

**SUSTAINABLE
FUTURE GOALS
2022 REPORT**

INTRODUCTION

A YEAR OF FURTHERING COMMITMENT AND BUILDING MOMENTUM



Colin Hanna

COLIN HANNA
PARTNER

Our world is evolving rapidly, and the current climate demands meaningful, urgent action. Generic approaches simply can't address the gravity of the problem at hand.

When we first launched our Sustainable Future Goals (SFGs) two years ago, we wrote:

"The twenty-first century has confronted the global community with challenges that require global cooperation at all levels. Given the substantial role that both private enterprise and capital play in our interconnected world, Balderton recognises it has a contribution to make in addressing these challenges."

Today, we believe that more strongly than ever. Crucially, we believe in the power of actions over words, and in 2022 we have dedicated significant energy and resource to driving our SFGs forward with greater commitment, clarity and collaboration.

In terms of commitment, we are thrilled to announce the hiring of Balderton's first Head of Impact and SFG, Elodie Broad. Elodie brings a wealth of knowledge and operational experience, having joined us from Deloitte's Sustainable Finance practice. For more on Elodie's appointment please read [here](#).

We are also progressing with more depth and clarity, thanks to increased engagement from our portfolio. This year's SFG survey saw a 75% participation rate (vs 55% last year), enabling us to better understand and measure where we are, and how we can help our portfolio companies to grow inclusively and sustainably.

Finally, we are proud to be leading the conversation among our peers, including running recent training sessions for [VentureESG](#); becoming a member of both the UNPR's working group focused on venture and a working group recently formed by [ImpactVC](#); and being recognised for our efforts by industry publications such as this recent [report](#) by ITPenergised.

Mostly though, we are excited by the daily grind of improving our operations as a firm, discussing vision and purpose with our founders, and improving ways of marrying investment excellence with becoming a positive force for change towards a shared sustainable future. We hope you get a sense of this in our report.



REPORT HIGHLIGHTS

REPORTING PERIOD H2 2021-H1 2022

INVESTMENT

27.1%

OF COMPANIES WHO PRESENTED TO OUR INVESTMENT COMMITTEE THIS YEAR EXPRESSLY CHAMPIONED A SFG

INVESTMENT

NEW INVESTMENTS THAT CHAMPION AN SFG

SWEEP

SFG.01



SFG.04

BETTER ORIGIN

SFG.02



SFG.05



SFG.07



SFG.07



SFG.07

+2 MORE TO BE ANNOUNCED

PORTFOLIO

36,000+

JOBS

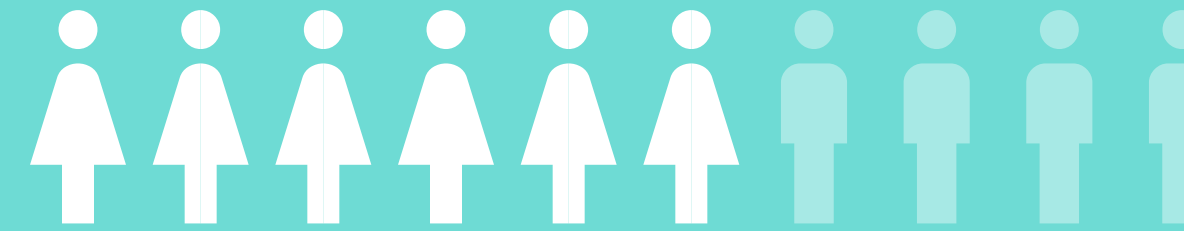
7,800+

NET JOB CREATION

INTERNAL

65%

OF OUR TEAM ARE WOMEN



INTERNAL

INTEGRATING SFGS IN OUR OFFICE REFURBISHMENT:

- GYM
- GREENERY
- PRAYER ROOM
- MEDITATION ROOM
- BREASTFEEDING ROOM
- ENERGY EFFICIENCY

PORTFOLIO

75% PARTICIPATION IN OUR 2022 PORTFOLIO SFG SURVEY, UP FROM 55% LAST YEAR

2022

75%

2021

55%

INTERNAL

CARBON NEUTRAL

OFFSET 100% OF OUR 2021 EMISSIONS

OUR FRAMEWORK

OUR THREE AXES OF IMPACT ACROSS 10 SUSTANABLE FUTURE GOALS

THROUGH OUR INVESTMENT
DECISION-MAKING

#01

AS SHAREHOLDERS IN OUR
PORTFOLIO COMPANIES

#02

OUR OWN INTERNAL OPERATIONS
AS A COMPANY

#03

SFG.01
URGENT CLIMATE ACTION

SFG.02
RESPONSIBLE CONSUMPTION

SFG.03
GREEN CITIES

SFG.04
RENEWABLE ENERGY

SFG.05
FAIRNESS AND EQUAL OPPORTUNITIES

SFG.06
GENDER EQUALITY, DIVERSITY
AND INCLUSION

SFG.07
GOOD HEALTH AND WELLBEING

SFG.08
LIFELONG LEARNING

SFG.09
HIGHEST ETHICAL AND
GOVERNANCE STANDARDS

SFG.10
DATA RIGHTS ARE HUMAN RIGHTS

REVIEWING KEY RESULTS

H2 2021–H1 2022

WE SET OUR OKRS FOR THIS YEAR BUILDING ON THOSE FROM LAST YEAR. WHERE WE HAD ACHIEVED A KEY RESULT WE SET THE BAR HIGHER FOR OURSELVES, AS PART OF ACKNOWLEDGING THAT WE ALWAYS HAVE MORE TO DO.

SFG.01

URGENT CLIMATE ACTION

SFG.02

RESPONSIBLE CONSUMPTION

SFG.03

GREEN CITIES

SFG.04

RENEWABLE ENERGY

SFG.05

FAIRNESS AND EQUAL OPPORTUNITIES

SFG.06

GENDER EQUALITY, DIVERSITY AND INCLUSION

SFG.07

GOOD HEALTH AND WELLBEING

SFG.08

LIFELONG LEARNING

SFG.09

HIGHEST ETHICAL AND GOVERNANCE STANDARDS

SFG.10

DATA RIGHTS ARE HUMAN RIGHTS

KEY RESULTS

6

KEY RESULTS ACHIEVED

2

KEY RESULTS NOT ACHIEVED YET

1

KEY RESULT ACHIEVED

2

KEY RESULTS NOT ACHIEVED YET

3

KEY RESULTS ACHIEVED

1

KEY RESULT NOT ACHIEVED YET

1

KEY RESULT ACHIEVED

1

KEY RESULT NOT ACHIEVED YET

2

KEY RESULTS ACHIEVED

4

KEY RESULTS NOT ACHIEVED YET

5

KEY RESULTS ACHIEVED

8

KEY RESULTS NOT ACHIEVED YET

1

KEY RESULT ACHIEVED

1

KEY RESULT NOT ACHIEVED YET

2

KEY RESULTS ACHIEVED

1

KEY RESULT NOT ACHIEVED YET

3

KEY RESULTS ACHIEVED

5

KEY RESULTS NOT ACHIEVED YET

1

KEY RESULT ACHIEVED

1

KEY RESULT NOT ACHIEVED YET

SECTION 01

**SFGS THROUGH
OUR INVESTMENT
DECISIONS**



SUSTAINABLE FUTURE GOALS

INTRODUCTION

Our investment-related goals apply to all the SFGs, namely, growing the share of portfolio companies which explicitly champion our Sustainable Future Goals alongside value creation.

We welcomed nine new companies that fit that profile. 29% of our portfolio companies are therefore explicitly championing one of our SFGs.

We see our SFG annual report as a great opportunity to highlight some of our recent investments actively driving towards a sustainable future and we are pleased to feature Sweep (SFG 1), Better Origin (SFG 2) and Zoe (SFG 7) as part of this report.

We have also set ourselves OKRs to back more diverse founding teams, in line with SFG 6 of gender equality, diversity and inclusion. We continue to learn and educate ourselves on the important and complex topic of diversity. In particular, we remain committed to supporting diversity in all its forms and explore ways in which we can do that sensitively and effectively, while remaining true to our investment mandate.

INTRODUCTION

ALL SFGS

MAKE NEW INVESTMENTS THAT CHAMPION OUR SUSTAINABLE FUTURE GOALS ALONGSIDE VALUE CREATION

WE MADE 9 NEW INVESTMENTS THAT EXPLICITLY CHAMPION ONE OR MORE OF OUR SFGS

SWEEP

SFG.01

BETTER ORIGIN

SFG.02



SFG.04



SFG.05



SFG.07



SFG.07



SFG.07

+2 MORE TO BE ANNOUNCED

27.1% OF COMPANIES THAT PRESENTED TO OUR INVESTMENT COMMITTEE EXPRESSLY CHAMPIONED ONE OF OUR SFGS

2022 — CHAMPIONING ONE OR MORE SFGS



27.1%

2021 — CHAMPIONING ONE OR MORE SFGS



26.2%

ALL SFGS

MAKE NEW INVESTMENTS THAT CHAMPION OUR SUSTAINABLE FUTURE GOALS ALONGSIDE VALUE CREATION

29% OF THE COMPANIES IN OUR PORTFOLIO NOW CHAMPIONING ONE OR MORE SFGS

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

PC

PORTFOLIO COMPANY EXAMPLES

SFG.01 – URGENT CLIMATE ACTION

2

Better Origin, Sweep

SFG.02 – RESPONSIBLE CONSUMPTION

6

Delli, Infarm, Smol, Vestiaire Collective

SFG.03 – GREEN CITIES

3

Citymapper, VanMoof, Voi Technology

SFG.04 – RENEWABLE ENERGY

2

Tesseract, Tibber AS

SFG.05 – FAIRNESS AND EQUAL OPPORTUNITIES

6

Cleo, TestGorilla, Wagestream

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

PC

PORTFOLIO COMPANY EXAMPLES

SFG.06 – GENDER EQUALITY, DIVERSITY AND INCLUSION

0

N/A

SFG.07 – GOOD HEALTH AND WELLBEING

8

Avi Medical, Clue, Healx, Kaia Health, Sophia Genetics, ZOE

SFG.08 – LIFELONG LEARNING

1

Labster Group

SFG.09 – HIGHEST ETHICAL & GOVERNANCE STANDARDS

0

N/A

SFG.10 – DATA RIGHTS ARE HUMAN RIGHTS

5

Jumbo Privacy, Darktrace, GitGuardian, Ory Corp

KR: 100% of investment memos have an SFG section discussing the positive and negative impacts of the opportunity.

HOW WE'RE PROGRESSING

While SFGs systematically get discussed at the investment committee, not all investment memos had a documented SFG section, especially when the company's overall net impact was deemed neutral. We will aim to achieve 100% coverage next year.

ONGOING COMMITMENTS

- Annual review of our negative screening list; this currently includes gambling, tobacco, alcohol, adult entertainment, armaments and fossil fuel exploration
- Consideration of perceived integrity and honesty of founders as part of our founder assessment

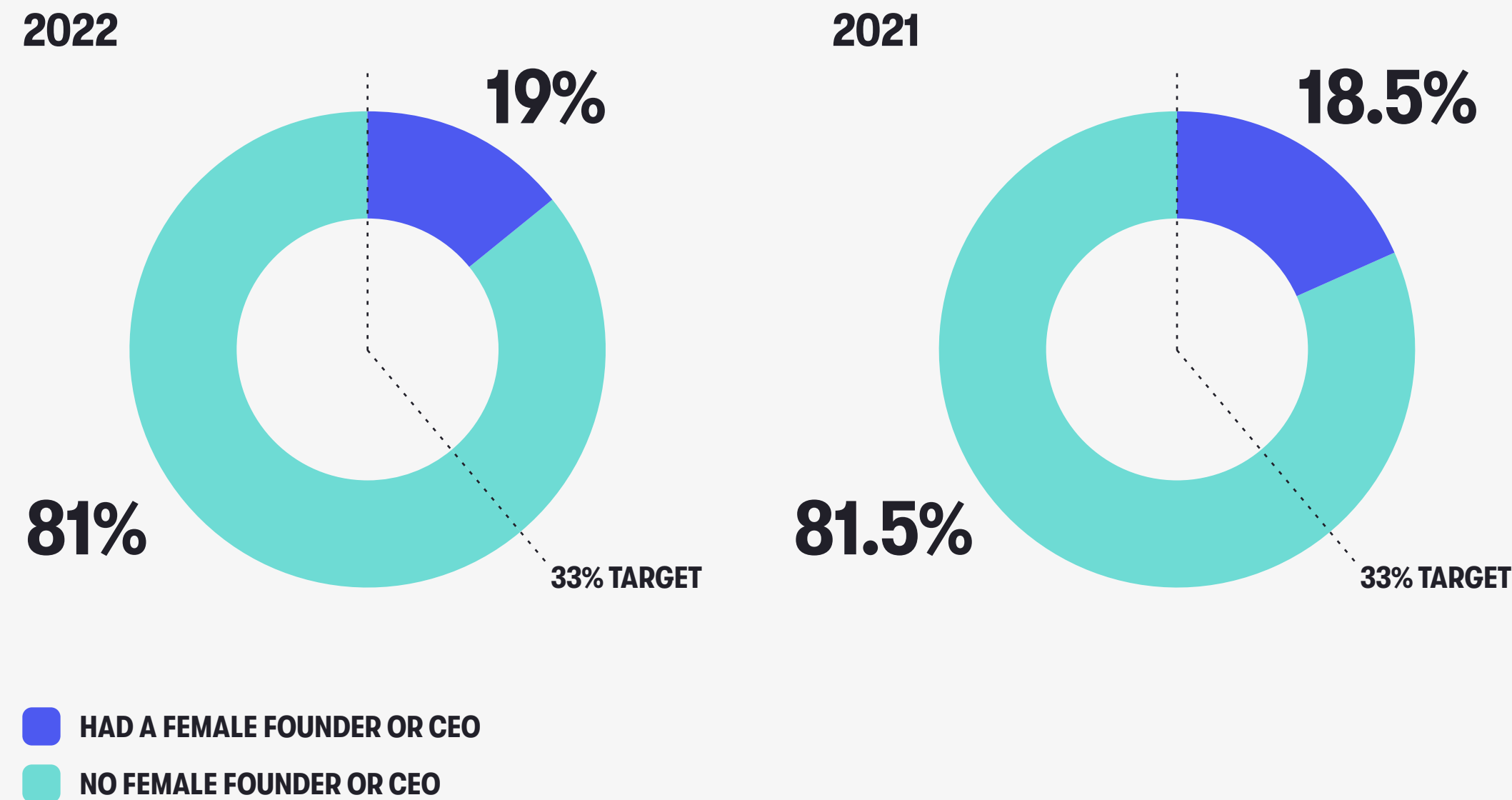
WHAT WE LOOK FORWARD TO REPORTING ON NEXT YEAR

- With the appointment of our Head of Impact, we plan to make some changes next year, including:
- More codified embedding of SFG considerations throughout our sourcing and due diligence processes
 - Ongoing engagement with our portfolio to support them on their SFG journey

SFG.06 – GENDER EQUALITY, DIVERSITY AND INCLUSION

INCREASE OUR EXPOSURE TO AND BACKING OF MORE DIVERSE FOUNDING TEAMS

19% OF COMPANIES THAT PRESENTED TO INVESTMENT COMMITTEE HAD A FEMALE FOUNDER OR CEO



KR: 33% of companies that present to the investment committee have a female founder or CEO.

