY RESULT – IN PROGRESS

Monitor staff feedback from Peakon and aim for an engagement score across the firm of at least 8.0 with >90% response rate

Our engagement score remains above 8.0 on Peakon and our participation rate is around 70%. We are working on improving our engagement rate.

Engagement score

8.1 /10

+0.2 above Peakon benchmark (7.9)

No change since 20 Sep
61% aggregated participation rate

eNPS: 42



eNPS BREAKDOWN

Highlighted drivers of engagement

SCORE	DRIVER	BENCHMARK	IMPACT
Priorities set by Chantal Cantle			
8.2	Remote Work (Autonomy)	-0.1	On Track
6.6	Career Path (Growth)	-0.2	Needs Attention
Strengths:			
8.9	Equipment (Environment)	+0.7	Exceeding



OBJECTIVE TWO

Ensure good health of our employees.

KEY RESULT A – IN PROGRESS

Provide equipment (e.g. Pelotons) & classes (e.g. Yoga) 'in-house' at our offices to encourage employees to keep fit

We currently provide weekly yoga classes for employees. A gym is being included in the office refurbishment plans which will have space for weight training and yoga as well as Peloton bikes and a treadmill.

KEY RESULT A – ACHIEVED

Provide private healthcare cover including free counselling services to all our employees

We provide private healthcare cover including free counselling services to all our employees through Bupa.

SFG.7 GOOD HEALTH & WELLBEING



(UN SDG #3)

Ensure good health and wellbeing in the workplace.

OBJECTIVE ONE

Ensure good health and wellbeing of the founders of the companies in our portfolio

KEY RESULT A – IN PROGRESS

Provide coaching and counselling recommendations and resources to all founders of the companies in our portfolio

- We partnered with Spill, a mental health support service for employees accessed through slack, which is used by some of our portfolio companies.
- We also ran mental health and wellbeing sessions for the portfolio, including:
 - ‘Finding calm in crisis’ webinar with 60 portfolio attendees
 - ‘How to manage energy levels and prevent burnout’ workshop with 12 attendees. We also paid for 5 of the participants to go through the FirstBeat assessment (a heart beat stress monitor).
- We have also developed a Health and Well-being policy which we will make available to the portfolio as a template

KEY RESULT B – IN PROGRESS

Implement the "CEO Forums" in the largest cities in which we operate where founders meet once a month and act as a support group spanning work and personal issues

We have three active CEO Forum cohorts. Each cohort is curated based on company stage and location, and requires a 3h commitment every 6-8 weeks. We found inductions should be done in person for the best results. Therefore, will be expanding this programme over time with new cohorts inducted once social distancing and travel restrictions are lifted.

CITY	LONDON	PARIS	LONDON
KICK OFF DATE	5 MARCH 2020	15 APRIL 2020	27 MAY 2020
PARTICIPANTS	8	7	7
NPS	8.9/10 (ACROSS ALL)		
AVG. RATING	4.3/5 (ACROSS ALL)		
DURATION	2-3 HOURS (ACROSS ALL)		
FREQUENCY	6-8 WEEKS (ACROSS ALL)		

SFG.8 LIFELONG LEARNING



(UN SDG #4)

Vocational training and lifelong learning for employees. Quality education for children.

OBJECTIVE ONE

Create an internal learning curriculum that will focus on our investment process but will be open to all employees at Balderton

KEY RESULT – IN PROGRESS

Positive feedback and good Peakon scores from new team members on the learning curriculum

Our new learning curriculum is being developed by our new Head of People and we will be sharing more details in the future.

OBJECTIVE TWO

Increase training budget to £1,000 per person per annum (currently £500) and encourage employees to use their individual budget

KEY RESULT – NOT ACHIEVED

% of training budget utilised annually

Our team used less of the training budget this year vs last year, in part, due to the pandemic limiting in-person options. We'll be encouraging employees to make use of this over the next 12 months.