KR: Track gender diversity and other diversity for 100% of the companies discussed at our weekly dealflow meeting.

HOW WE'RE PROGRESSING

We introduced gender diversity and "other diversity" fields to our pipeline management tool to help us understand the profiles of the founders we engage with. All but five companies were tagged this year, or over 99%.

COMPANIES THAT PRESENTED TO INVESTMENT COMMITTEE THAT WON APPROVAL

66%

FOUNDING TEAMS WITH GENDER DIVERSITY THAT WON APPROVAL

54%

FOUNDING TEAMS WITHOUT GENDER DIVERSITY THAT WON APPROVAL

22% OF OUR NEW INVESTMENTS HAD A FEMALE FOUNDER OR CEO



22%

16.2% INDUSTRY AVERAGE

78%

KR: 33% of new investments have a female founder or CEO.

ONGOING COMMITMENTS

- Strengthen initiatives like office hours and hosting early-stage start-ups into our co-working space that allow exposure to more diverse founding teams
- Strengthen partnership with organisations which work to support founders from under-represented groups
- Run annual training to raise awareness of unconscious bias and debias as much as possible our investment decision-making process

WHAT WE LOOK FORWARD TO REPORTING ON NEXT YEAR

We continue to learn and educate ourselves on this important and complex subject. In particular, we remain committed to supporting diversity in all its forms beyond gender diversity and explore ways in which we can do that sensitively and effectively, while remaining true to our investment mandate.

SECTION 02

A LOOK AT SOME OF OUR INVESTMENTS





SWEEP

HELPING BUSINESSES TRACK AND ACT ON THEIR CARBON FOOTPRINT

Today, the world is “off-track” in both managing and adapting to climate change.

While many companies have set sustainable goals for the long-term, they lack the immediate ability to understand their carbon data and the tools to act on it, leaving their futures hanging in the balance.

Sweep works with leading FTSE-500 companies to build science-based and data-driven climate programs that respond to the climate emergency and anticipate upcoming sustainable reporting regulations.

Sweep encourages companies to see carbon not as a limitation, but rather as a creative force for innovation and positive growth.

“

THE GREEN TRANSITION CONCERNS BUSINESSES OF ALL SIZES, ACROSS ALL INDUSTRIES GLOBALLY. COMPANIES NEED TO TAKE A HOLISTIC APPROACH TO THEIR CLIMATE STRATEGY AND HAVE THE RIGHT METHODOLOGY IN PLACE TO MEET THEIR TARGETS.

RACHEL DELACOUR
CEO & CO-FOUNDER
SWEEP



zoe

PIONEERING THE FUTURE OF PERSONALISED NUTRITION

For too long, nutrition has taken a 'one-size fits-all' approach. But the system isn't working, and diabetes, heart disease and other chronic health problems aren't improving.

The reality is that our bodies are all unique, and it turns out there is no one right way to eat. The key lies in understanding your own biology.

By taking a holistic, data-driven approach and using the most advanced tests and cutting-edge science, ZOE helps individuals understand how their bodies respond to food, and therefore what foods they should be eating to support their lives.

Through comprehensive at-home testing, a personalised nutrition programme and one-to-one coaching, ZOE empowers individuals to make informed decisions about what and how to eat and improve their health in the long-term.

“

ZOE IS RADICALLY CHANGING HOW WE SEE NUTRITION, AND EMPOWERING PEOPLE TO MAKE THEIR OWN CHOICES BASED ON THEIR OWN BIOLOGY.

DR TIM SPECTOR
SCIENTIFIC CO-FOUNDER
ZOE





FIXING THE BROKEN FOOD CHAIN

Food waste accounts for 10% of the world's greenhouse gas emissions. In the UK alone, we waste 9.5 megatonnes of food every year. But if it was up to nature, food waste wouldn't exist – it would be absorbed by the soil or eaten by insects.

Taking inspiration from nature and leveraging cutting edge AI technology, Better Origin is on a mission to fix the broken food chain.

Better Origin's decentralised, AI-powered insect mini-farms take local food waste from supermarkets and convert it into high-quality, sustainable animal feed.

By taking a local approach, Better Origin reduces the emissions related to shipping animal feed around the world while also tackling the growing issue of global food security, ensuring we have enough food for animals and humans to grow.

“

THERE'S NO BETTER TIME TO TACKLE THIS ISSUE THAN RIGHT NOW. FROM POLICY MAKERS TO LARGE COMPANIES TO INVESTORS: PEOPLE ARE READY.

FOTIS FOTIADIS
CEO & FOUNDER
BETTER ORIGIN



SECTION 03

SFGS THROUGH OUR PORTFOLIO



OUR 2022 PORTFOLIO SFG SURVEY

PARTICIPATION EXECUTIVE SUMMARY

Following on from our inaugural SFG portfolio survey last year, we continued our annual portfolio ESG data collection exercise, sending c.25 questions for portfolio companies to share their progress against our ten SFGs.

While last year we sent around our inaugural SFG voluntary portfolio survey to the 76 portfolio companies where we had board seats, we decided to send the survey to all of our portfolio this year.

Testament to our portfolio's cooperation and interest in the topic, we are pleased to report a 75% participation rate this year, leading to a much larger sample size of 70.

We had acknowledged in our 2021 SFG report that the 41 responses we received last year were likely to be subject to a positive self-selection bias.

We believe that our sample this year is more representative of our portfolio as a whole. This explains why some results have moved backward, rather than forward.

OUR SAMPLE SIZE IS 50% LARGER THAN LAST YEAR'S, AND OVERALL MORE REPRESENTATIVE OF OUR PORTFOLIO

2022



75% PARTICIPATION

2021



55% PARTICIPATION

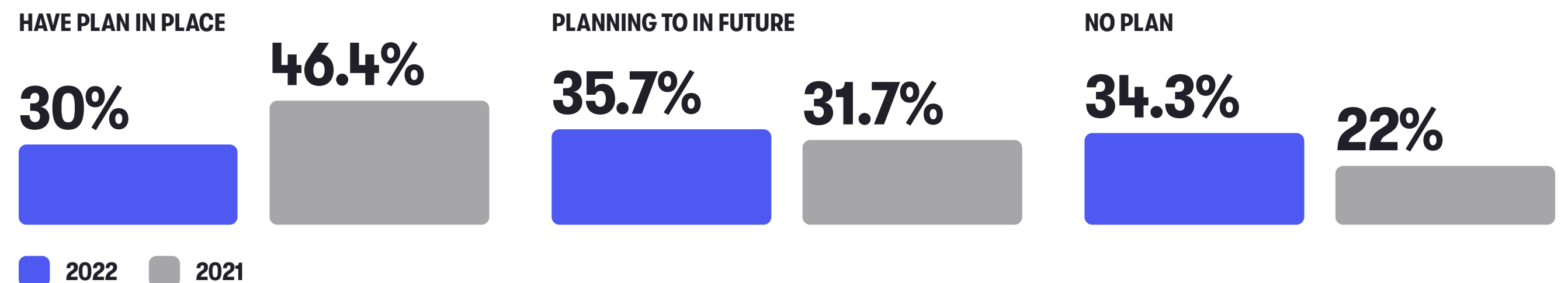
RESPONDENTS BY GROWTH STAGE



THREE CERTIFIED B CORPORATIONS IN OUR SAMPLE THIS YEAR, UP FROM ONE LAST YEAR



30% COMPANIES HAVE AN INTERNAL SUSTAINABILITY OR IMPACT PLAN OR POLICY IN PLACE, DOWN FROM 47% LAST YEAR



OUR 2022 PORTFOLIO SFG SURVEY

OKR RESULTS EXECUTIVE SUMMARY

When looking at the overall results for this report, it's important to note a few key points:

- We have set ambitious OKRs for our portfolio
- This year's sample was larger and more representative than the previous year
- Our Head of Impact will lead the SFG Collective, a new portfolio community collaborating on impact and ESG, to further engage and support our portfolio on their journey

SFG.01

O: ENCOURAGE ALL PORTFOLIO COMPANIES TO MEASURE, REDUCE AND OFFSET THEIR ANNUAL CARBON EMISSIONS.

KR: >50% OF PORTFOLIO COMPANIES MEASURING THEIR FOOTPRINT ▼

KR: >50% OF PORTFOLIO COMPANIES ACTIVELY WORKING ON CARBON EMISSION REDUCTION ▲

KR: >50% OF PORTFOLIO COMPANIES PARTIALLY OR FULLY OFFSETTING THEIR RESIDUAL CARBON EMISSIONS ▲

SFG.02

O: ENCOURAGE RESPONSIBLE CONSUMPTION AND ZERO WASTE PRACTICES

KR: >70% HAVE A WASTE MANAGEMENT POLICY IN PLACE ●

O: ADVOCATE SUSTAINABLE PRODUCTION AND PACKAGING

KR: >75% OF COMPANIES THAT PRODUCE PHYSICAL GOODS HAVE POLICIES TO DRIVE SUSTAINABLE PRODUCTION AND PACKAGING ▲

SFG.03

O: ENCOURAGE PORTFOLIO COMPANIES TO REDUCE UNNECESSARY COMMUTE EMISSIONS

KR >90% OF COMPANIES OFFERING FLEXIBLE WORKING POLICIES WHERE APPROPRIATE ▲

KR: >60% OF COMPANIES OFFER GREEN WORKING BENEFITS ▲

SFG.04

O: ADVOCATE THE USE OF RENEWABLE ENERGY IN THE COMPANIES IN OUR PORTFOLIO

KR: >50% OF COMPANIES FULLY OR PARTIALLY PROCURING RENEWABLE ELECTRICITY, WHERE THEY HAVE OPERATIONAL CONTROL =

SFG.05

O: CREATE NEW JOBS

KR: INCREASE IN # OF JOB OPPORTUNITIES CREATED YEAR-ON-YEAR ▲

O: PROMOTE FAIR COMPENSATION AND BROAD ACCESS TO EQUITY OWNERSHIP

KR: 100% OF PORTFOLIO COMPANIES OFFERING ALL THEIR FTES TO PARTICIPATE IN SCHEMES LINKED TO VALUE CREATION OF THE COMPANY ▲

SFG.06

O: ENCOURAGE THE ADOPTION OF DIVERSITY AND INCLUSION PRACTICES AND POLICIES

KR: >70% OF COMPANIES MEASURING DIVERSITY AND INCLUSION ▲

KR: >90% OF COMPANIES HAVE A DEI HIRING POLICY/ PLAN IN PLACE ▼

O: CHAMPION GENDER AND OTHER DIVERSITY IN PORTFOLIO COMPANY LEADERSHIP TEAMS

KR: 100% OF PORTFOLIO COMPANIES HAVE AT LEAST ONE WOMAN IN THEIR LEADERSHIP TEAM ▼

KR: >50% OF PORTFOLIO COMPANIES HAVE AT LEAST ONE WOMAN ON THEIR BOARD ▼

SFG.07

O: ENSURE GOOD HEALTH AND WELLBEING OF THE FOUNDERS AND TEAMS IN OUR PORTFOLIO

KR: >90% OF COMPANIES OFFERING HEALTH AND WELLBEING BENEFITS TO THEIR EMPLOYEES ▲

SFG.08

O: ADVOCATE LEARNING AND DEVELOPMENT PROGRAMS IN THE COMPANIES IN OUR PORTFOLIO

KR: >75% OF COMPANIES USING LEARNING AND DEVELOPMENT PROGRAMMES ANNUALLY ▲

SFG.09

O: SUPPORT OUR PORTFOLIO COMPANIES IN CREATING FUNCTIONAL, HIGH-PERFORMING BOARDS

KR: > 50% OF COMPANIES WITH AN INDEPENDENT BOARD DIRECTOR POST SERIES A ▲

KR: > 50% OF COMPANIES HAVE OR ARE PLANNING TO HAVE ESG AS A REGULAR BOARD AGENDA ITEM POST SERIES A ●

O: HELP PORTFOLIO COMPANIES LEARN FROM EACH OTHER AND SHARE DATA ON THEIR SFG PERFORMANCE

KR: GROW BALDERTON SFG COLLECTIVE YEAR-ON-YEAR ▲

KR: > 90% PARTICIPATION IN ANNUAL SFG PORTFOLIO SURVEY ▲

SFG.10

O: ADVOCATE DATA PROTECTION BEST PRACTICES ARE SHARED AND IMPLEMENTED THROUGHOUT THE PORTFOLIO

KR: 0 DATA BREACHES ACROSS PORTFOLIO ▼

PERFORMANCE AGAINST KR

- ACHIEVED
- NOT ACHIEVED YET

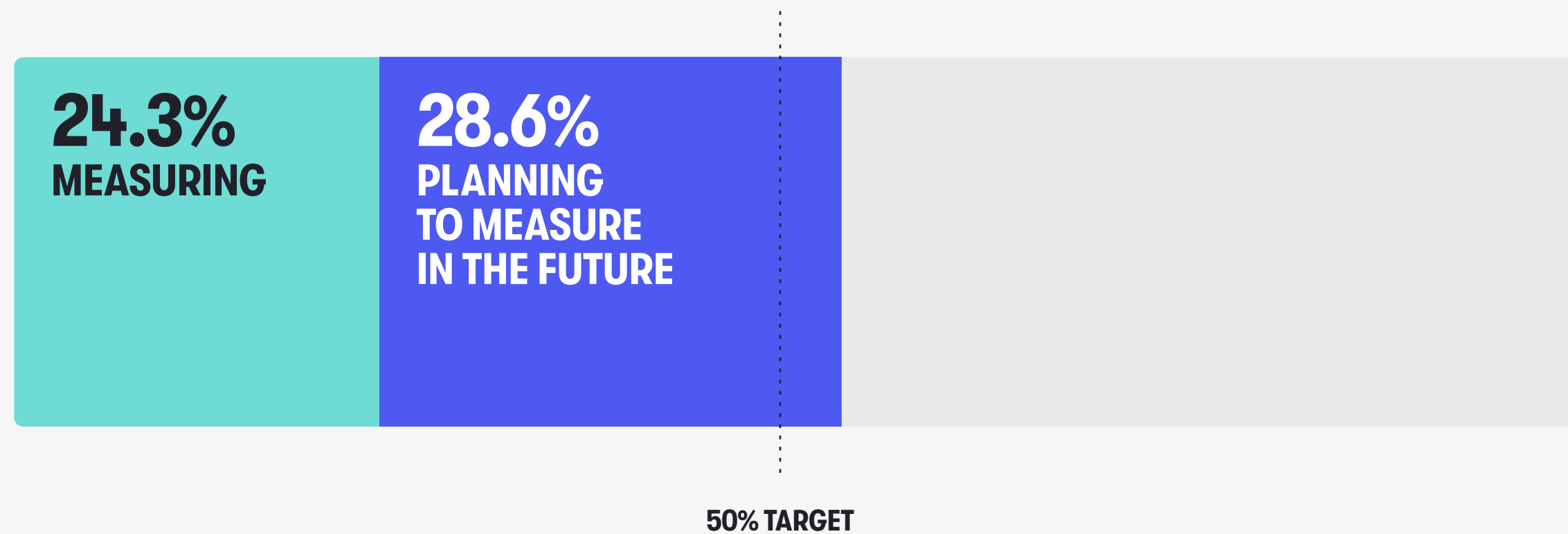
PERFORMANCE COMPARED TO LAST YEAR

- BETTER
- WORSE
- SIMILAR
- NEW / NO COMPARISON

SFG.01 – URGENT CLIMATE ACTION

ENCOURAGE ALL PORTFOLIO COMPANIES TO MEASURE, REDUCE AND OFFSET THEIR ANNUAL CARBON EMISSIONS

24.3% OF OUR PORTFOLIO COMPANIES ARE MEASURING THEIR FOOTPRINT, COMPARED TO 26% OF OUR SAMPLE LAST YEAR, WITH A FURTHER 28.6% PLANNING TO DO SO IN THE FUTURE



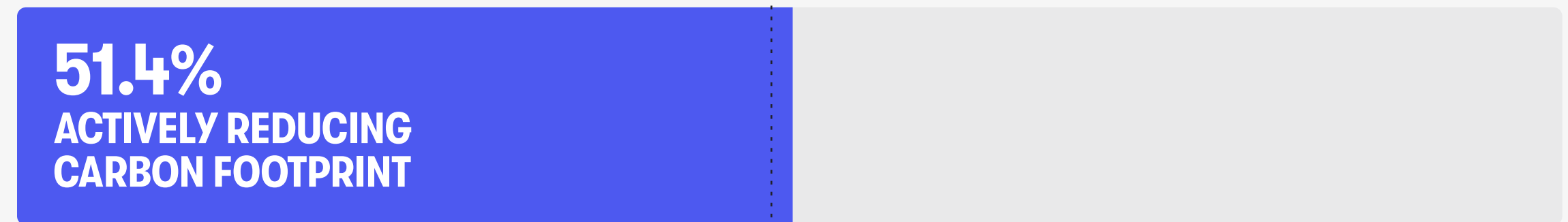
ABSOLUTE INCREASE IN PORTFOLIO COMPANY NUMBERS



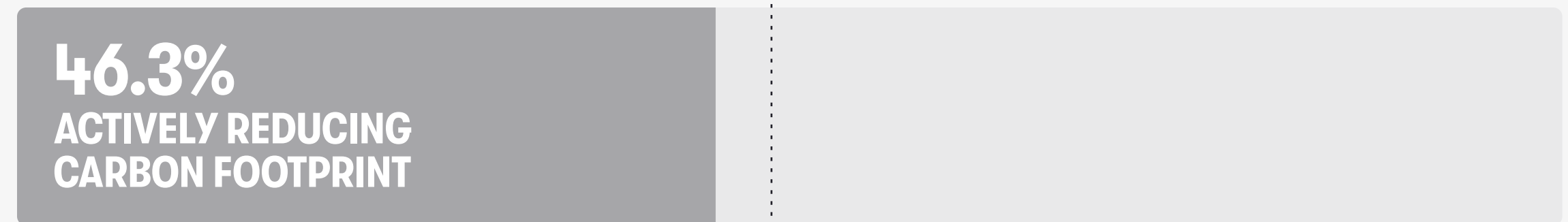
KR: 50% of portfolio companies measuring their footprint.

51.4% OF PORTFOLIO COMPANIES ARE ACTIVELY WORKING ON REDUCING THEIR CARBON FOOTPRINT VS 46.3% LAST YEAR

2021 / 2022



2020 / 2021



KR: 50% of portfolio companies actively working on carbon emission reduction.

SFG.01 – URGENT CLIMATE ACTION

ENCOURAGE ALL PORTFOLIO COMPANIES TO MEASURE, REDUCE AND OFFSET THEIR ANNUAL CARBON EMISSIONS

Some of the things our portfolio companies have told us they are doing to reduce their emissions:

“

SUBSTITUTING SHORT-HAUL FLIGHTS WITH ALTERNATIVE TRANSPORTATION.

“

IMPLEMENTING PACKAGING FREE DELIVERY.

“

SHORTENING SUPPLY CHAINS AND HELPING SUPPLIERS WITH ENERGY TRANSITION.

“

BECOMING MEMBERS OF THE LEADERS FOR CLIMATE ACTION INITIATIVE.

“

REDUCING THE ENERGY USE OF OUR PRODUCT.

“

SWAPPING TO AN EV FLEET.

“

CONSTANTLY WORKING ON OUR CODE TO MAKE IT MORE ENERGY-EFFICIENT.

“

INTRODUCING A SUSTAINABLE TRAVEL FRAMEWORK.

“

AUDITING OUR SUPPLIER BASE ON EMISSIONS.

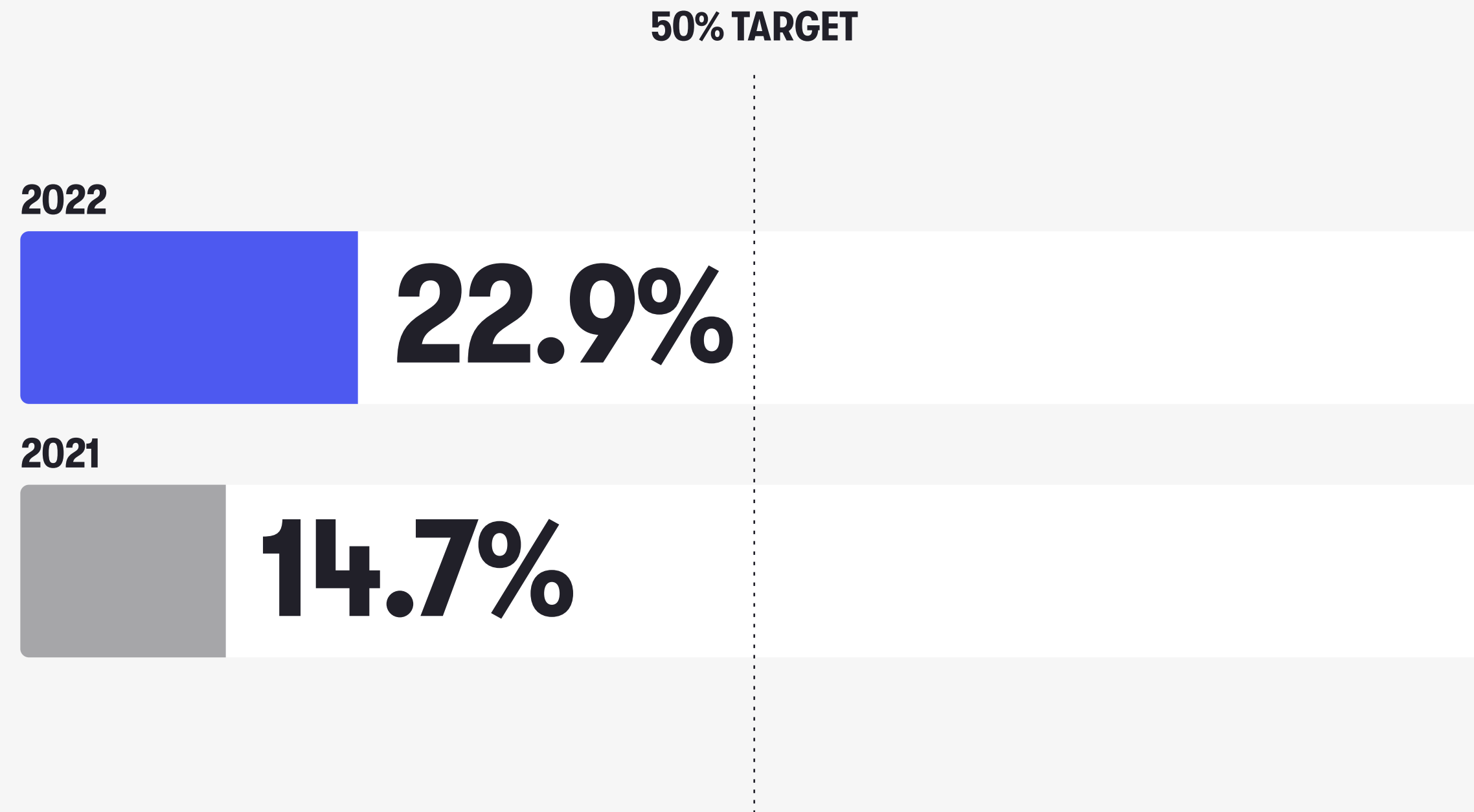
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DEVELOPING A SCIENCE-BASED TARGET ROADMAP.