OBJECTIVE THREE

Engage with 1 local children's school in East London / King's Cross via our Balderton Charity Programme

KEY RESULT – IN PROGRESS

% of Partners and employees participating in our East London School Charity Day(s)

This objective was put on hold due to COVID-19 restrictions – however, Balderton will be actively participating in local charity activities throughout 2022 and onwards.

OBJECTIVE FOUR

Offer teach-ins, internships and job training for more diverse communities

KEY RESULT – ACHIEVED

Annual # of internships offered to candidates from under-represented communities

In 2021, we offered three internships through Diversity VC. Over the next year, we are planning to work with more organisations supporting underrepresented candidates.

SFG.8 LIFELONG LEARNING



(UN SDG #4)

Vocational training and lifelong learning for employees. Quality education for children.

OBJECTIVE ONE

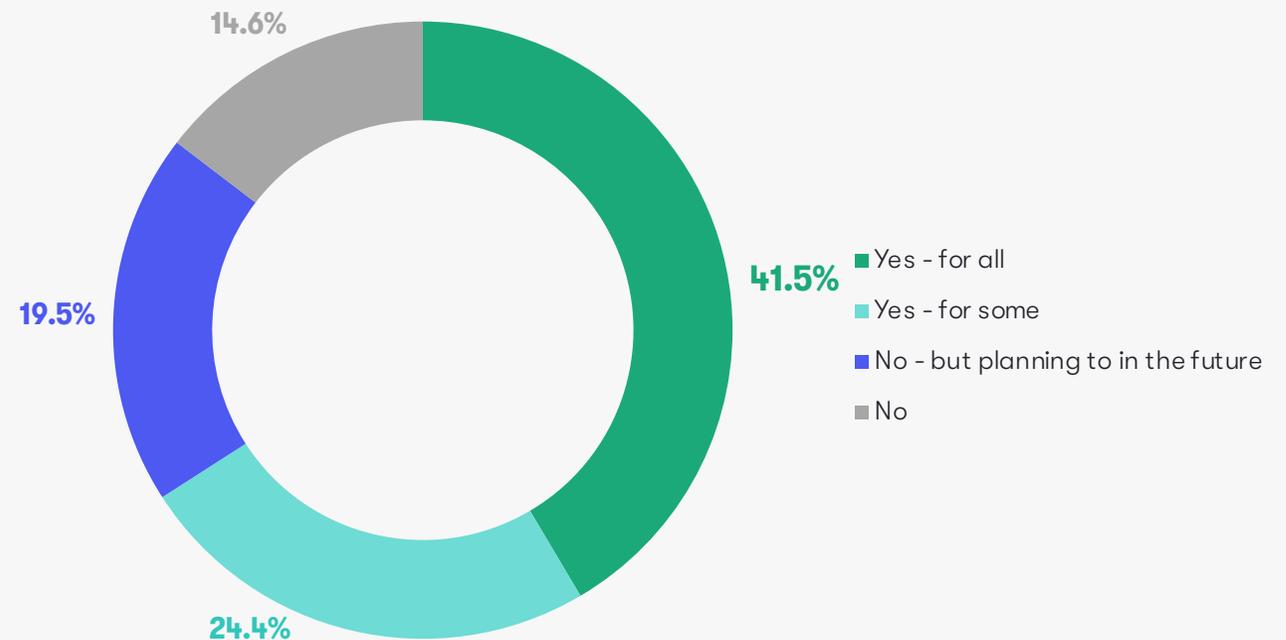
Advocate learning and development programmes in the companies in our portfolio.

KEY RESULT – IN PROGRESS

% of companies using learning and development programmes annually

We will be examining how we can support the portfolio with this goal in 2022, aiming to increase this percentage over time.

DO YOU HAVE INDIVIDUALLY ALLOCATED LEARNING AND DEVELOPMENT BUDGETS FOR YOUR EMPLOYEES?



SFG.9

HIGHEST ETHICAL & GOVERNANCE STANDARDS



(UN SDG #16)

Transparency and strong ethics in governance. Stand firm against corruption and unethical behaviour, and compliance with all relevant regulatory bodies.