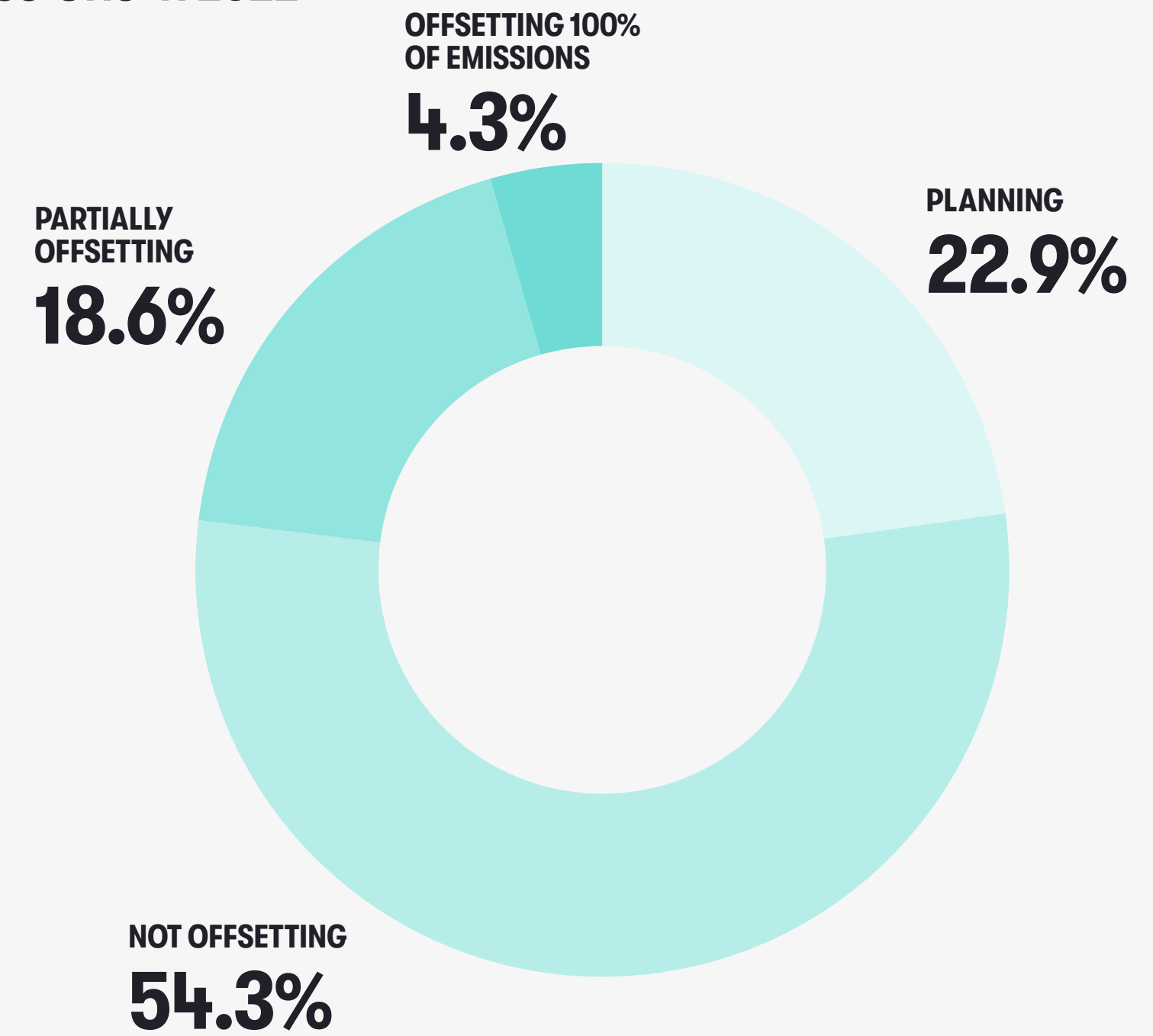
SFG.01 – URGENT CLIMATE ACTION

ENCOURAGE ALL PORTFOLIO COMPANIES TO MEASURE, REDUCE AND OFFSET THEIR ANNUAL CARBON EMISSIONS

22.9% OF COMPANIES ARE OFFSETTING THEIR CARBON FOOTPRINT VS 14.7% LAST YEAR



4.3% OF COMPANIES OFFSET 100% OF THEIR EMISSIONS IN 2022

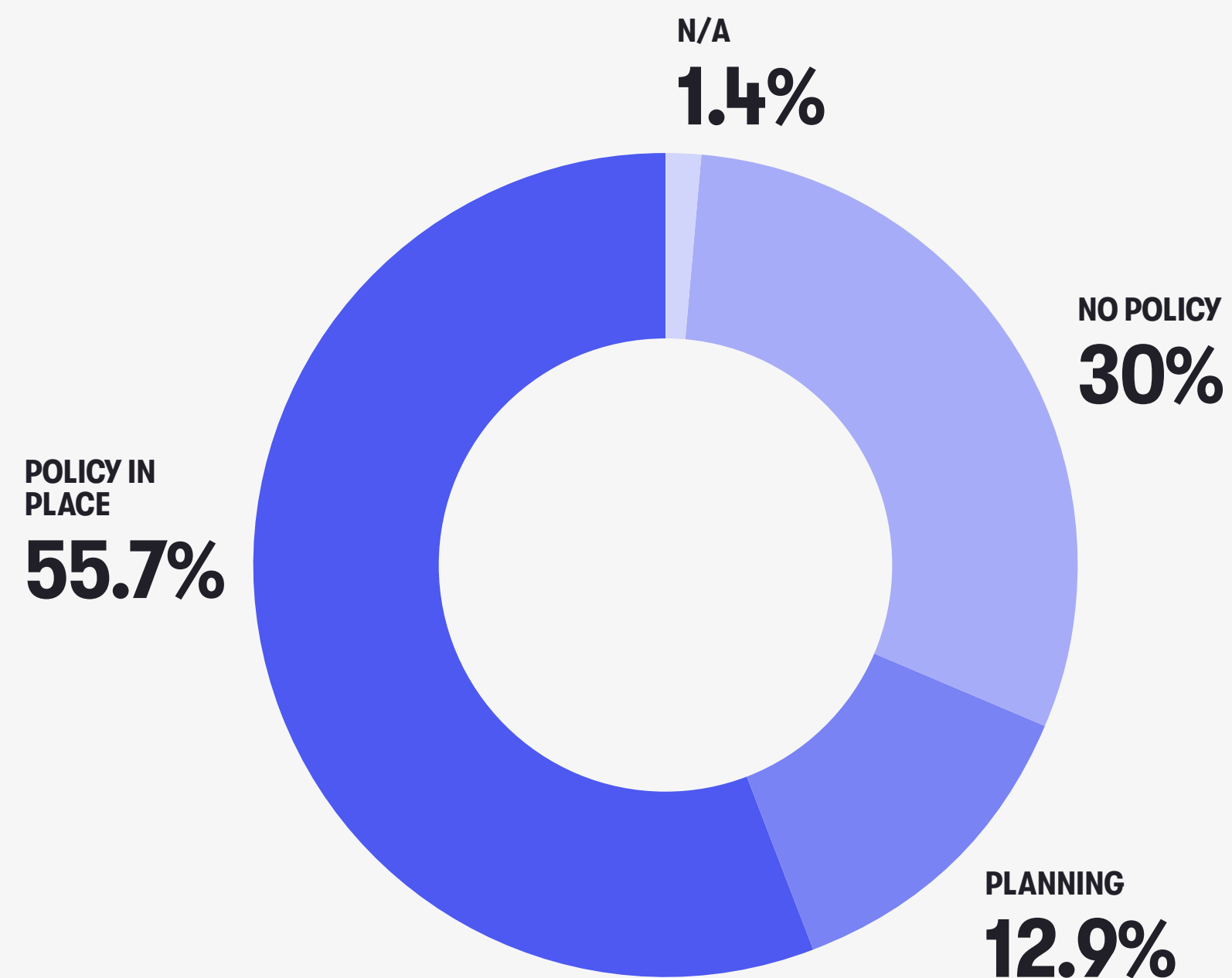


KR: 50% of portfolio companies partially or fully offsetting their residual carbon emissions.

SFG.02 – RESPONSIBLE CONSUMPTION

ENCOURAGE RESPONSIBLE CONSUMPTION AND ZERO WASTE PRACTICES

55.7% OF PORTFOLIO COMPANIES HAVE A WASTE MANAGEMENT POLICY IN PLACE



KR: >70% of our portfolio companies have a waste management policy in place, aiming to minimise waste through reuse, recycling and reducing consumption.

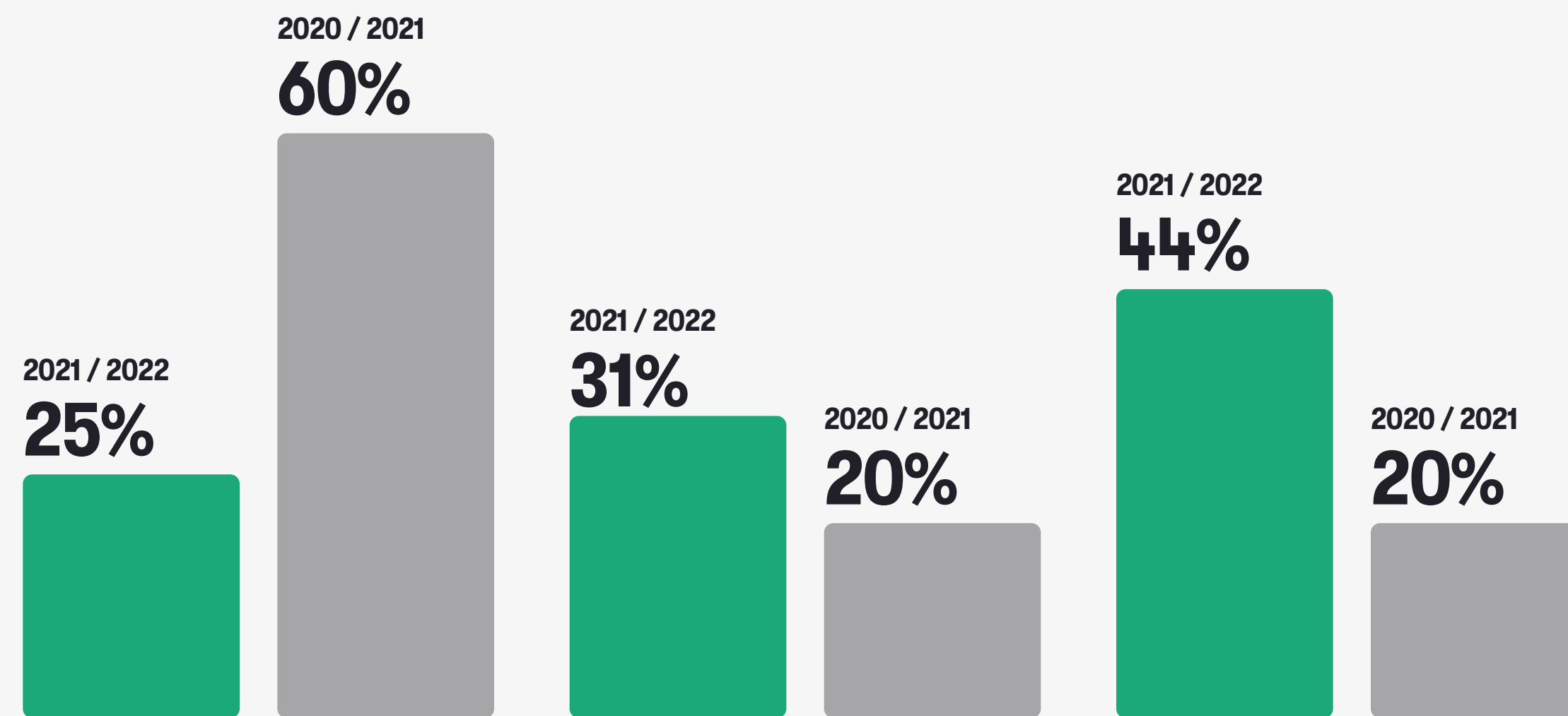
ADVOCATE FOR SUSTAINABLE PRODUCTION AND PACKAGING

25% OF RELEVANT PORTFOLIO COMPANIES HAVE A SUSTAINABLE PRODUCTION AND PACKAGING POLICY, UP FROM 20% LAST YEAR

% OF COMPANIES WITH SUSTAINABLE PRODUCTION AND PACKAGING POLICY

NO POLICY

PLANNING TO IMPLEMENT IN THE FUTURE



KR: >75% of our portfolio companies that produce or enable transactions of physical goods as part of their core operations have policies to drive sustainable production and packaging.

SFG.03 – GREEN CITIES
SFG.04 – RENEWABLE ENERGY

ENCOURAGE PORTFOLIO COMPANIES TO REDUCE UNNECESSARY COMMUTE EMISSIONS

94.3% OF PORTFOLIO COMPANIES (VS. 92.7% LAST YEAR) HAVE A FLEXIBLE WORKING POLICY IN PLACE



KR: >90% of companies offering flexible working policies where appropriate.

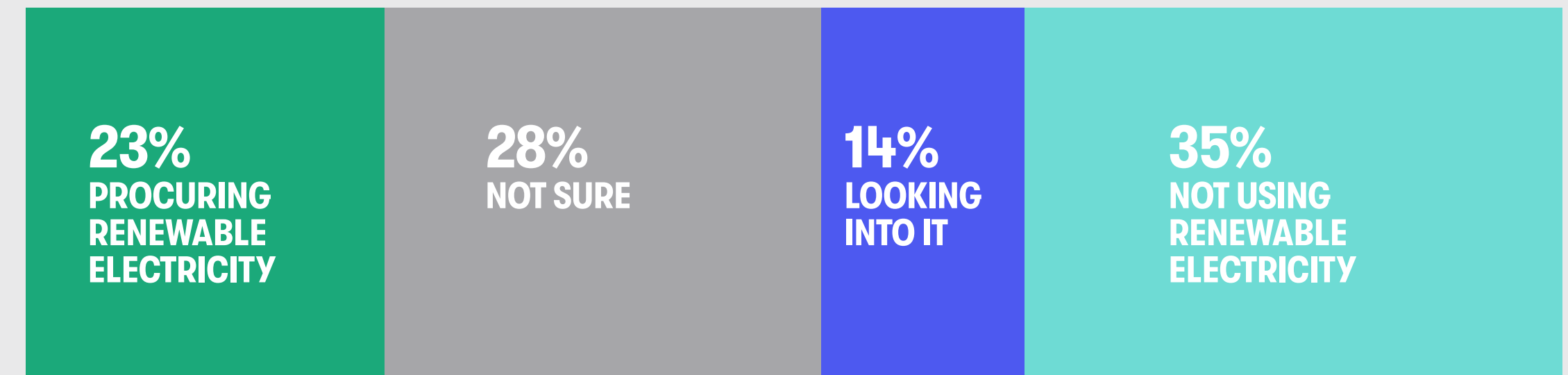
60% (VS. 46.3% LAST YEAR) OFFER GREEN COMMUTING BENEFITS TO THEIR EMPLOYEES



KR: >60% of companies that offer green working benefits (either through bicycle or micromobility purchase schemes, public transportation vouchers, or similar).

ADVOCATE THE USE OF RENEWABLE ENERGY IN OUR PORTFOLIO COMPANIES

FOR PORTFOLIO COMPANIES WHO HAVE FULL CONTROL OVER THEIR BUILDINGS AND OPERATIONS, 23% ARE FULLY OR PARTIALLY PROCURING RENEWABLE ELECTRICITY



KR: >50% of companies fully or partially procuring renewable electricity, where they have operational control.

SFG.05 – FAIRNESS AND EQUAL OPPORTUNITIES

CREATE NEW JOBS

THE BALDERTON PORTFOLIO CURRENTLY REPRESENTS OVER 35,000 JOBS, WITH NET 7,722 NEW JOB OPPORTUNITIES CREATED THIS YEAR

THIS YEAR

7,722 NEW JOB OPPORTUNITIES CREATED THIS YEAR

Q2 2021 EMPLOYEES

26,905

Q2 2022 EMPLOYEES

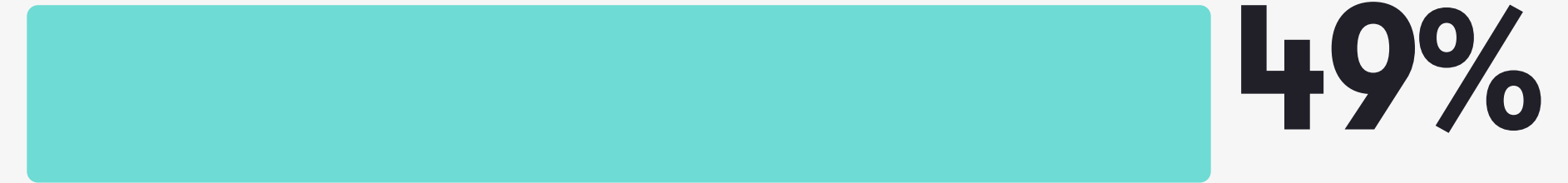
35,262

KR: Increase in the overall # of job opportunities created year-on-year.

PROMOTE FAIR COMPENSATION AND BROAD ACCESS TO EQUITY OWNERSHIP

49% OF THE PORTFOLIO OFFER ALL OF THEIR EMPLOYEES TO PARTICIPATE IN PROFIT SHARE OR EQUITY RELATED COMPENSATION, UP FROM 43% LAST YEAR

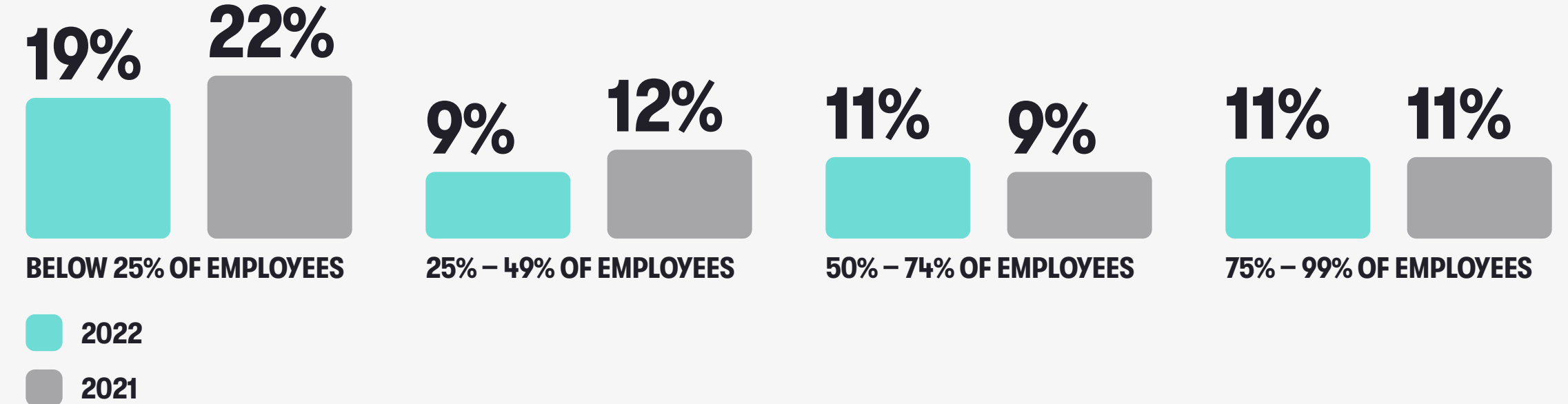
100% PARTICIPATE IN PROFIT SHARE – 2022



100% PARTICIPATE IN PROFIT SHARE – 2021



% OF EMPLOYEES BEING OFFERED PROFIT SHARE OF EQUITY BASED COMPENSATION:



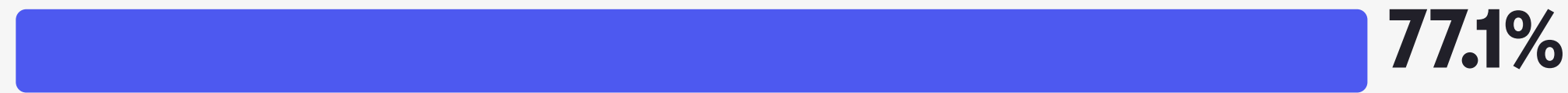
KR: 100% of portfolio companies offering all their FTEs to participate in schemes linked to value creation of the company.

SFG 6 – GENDER EQUALITY, DIVERSITY AND INCLUSION

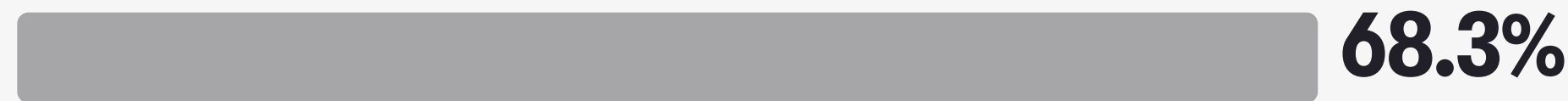
ENCOURAGE THE ADOPTION OF DIVERSITY AND INCLUSION PRACTICES AND POLICIES WITHIN OUR PORTFOLIO

77.1% OF COMPANIES NOW MEASURE DIVERSITY & INCLUSION IN THEIR ORGANISATION, UP FROM 68.3% LAST YEAR

2022 – MEASURING D&I



2021 – MEASURING D&I



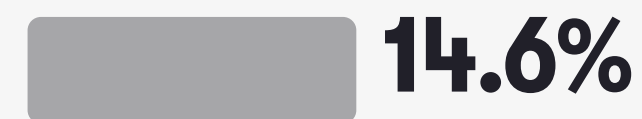
2022 – PLANNING TO IN FUTURE



2022 – NOT MEASURING



2021 – PLANNING TO IN FUTURE



2021 – NOT MEASURING

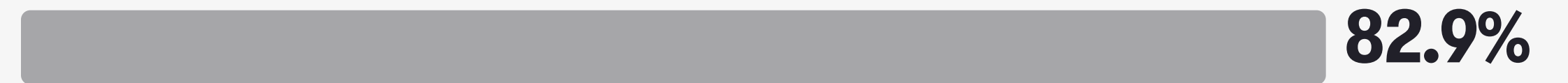


57.8% OF COMPANIES (44 COMPANIES) HAVE A D&I HIRING POLICY IN PLACE VS 82.9% OF RESPONDENTS (34 COMPANIES) IN 2021

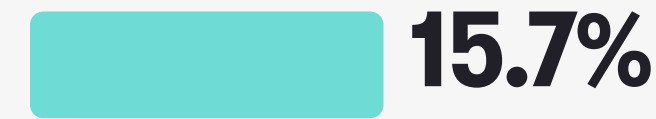
2022 – HAVE D&I POLICY



2021 – HAVE D&I POLICY



2022 – NO POLICY IN PLACE



2022 – PLANNING TO IMPLEMENT IN THE FUTURE



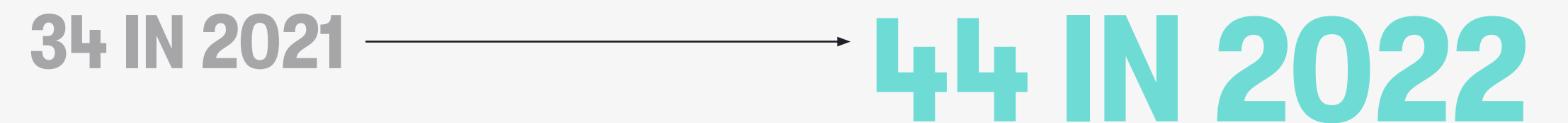
2021 – NO POLICY IN PLACE



2021 – PLANNING TO IMPLEMENT IN THE FUTURE



ABSOLUTE NUMBER OF PORTFOLIO COMPANIES



KR: 70% of our portfolio companies are measuring diversity and inclusion.

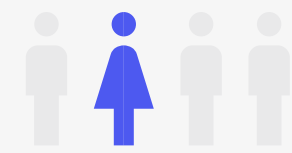
KR: 90% of companies have a D&I hiring policy or plan in place.

SFG 6 – GENDER EQUALITY, DIVERSITY AND INCLUSION

CHAMPION GENDER AND OTHER DIVERSITY IN PORTFOLIO COMPANY LEADERSHIP TEAMS

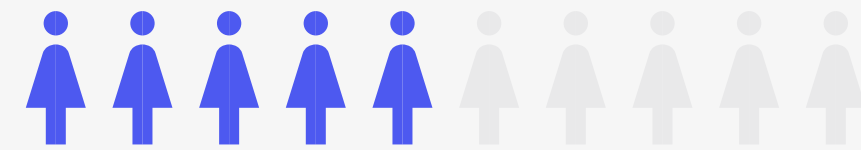
87% OF PORTFOLIO COMPANIES HAVE AT LEAST ONE WOMAN IN THEIR LEADERSHIP TEAM. 15% OF COMPANIES HAVE OVER 50% WOMEN IN THEIR LEADERSHIP TEAM, UP FROM 12% LAST YEAR

87%



87% OF PORTFOLIO COMPANIES HAVE AT LEAST ONE WOMAN IN THEIR LEADERSHIP TEAM.

15%



15% OF COMPANIES HAVE OVER 50% WOMEN IN THEIR LEADERSHIP TEAM, UP FROM 12% LAST YEAR.

KR: 100% of portfolio companies have at least one woman in their leadership team.

36.9% OF PORTFOLIO COMPANIES HAVE AT LEAST ONE WOMAN ON THEIR BOARD. DOWN FROM 42% LAST YEAR

2022

2021

0 WOMEN ON THE BOARD



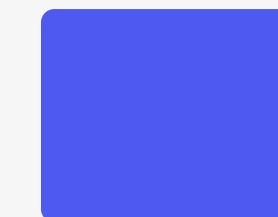
63.1%

0%



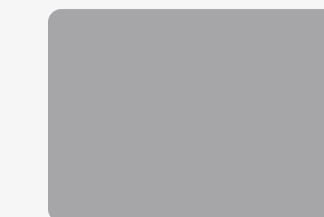
58%

1 – 24% OF BOARD MEMBERS ARE WOMEN



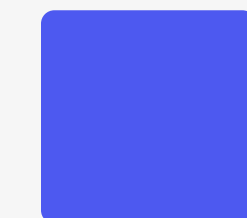
20%

1 – 24%



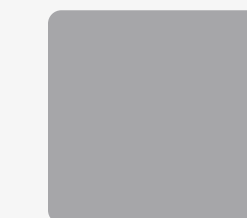
25%

25 – 49% OF BOARD MEMBERS ARE WOMEN



16.9%

25 – 49%



17%

KR: 50% of portfolio companies have at least one woman on their board.

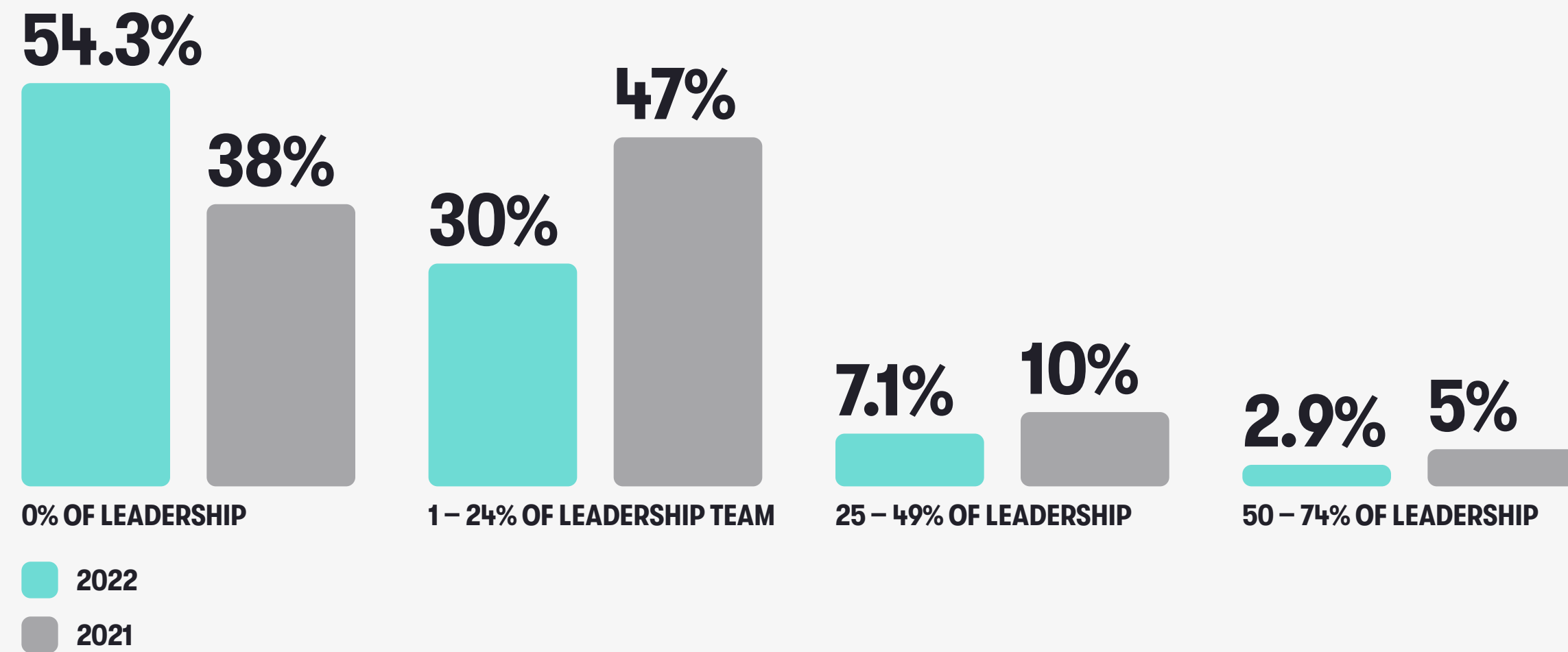
SFG 6 – GENDER EQUALITY, DIVERSITY AND INCLUSION