OBJECTIVE ONE

Ensure compliance with relevant law and regulations (anti bribery and corruption, gifts & entertainment, whistleblowing)

KEY RESULT – ACHIEVED

Publish relevant policies on our website.
Undertake annual review of these policies, compliance statement by GC.
Ensure training on financial crime is completed by all employees annually

All employees completed compliance training and our policies were reviewed and updated in 2021.

OBJECTIVE TWO

The Code of Ethics underlines Balderton's commitment to integrity and high ethical standards and defines the standard of conduct Balderton expects from its staff

KEY RESULT – ACHIEVED

Publish relevant policies on our website and undertake annual review of these policies

An annual review of all policies was undertaken during Q2 2021.

OBJECTIVE THREE

Accurate and transparent accounting methods and audit

KEY RESULT – ACHIEVED

Clean audit reports and minimal control points raised for Balderton Capital and the Funds

We achieved this for the audit covering the year ended 31 December 2020.

OBJECTIVE FOUR

Transparently report our progress against all Balderton SFGs

KEY RESULT – ACHIEVED

Annual Balderton SFG Report

This report represents our progress against each OKR.

SFG.9 HIGHEST ETHICAL & GOVERNANCE STANDARDS



(UN SDG #16)

Transparency and strong ethics in governance. Stand firm against corruption and unethical behaviour, and compliance with all relevant regulatory bodies.

OBJECTIVE ONE

Avoid sectors with negative SFG impact including tobacco, distilled alcohol, casinos / gambling and fossil fuel exploration

KEY RESULT – ACHIEVED

No investments in these sectors

We maintained our commitment to avoid sectors with negative SFG impact including tobacco, distilled alcohol, casinos / gambling and fossil fuel exploration. This included passing on investing in a company after substantial due diligence due to this objective.

OBJECTIVE TWO

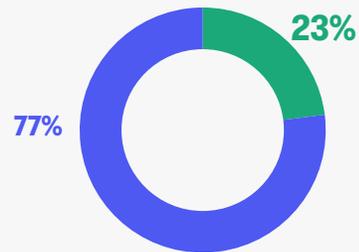
Make our SFGs a pertinent point while discussing a potential investment opportunity internally

KEY RESULT – IN PROGRESS

All investment memos will include an SFG section addressing potential positive and negative impact. This will focus on the most impactful questions depending on stage and type of start-up and based on our SFGs

Out of the 62 memos written in the past year, how many included an SFG section?

ALL MEMOS WRITTEN IN THE PAST YEAR



■ SFG section including
■ SFG section not including

ALL MEMOS WRITTEN IN THE LAST 6 MTHS



■ SFG section including
■ SFG section not including

OBJECTIVE THREE

Continue backing founders with high ethical standards

KEY RESULT – ACHIEVED

Have “honesty and integrity” as a part of our founder assessment

This has been added to our founder assessment matrix.

OBJECTIVE FOUR

At the point of investment, we want to make a positive impact. “Embrace adoption of SFGs”

KEY RESULT – ACHIEVED

Add a clause in our term sheets related to Balderton SFGs / UN SDGs: “At Balderton we take ESG issues very seriously and we invite you to consider and adopt the [Balderton SFGs /] UN SDGs, to the extent that you find them appropriate”

We have added a clause in our term sheets related to Balderton SFGs / UN SDGs.

SFG.9

HIGHEST ETHICAL & GOVERNANCE STANDARDS



(UN SDG #16)

Transparency and strong ethics in governance. Stand firm against corruption and unethical behaviour, and compliance with all relevant regulatory bodies.

OBJECTIVE ONE

Support the companies in our portfolio in creating functional boards including with the appropriate skills and experience mix to execute their governance responsibilities

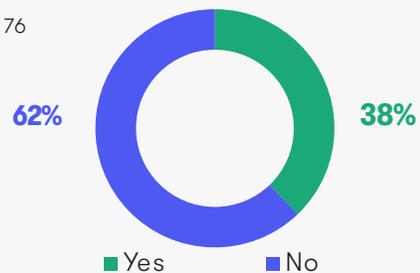
KEY RESULT – IN PROGRESS

Assess all the Boards we are members of annually through a structured review process (including for example number of Boards who have an independent director, quality and timeliness of board materials etc.)