CHAMPION GENDER AND OTHER DIVERSITY IN PORTFOLIO COMPANY LEADERSHIP TEAMS

42%

OF PORTFOLIO COMPANIES HAD AT LEAST ONE MEMBER IDENTIFYING AS ETHNIC MINORITY IN THEIR LEADERSHIP TEAM, DOWN FROM 62% LAST YEAR

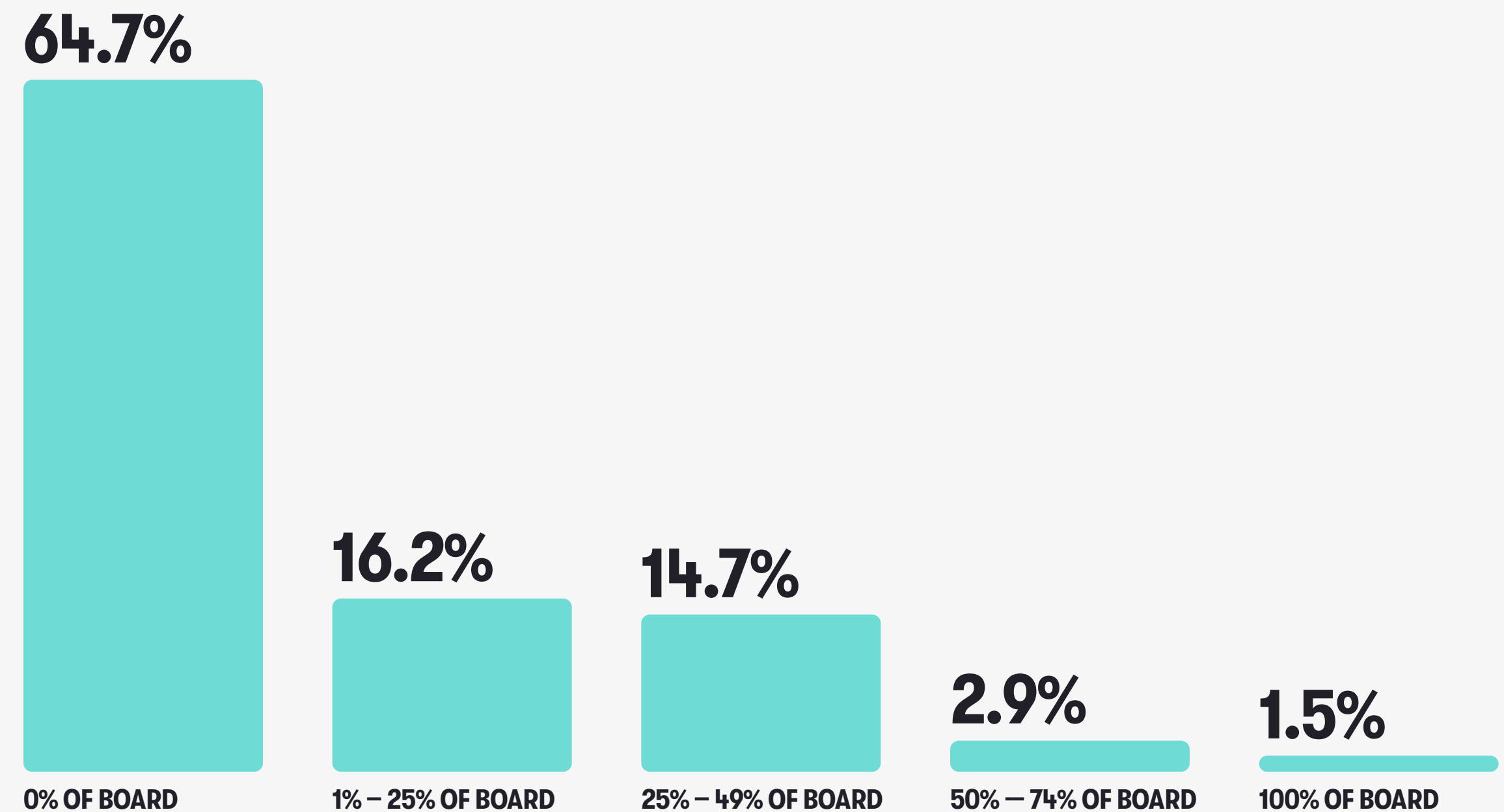
% OF LEADERSHIP IDENTIFYING AS ETHNIC MINORITY



35%

OF PORTFOLIO COMPANIES HAD AT LEAST ONE MEMBER IDENTIFYING AS AN ETHNIC MINORITY ON THEIR BOARD

% OF BOARD MEMBERS IDENTIFYING AS ETHNIC MINORITY



ONGOING COMMITMENTS

Track the gender and ethnic diversity of portfolio leadership teams and boards via annual voluntary survey.

SFG.07 – GOOD HEALTH AND WELLBEING

ENSURE GOOD HEALTH AND WELLBEING OF THE FOUNDERS AND TEAMS IN OUR PORTFOLIO

93% OF OUR PORTFOLIO COMPANIES OFFER HEALTH AND WELLBEING BENEFITS, SUCH AS PRIVATE HEALTH INSURANCE, GYM MEMBERSHIP, ADDITIONAL HOLIDAYS

OFFERING HEALTH AND WELLBEING BENEFITS

92.8%

 GYM MEMBERSHIP

 HEALTH BENEFITS

 ADDITIONAL HOLIDAYS

PLANNING IN THE FUTURE

2.9%

NOT CURRENTLY OFFERING

4.3%

KR: 90% of companies offering health and wellbeing benefits to their employees.

ONGOING COMMITMENTS

- Provide coaching and counselling recommendations and resources to all founders of the companies in our portfolio
- Strengthen “CEO Forums” in the largest cities in which we operate where founders meet and act as a peer support group spanning work and personal issues

SFG 8 – LIFELONG LEARNING

ADVOCATE LEARNING AND DEVELOPMENT PROGRAMS IN OUR PORTFOLIO COMPANIES

84.3% OF OUR PORTFOLIO COMPANIES HAVE LEARNING AND DEVELOPMENT PROGRAMMES FOR THEIR EMPLOYEES

OFFERING LEARNING AND DEVELOPMENT PROGRAMMES

84.3%

 LEARNING AND DEVELOPMENT

PLANNING IN THE FUTURE

7.1%

NOT CURRENTLY OFFERING

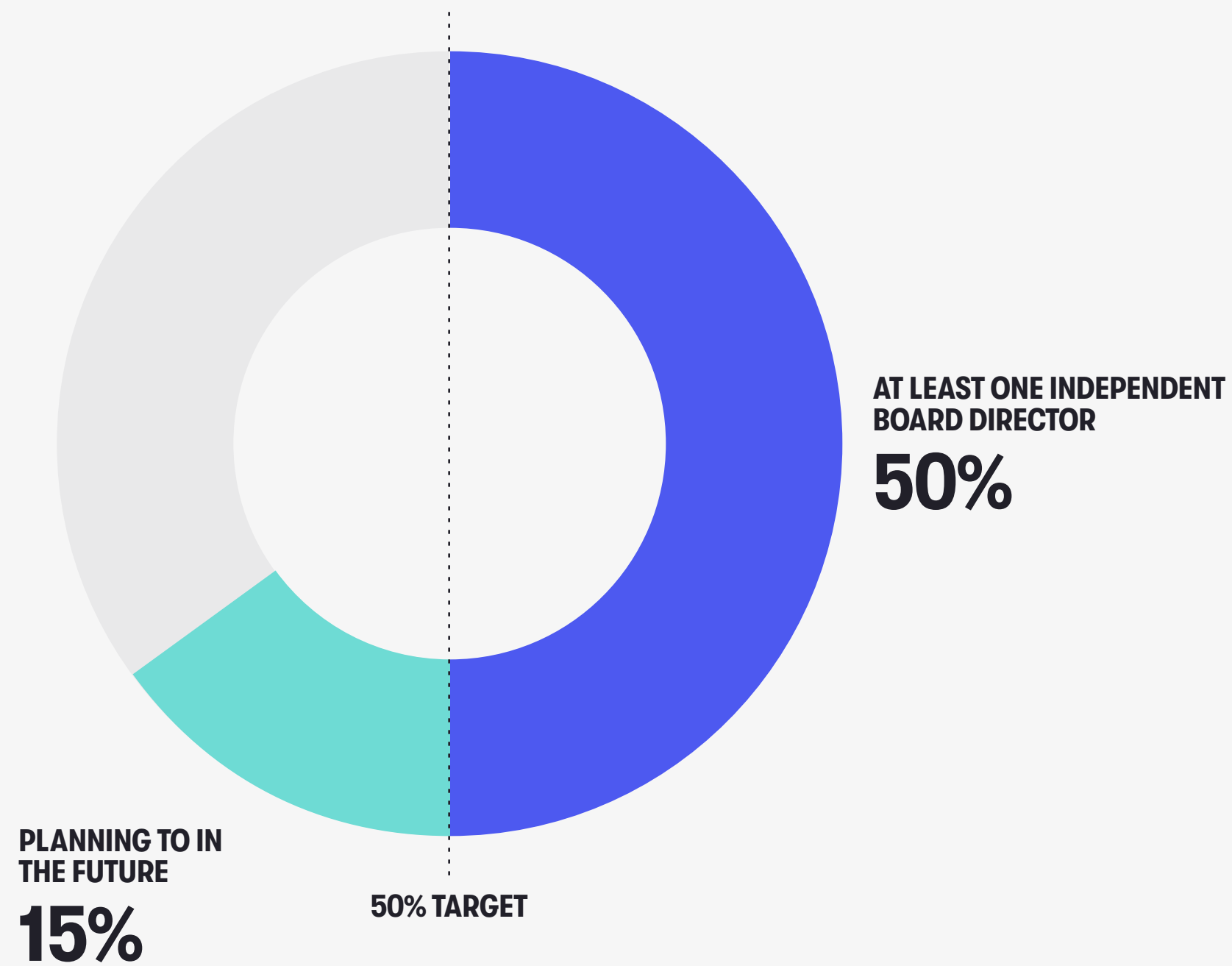
8.6%

KR: >75% of companies using learning and development programmes annually.

SFG.09 – HIGHEST ETHICAL AND GOVERNANCE STANDARDS

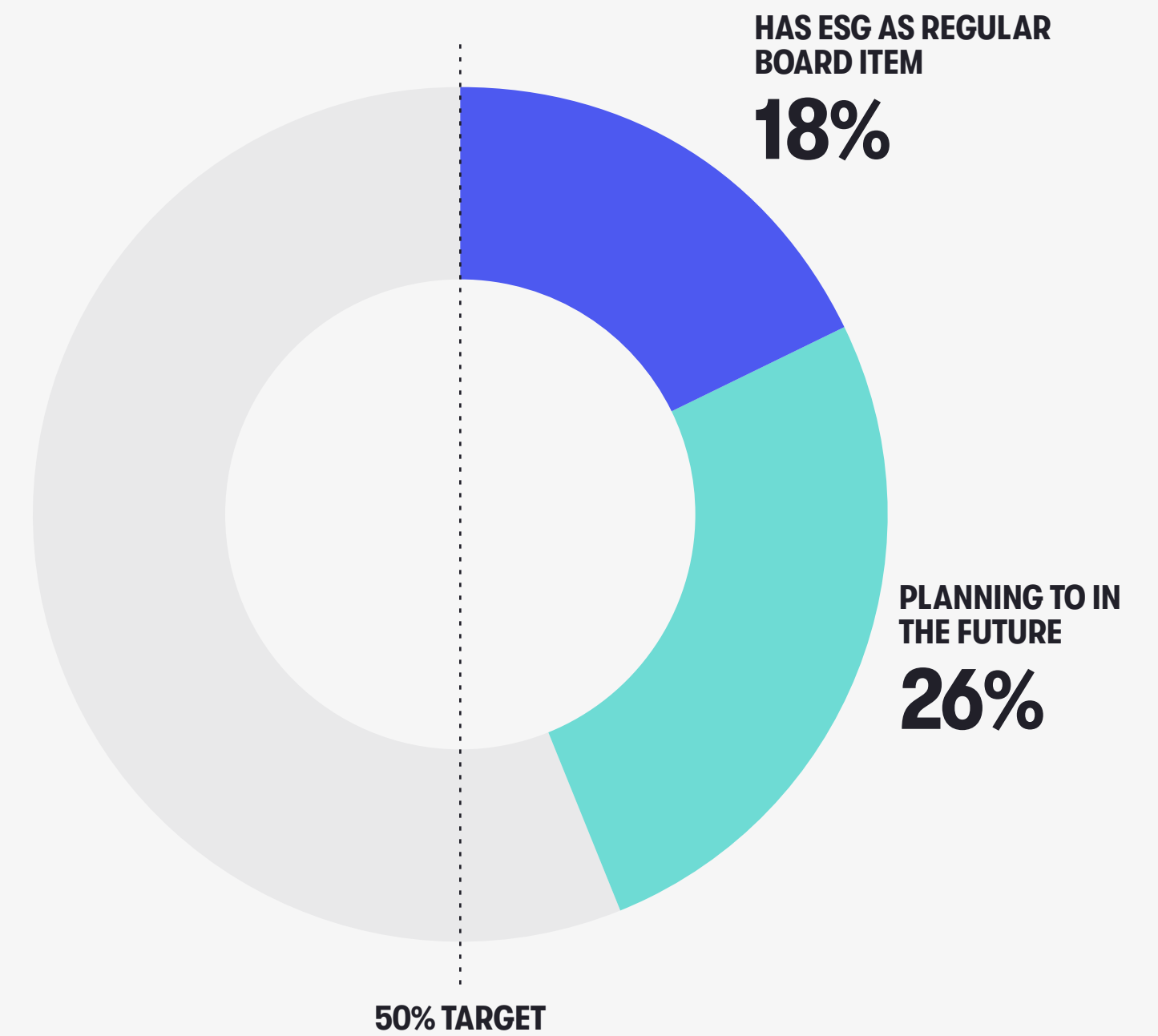
SUPPORT OUR PORTFOLIO COMPANIES IN CREATING FUNCTIONAL BOARDS WITH THE APPROPRIATE SKILLS AND EXPERIENCE MIX TO EXECUTE THEIR GOVERNANCE RESPONSIBILITIES

50% OF PORTFOLIO COMPANIES POST SERIES A HAVE AT LEAST ONE INDEPENDENT BOARD DIRECTOR, UP FROM 38% LAST YEAR



KR: 50% of our portfolio companies have an independent board director post Series A.

18% OF PORTFOLIO COMPANIES POST SERIES A HAVE ESG AS A REGULAR BOARD AGENDA ITEM, WITH AN ADDITIONAL 26% PLANNING ON HAVING ONE

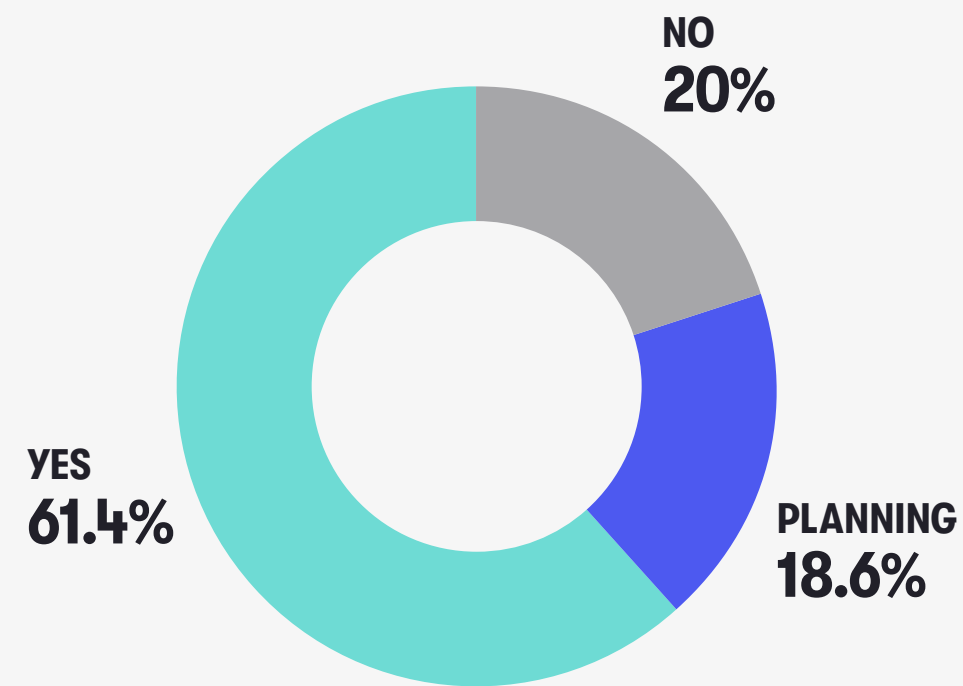


KR: 50% of portfolio companies have or are planning to have ESG as a regular board agenda item post Series A.

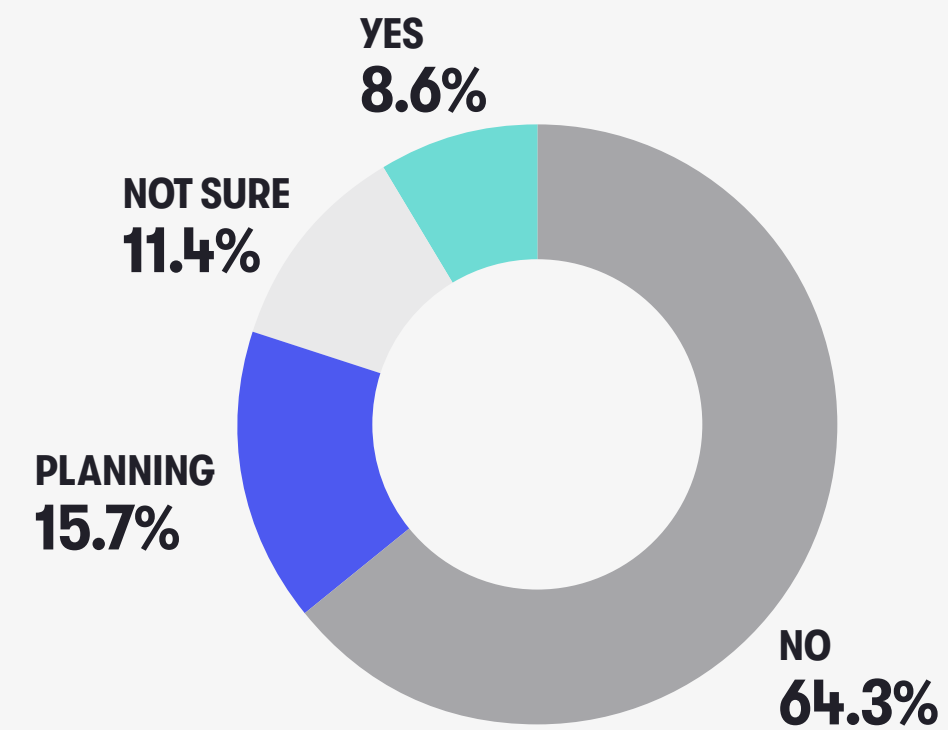
SFG.09 – HIGHEST ETHICAL AND GOVERNANCE STANDARDS
 SFG.10 – DATA RIGHTS ARE HUMAN RIGHTS

ENSURE PORTFOLIO MANAGEMENT TEAMS BEHAVE WITH INTEGRITY; ENCOURAGE WHERE POSSIBLE TO PUT APPROPRIATE POLICIES IN PLACE

DOES YOUR COMPANY HAVE A CODE OF CONDUCT OR ETHICS?



HAVE YOU PUBLISHED A MODERN SLAVERY STATEMENT?



ONGOING COMMITMENTS

- Actively engage with and support portfolio management to resolve any issues
- Recommend adoption of key governance policies commensurate with growth stage, including code of ethics, antibribery and corruption policy, whistle blowing policy and modern slavery statement

HELP PORTFOLIO COMPANIES LEARN FROM EACH OTHER AND SHARE DATA ON HOW THEY ARE PROGRESSING AGAINST SFG KEY PERFORMANCE INDICATORS

KR: Grow year-on-year Balderton SFG Collective

HOW WE ACHIEVED THIS

- We launched our SFG Collective in 2021, with an inaugural five companies. Following our inaugural 2021 SFG portfolio survey, we onboarded an additional 32 companies, totalling 37 portfolio companies signed up to our SFG Collective
- Our Head of Impact will be re-launching the SFG Collective in 2023 with a view of building greater and more active engagement

KR: 90% participation in annual SFG portfolio survey

HOW WE'RE PROGRESSING

As discussed, we are delighted that this went up to 75% this year. We'll continue to aim for 90% in 2023.

ADVOCATE DATA PROTECTION BEST PRACTICES (E.G. CCPA OR GDPR) ARE SHARED AND IMPLEMENTED THROUGHOUT THE PORTFOLIO

KR: Zero data breach in our portfolio

HOW WE'RE PROGRESSING

Six portfolio companies reported data breaches this year. We will continue to work with our portfolio to put appropriate policies and controls in place.

ONGOING COMMITMENTS

Host events and draft thought leadership focused on privacy and cyber security, both externally and within the portfolio.

SECTION 04

SFGS THROUGH OUR INTERNAL OPERATIONS



OUR INTERNAL SFG OKRS

OKR RESULTS EXECUTIVE SUMMARY

We continue to work on operating responsibly and inclusively as a VC fund, not least because some of our experiences we can share with our portfolio companies, in the same way that we learn from them.

SFG.01

O: REDUCE OUR BUSINESS TRAVEL- AND BUILDINGS-RELATED CARBON FOOTPRINT

KR: 30% REDUCTION IN AIR MILES FLOWN ANNUALLY, PER PERSON VS PRE PANDEMIC LEVELS. ●

KR: 40% REDUCTION IN COMBUSTION ENGINE TAXI RIDES, PER PERSON VS. PRE-PANDEMIC LEVELS ●

KR: ATTEND 50% OF NON-LOCAL BOARD MEETINGS BY VIDEO ●

O: OFFSET 100% RESIDUAL CARBON EMISSIONS THROUGH A BALANCED PORTFOLIO

KR: 100% OFFSET RESIDUAL 2021 CARBON EMISSIONS =

SFG.02

O: REDUCE WASTE IN ALL FORMS AND USE OF SINGLE USE PLASTICS IN OUR OFFICES

KR: 100% AVOIDANCE OF SINGLE USE PLASTIC IN OUR PROCUREMENT DECISIONS, INCLUDING MEAL DELIVERIES =

SFG.03

O: ENCOURAGE EMPLOYEES TO CHOOSE A GREEN COMMUTE TO WORK AND BRING MORE NATURE INTO THE OFFICE

KR: 100% EMPLOYEES REDUCING THEIR COMMUTE CARBON FOOTPRINT VS. PRE-PANDEMIC LEVELS ●

KR: 100% EMPLOYEES COMMUTE TO THE OFFICE ON FOOT, BIKE OR PUBLIC TRANSPORT =

KR: INCREASE # EMPLOYEES ENROLLED IN OUR BIKE-TO-WORK SCHEME ▲

SFG.04

O: REDUCE OUR TRAVEL- AND BUILDINGS-RELATED CARBON FOOTPRINT

KR: PROCURE 100% RENEWABLE ELECTRICITY =

SFG.05

O: OFFER MENTORING AND INTERNSHIP OPPORTUNITIES TO COMMUNITIES UNDER-REPRESENTED IN VC

KR: INCREASE # OF INTERNSHIP OFFERED TO CANDIDATES FROM UNDERREPRESENTED GROUPS ▼

KR: 50% OF BALDERTON STAFF PARTICIPATING IN OUR EAST LONDON SCHOOL CHARITY DAY(S) ▼

O: SUPPORT CHARITIES THAT IMPROVE THE LIVES OF VULNERABLE GROUPS

KR: 70% OF EMPLOYEES PARTICIPATING IN CHARITY VOLUNTEERING AND FUNDRAISING INITIATIVES ▲

KR: INCREASE TOTAL CHARITY GIVING YEAR ON YEAR ▲

SFG.06

O: IMPROVE GENDER BALANCE OF OUR PARTNERSHIP AND WIDER TEAM

KR: AT LEAST 50% WOMEN IN THE TEAM ▲

KR: 50/50 GENDER SPLIT FOR ALL NEW MEMBERS OF THE PARTNERSHIP OVER TIME =

KR: 100% NEW PARENTS TAKING ENHANCED PARENTAL LEAVE ●

KR: 100% OF FEMALE INVESTORS RECEIVING ADDITIONAL MENTORING WITH REGARDS TO CAREER PROGRESSION =

SFG.07

O: ENSURE THE GOOD HEALTH AND WELLBEING OF OUR EMPLOYEES

KR: ENGAGEMENT SCORE ACROSS THE FIRM OF AT LEAST 8.0 IN PEAKON ▲

KR: ENPS SCORE OVER 50 IN PEAKON ▲

KR: >90% PARTICIPATION RATE IN PEAKON ▲

SFG.08

SUPPORT THE CONTINUAL PROFESSIONAL DEVELOPMENT AND GROWTH OF OUR EMPLOYEES

KR: GROWTH SCORE ABOVE INDUSTRY BENCHMARK IN PEAKON ●

KR: 70% TRAINING BUDGET UTILISED ANNUALLY ▼

SFG.09

O: ENSURE LEGAL AND REGULATORY COMPLIANCE AND UPHOLD OURSELVES TO HIGH INTEGRITY AND ETHICAL STANDARDS

KR: 100% EMPLOYEES QUARTERLY CONFIRMING THEIR ADHERENCE TO THE FIRM'S POLICIES =

KR: 100% EMPLOYEES COMPLETING FINANCIAL CRIME TRAINING ANNUALLY =

O: ENSURE THAT MODERN SLAVERY DOES NOT EXIST WITHIN BALDERTON'S ECOSYSTEM

KR: PUBLISH MODERN SLAVERY STATEMENT AND HAVE 100% SUPPLIERS SIGNED UP TO IT =

SFG.10

O: ADOPT DATA PROTECTION BEST PRACTICES

KR: 0 DATA BREACHES =

PERFORMANCE AGAINST KR

- ACHIEVED
- NOT ACHIEVED YET

PERFORMANCE COMPARED TO LAST YEAR

- BETTER
- WORSE
- SIMILAR
- NEW / NO COMPARISON

SFG.01 – URGENT CLIMATE ACTION
SFG.04 – RENEWABLE ENERGY

REDUCE OUR BUSINESS TRAVEL & BUILDINGS RELATED CARBON FOOTPRINT

AIRMILES PER EMPLOYEE - WE SAW A 53% REDUCTION IN AIR MILES FLOWN ANNUALLY PER EMPLOYEE VS PRE PANDEMIC LEVELS



KR: 30% reduction in air miles flown annually, per person vs pre pandemic levels.