'We review the make-up, quality and skills of the board at each fund raising - which can be annually but is sometimes less / more frequent.'

DO YOU HAVE AN INDEPENDENT BOARD DIRECTOR

n = 76



OBJECTIVE TWO

As shareholders and board members, treat all stakeholders with fairness and respect and ensure the Management of the companies in our portfolio behave with integrity and where practical encourage Management to have appropriate policies in place (e.g. anti bribery and corruption, gifts & entertainment, whistleblowing)

KEY RESULT – ACHIEVED

Actively engage with and support management to resolve any issues

During the past year, we've helped multiple portfolio companies to think through their C-level teams, provided mentorships and guidance to founders in difficult times, and advised on compensation structures for key executives.

In the future, we will be structuring more policy templates that the portfolio can use as a guidance.

OBJECTIVE THREE

Help portfolio companies learn from each other by sharing best practices

KEY RESULT – ACHIEVED

Portfolio "SFG" network on slack / email, proactively publish via Platform/CXO groups

In 2021, we launched a new email channel for the portfolio companies to discuss topics related to SFGs. We currently have 64 members from 60 portfolio companies participating.

In the last year, we hosted three events for the portfolio:

- About the B-Corp process
- Achieving conscious inclusion within your organisation
- An introduction to carbon measurement, reduction and offset

OBJECTIVE FOUR

Encourage the companies in our portfolio to commit to share data on how they are approaching and tackling SFG related issues, in the same way as we are tracking key financial KPIs.

KEY RESULT – IN PROGRESS

Annual review of SFGs in the companies in our portfolio based on a survey undertaken between the Partner and the CEO

41/90 (46%) in the active portfolio answered the survey.

SFG.9

VESTIAIRE COLLECTIVE

We spoke to Dounia Wone, Chief Sustainability & Inclusion Officer at Vestiaire Collective about the company's recent journey to becoming a B Corp.

WHAT RESPONSIBILITIES DO YOU BELIEVE STARTUPS HAVE TOWARDS SOCIETY AND THE PLANET?

We at Vestiaire Collective believe all startups have a duty to integrate environmental and social considerations into their operations. It's hard to launch a company today and ignore the existence of systemic challenges! Moreover, there is a huge benefit in doing this right from the outset. Building these considerations into the very heart of a company's mission helps to ensure that economic, social and environmental programmes can be fully deployed and at the right level. It is much harder (and often less effective) to change direction along the way or to correct downstream for issues caused by your activity.

WHAT WERE THE OBJECTIVES OF YOUR DECISION TO OBTAIN THE CERTIFICATION AND WHY DID YOU CHOOSE THE B CORP

Vestiaire Collective is a company that truly has impact at the very heart of its business model. Thanks to our 100% circular model, we have a de facto head start on dealing with environmental issues (as we have avoided production impact), and also on socio-economic issues (as we promote change in consumer behaviour, for example). However, we decided this was not enough to position us as an ESG leader in our sector and that it was time, as we were growing rapidly, to measure issues more systematically and to have a 360-degree view of governance and diversity and inclusion. We chose B Corp because it was the most demanding, comprehensive and internationally recognised programme. For us, joining this community was also super important. It meant joining the ranks of inspiring and pioneering companies such as Patagonia.

HOW DID IT WORK IN PRACTICE?

We first presented the project to the entire management team, being very transparent about the workload and how much involvement it would require from teams across the business. It's essential to get management on board from the outset because if they are not the driving force, it will be extremely difficult to get everyone else on board! We then set up a project group that included our CFO, HR director, co-founder and the sustainable development team. We met once a week to agree on the areas for progression and the deadlines. After that, each person was responsible for mobilising the relevant people in their teams. We tried to fill in the whole initial questionnaire fairly quickly to get an idea of the number of points we needed to address. In the end, we also used a company called Utopies to help us to answer certain trickier questions where we needed to build solid impact arguments. For example, demonstrating that our circular model helps to preserve the environment and natural resources.



SFG.9

VESTIAIRE COLLECTIVE

We spoke to Dounia Wone, Chief Sustainability & Inclusion Officer at Vestiaire Collective about the company's recent journey to becoming a B Corp.

WHAT DIFFICULTIES DID YOU ENCOUNTER DURING THE LABELLING PROCESS?

Not all aspects of the B Corp assessment questionnaire are logical for all companies, especially when certain American concepts do not really have an equivalent in France (e.g. the "living wage"). Furthermore, we were the first second-hand fashion platform to complete the questionnaire, so there was a whole section that was not adapted to our business model (i.e. one with a supply chain but no production line).

For all these reasons, we would advise companies not to wait too long to submit the questionnaire as the audit phase where you are assigned an analyst allows you to work with B Corp to clarify the logic behind the questions. This helps you to understand what's needed from your business to meet the criteria.

WHAT CONCRETE ACTIONS HAVE YOU BEEN ABLE TO PUT IN PLACE THANKS TO THE CERTIFICATION PROCESS?

The B Corp assessment is a great tool for formalising and generalising existing good practices. It allowed us to move from the anecdotal to the systematic. And it does so in a demanding way because every corner of the business and every process is scrutinised for impact! For example, we were able to:

- Harmonise all of our HR practices throughout the world with the most advanced French social model
- Formalise a supplier code of conduct and a truly demanding purchasing policy across all businesses
- Deploy an internal code of ethics
- Engage our Board of Directors in our approach and vision by integrating our raison d'être into our statutes



SFG.10 DATA RIGHTS ARE HUMAN RIGHTS



(UN SDG #16)

Treat personal data and the privacy of customers and users with respect.

OBJECTIVE ONE

Full GDPR compliance internally

KEY RESULT – ACHIEVED

Zero data breaches

Balderton Capital has had no data breaches in the past year.

OBJECTIVE TWO

Thought leadership and events focused on data privacy and cyber security

KEY RESULT – NOT ACHIEVED

2 annual events focused on privacy and cyber security

We did not host any events focused on privacy or cyber security in the past year. This is something we will look to plan for Q1 2022.

OBJECTIVE THREE

Advocate data protection best practices (either regarding CCPA or GDPR) are shared and implemented throughout the portfolio

KEY RESULT – ACHIEVED

of data breaches across portfolio

0 data breaches between H2 2020 and H1 2021 were reported at board level.

LOOKING AHEAD

We will be updating our SFGs given the progress we have made, the urgency of the climate crisis, the realities of our global pandemic and what we've learned along the way.

We are proud of what has been achieved this year, and a tremendous amount of work has gone into implementing our SFGs at Balderton. On reflection, it is striking how much progress was made as a function of adaptations we all made in response to COVID-19.

From a more empathetic stance towards working parents, to a broader acceptance of remote work and a corresponding reduction in travel, many of the goals we set for ourselves became easier due to the pandemic.

Others became more challenging. We have not been able to engage our own portfolio and our community as effectively in a remote setting. Engaging in charitable efforts with our local community in King's Cross was more difficult.

As we return slowly to something resembling the pre-COVID status quo, the challenge is to persevere in the current efforts that further our SFGs and to reinvigorate those that have been weakened.

As a group, we are now focused on analysing all the data we have collected in this report, both from our internal operations and from our portfolio, and using that data to better understand how our priorities must change and which targets should be set for our SFGs and Key Results in 2022. We are also exploring third party standards to better understand how our internal efforts measure up against peers. Speaking of peers, we have already engaged with several efforts to advance ESG practices within the venture capital industry. We hope that our example of transparency is constructive, look forward to continuing that work and invite others to reach out to us and perhaps to embark on their own SFG journey

We look forward to reporting back to you again in a year's time. In the meantime please don't hesitate to reach out to any of us or provide feedback.



Balderton.

THANK YOU.

Let's talk.

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