HOW WE ACHIEVED THIS

Our 53% reduction compared to pre-pandemic levels was partly driven by continued reduced travel due to covid restrictions in this period as well as our team embracing hybrid ways of working.

TAXIS TAKEN PER EMPLOYEE - WE SAW A 38% REDUCTION IN TOTAL TAXI RIDES PER EMPLOYEE VS. PRE-PANDEMIC LEVELS, WITH AN INCREASING NUMBER OF RIDES TAKEN IN ELECTRIC VEHICLES

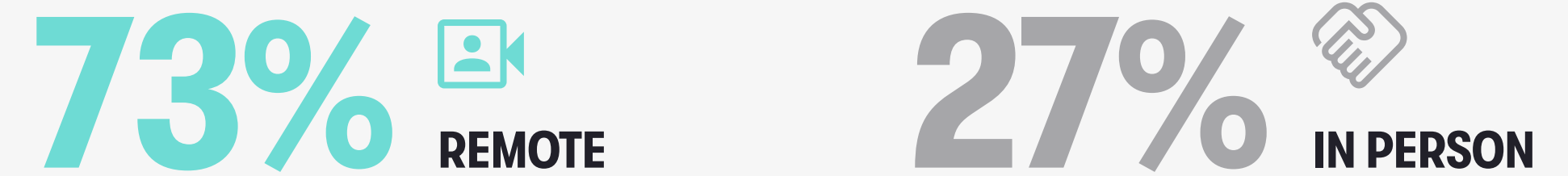


KR: 40% reduction in work-related non-electric taxi rides, per person vs. pre-pandemic level.

HOW WE ACHIEVED THIS

We saw a 38% reduction in total taxi rides per employee vs. pre pandemic levels, the majority of which will have been in a hybrid or electric vehicle given their prevalence in the European capitals we travel in, so the reduction in fossil-fuel powered vehicles will be significantly greater than 38%.

BOARD ATTENDANCE - OF THE 230 BOARDS ATTENDED BY ONE OF THE BALDERTON PARTNERS, 169 (73%) WERE ATTENDED VIRTUALLY



KR: Attend 50% of non-local board meetings by video.

HOW WE ACHIEVED THIS

With most portfolio companies hosting their board meetings in a hybrid format, partners chose to attend the majority of their board meetings remotely, while still occasionally travelling to attend in person.

GAS AND ELECTRICITY RELATED CO2 EMISSIONS



KR: Procure 100% renewable electricity from the grid.

HOW WE ACHIEVED THIS

In May 2021 we switched to 100% renewable electricity provider.

NOTABLE STEPS TAKEN THIS YEAR

We are very aware that much of this reporting period was still subject to covid-related travel restrictions. In an effort to retain the reductions in travel achieved by the pandemic, we equipped 100% of our meeting spaces and partner offices with video and hybrid equipment to enable hybrid ways of working.

SFG.01 – URGENT CLIMATE ACTION

OFFSET 100% RESIDUAL CARBON EMISSIONS THROUGH A BALANCED PORTFOLIO

WHAT WE ARE OFFSETTING: IN-SCOPE OF OUR 2021 EMISSIONS CALCULATIONS

SCOPE 1 & 2

BUILDINGS



GAS



ELECTRICITY

SCOPE 3

BUSINESS TRAVEL



TAXIS



FLIGHTS

COMMUTE & WORKING FROM HOME



RAIL TRAVEL



HOME ENERGY

CLOUD SERVICES



GOOGLE CLOUD



OTHER PROVIDERS

TOTAL 129 TONNES OF CO2

HOW WE ARE OFFSETTING: OUR OFFSET PORTFOLIO

OFFSET OPTIONS

PROJECT CHOSEN

OFFSET ALLOCATION

DIRECT SHORT-TERM

NATURE-BASED, FRANCE

25%

DIRECT LONG-TERM

BIOCHAR, SWEDEN

25%

INDIRECT

RENEWABLES, GLOBAL FUND (KRBN)

25%

NEW: FUTURE CARBON REMOVALS CREDITS

BIOENERGY WITH CARBON CAPTURE AND STORAGE, NORWAY

25%

KR: 100% offset residual 2021 carbon emissions.

HOW WE ACHIEVED THIS

We saw a 12.65% decrease in our emissions vs. 2019 emissions, largely due to switching to 100% renewable electricity and introduction of food waste recycling.

Given the remaining uncertainty around offsets, we will continue to offset our residual corporate emissions. We have decided to no longer offset the carbon emissions of all individual employees and to redeploy this investment towards supporting our portfolio with understanding, measuring and reducing their carbon footprint.

WHAT WE LOOK FORWARD TO REPORTING ON NEXT YEAR

- We plan on conducting a robust and comprehensive corporate and portfolio carbon footprinting exercise, in line with the GHG Protocol and Science-based target initiative. We look forward to engaging our suppliers on our Goal of Urgent Climate Action as part of scope 3 emissions reduction commitments. We will also continue to explore energy efficiency initiatives for our offices and our employees working from home
- While we remain committed to reducing our business travel and commute related footprint, we recognise when in-person interactions are more productive and valuable. We've encouraged our staff to come back into the office several days a week and we commit to offset all travel emissions related to large Balderton Community events, such as the CEO retreat we hosted in May in Bavaria
- We also continue to be committed to offsetting our emissions and will explore ways in which we can do so while helping to reduce the green premium and build a more transparent carbon credit market

SFG.02 – RESPONSIBLE CONSUMPTION

REDUCE WASTE IN ALL FORMS AND USE OF SINGLE USE PLASTICS IN OUR OFFICES

KR: 100% avoidance of single use plastic in our procurement decisions, including meal deliveries.

HOW WE'RE PROGRESSING

We endeavour to use suppliers with the best eco-credentials and source our external catering and bi-weekly staff lunch through a provider who operates on a zero emission delivery, eco-packaging and food waste prevention policy. As part of our office refurbishment we further strengthened our waste and recycling systems, including food waste.

WHAT WE LOOK FORWARD TO REPORTING ON NEXT YEAR

We will also continue driving our staff awareness of key environmental issues and the role we can individually and collectively play in consuming responsibly and minimising our environmental footprint.



SFG.03 – GREEN CITIES

ENCOURAGE BALDERTON EMPLOYEES TO CHOOSE A GREEN COMMUTE TO WORK AND BRING MORE NATURE INTO THE OFFICE

KR: 100% employees reducing their commute carbon footprint vs. pre pandemic levels.

HOW WE ACHIEVED THIS

The majority of our employees no longer travel or commute to the office every day, taking advantage of our hybrid working policy. Many follow the encouraged pattern of working three days per week in the office, typically on Mondays, Tuesdays and Thursdays.

KR: 100% employees commute to the office on foot, bike or public transport.

HOW WE ACHIEVED THIS

Our London Kings Cross HQ is conveniently located for all Balderton employees to commute by foot, bike or public transport.

KR: Increase the number of employees enrolled in our bike-to-work scheme.

HOW WE ACHIEVED THIS

As at June 2021, 9 employees had taken advantage of our Ride to Work scheme, up from 8 in June 2020. Many other employees also commute via bike.

NOTABLE STEPS TAKEN THIS YEAR

- Rolled out our new hybrid working policy, formalising remote working to a recommended two days per week
- Upgraded our office bike storage facilities to support any Balderton employee that wants to ride a bike to work
- As part of our office renovation project, we also engaged office redecoration efforts introducing more nature and plants in all our meeting and shared spaces

SFG.05 – FAIRNESS AND EQUAL OPPORTUNITIES

OFFER MENTORING AND INTERNSHIP OPPORTUNITIES TO COMMUNITIES UNDER-REPRESENTED IN VC

KR: Increase # of internships offered to candidates from underrepresented groups.

HOW WE'RE PROGRESSING

Due to a number of factors, we weren't able to run an internship programme this year but we are already working on our 2023 programme, with a focus on candidates from underrepresented groups.

KR: 50% of Balderton staff participating in our East London School Charity Day.

HOW WE'RE PROGRESSING

Only a small group of employees were able to participate in our partner school charity day this year. We plan to increase this significantly next year.



SUPPORT CHARITIES THAT IMPROVE THE LIVES OF VULNERABLE GROUPS

KR: 70% of employees participating in charity volunteering and fundraising initiatives.

HOW WE'RE PROGRESSING

This year's charitable activities included presenting at Maria Fidelis School Enrichment Day and welcoming three students for a week-long work experience, volunteering with the Felix Project, and organising internal fundraising events such as the MacMillian Coffee morning and Christmas Jumper Day. We continue our efforts to ensure staff are aware of their two charity days annual allowance and put their time and skills towards important agendas.

KR: Increase total charity giving year-on-year.

HOW WE ACHIEVED THIS

Our total charitable giving this year reached £75K, an increase on last year. We were particularly pleased to be able to support our portfolio companies' Ukrainian crisis appeals, and also put in place our own matching scheme to raise contributions towards Ukrainian humanitarian aid.

TOTAL CHARITABLE DONATIONS

£75,000

DONATED IN H2 21/H1 22

WHAT WE LOOK FORWARD TO REPORTING ON NEXT YEAR

With our return to the office and embedding of new hybrid ways of working, our staff will be better positioned to take advantage of their two charity days annual allowance and to organise and participate in events that support both our SFGs and causes they feel passionate about.

SFG 6 – GENDER EQUALITY, DIVERSITY AND INCLUSION


IMPROVE GENDER BALANCE OF OUR PARTNERSHIP AND INVESTMENT TEAM THROUGH TARGETED MENTORING AND SUPPORTING PARENTS IN A GENDER BLIND WAY

ALL BALDERTON

65% 


35% 

INVESTMENT TEAM

46% 


54% 

PARTNERSHIP

1 

8 

PARTNERSHIP NEW ADMISSIONS SINCE SFG OKR

1 

2 

KR: At least 50% women in our team.

HOW WE ACHIEVED THIS

Our new hires this year strengthened the gender balance of our investment team, which now includes nine women and five men outside of the partnership.

KR: 50/50 gender split for all new members of the partnership since the introduction of the SFGs in 2019.

HOW WE'RE PROGRESSING

There were no new addition to our partnership this year. Since 2019, Balderton's partnership has welcomed two men and one woman.

KR: 100% new parents taking enhanced parental leave.

HOW WE ACHIEVED THIS

All of our new parents took advantage of our gender-blind enhanced parental leave policy this year, on the terms that suit them best.

KR: 100% of female investors receiving additional mentoring with regards to career progression.

HOW WE ACHIEVED THIS

All women in our investment team receive additional mentoring both internally and through third-party organisations.

SFG 6 – GENDER EQUALITY, DIVERSITY AND INCLUSION

ENHANCE THE DIVERSITY OF OUR TEAM AND CELEBRATE AND CHAMPION DIVERSITY IN ALL FORMS

NOTABLE STEPS TAKEN THIS YEAR

- Partnerships: alongside Future VC and Diversity VC, we have also partnered with 10,000 black interns and GAIN (Girls are Investors Network) as part of our ongoing commitment to partner with organisations that provide access to venture capital, technology and finance roles for under-represented groups
- Events: we offered Balderton offices for third party training or panel events to support important diversity-related conversations within the ecosystem
- Breakfast series: we launched our women in VC breakfast series, a series of informative and interactive sessions led by senior female leaders in Venture
- Training: we held a training session with all our employees on diversity, inclusion and bias
- Space: as part of our office refurbishment, we introduced a multipurpose room, serving as a lactation, prayer, meditation and wellness space

WHAT WE LOOK FORWARD TO REPORTING ON NEXT YEAR

- We recognise that gender is only one of many lenses of diversity, and continue to navigate the sensitivities around socio-demographic data and our avoidance to label individuals
- We continue to follow the guidance from our Diversity VC Level 2 Certification, which we maintained for 2022



SFG.07 – GOOD HEALTH AND WELLBEING

ENSURE THE GOOD HEALTH AND WELLBEING OF OUR EMPLOYEES BY CONTINUALLY LISTENING TO STAFF FEEDBACK AND ENHANCING THE EMPLOYEE BENEFITS PACKAGE

OUR ENGAGEMENT SCORE WAS UP ON LAST YEAR AND IN THE TOP 25% OF THE PEAKON BENCHMARK*



Employee engagement is a measure of employees' enthusiasm for their work. Engagement score is calculated based on questions around satisfaction and loyalty, which we believe are partial indicators of employee wellbeing at work.



KR: Engagement score across the firm of at least 8.0.

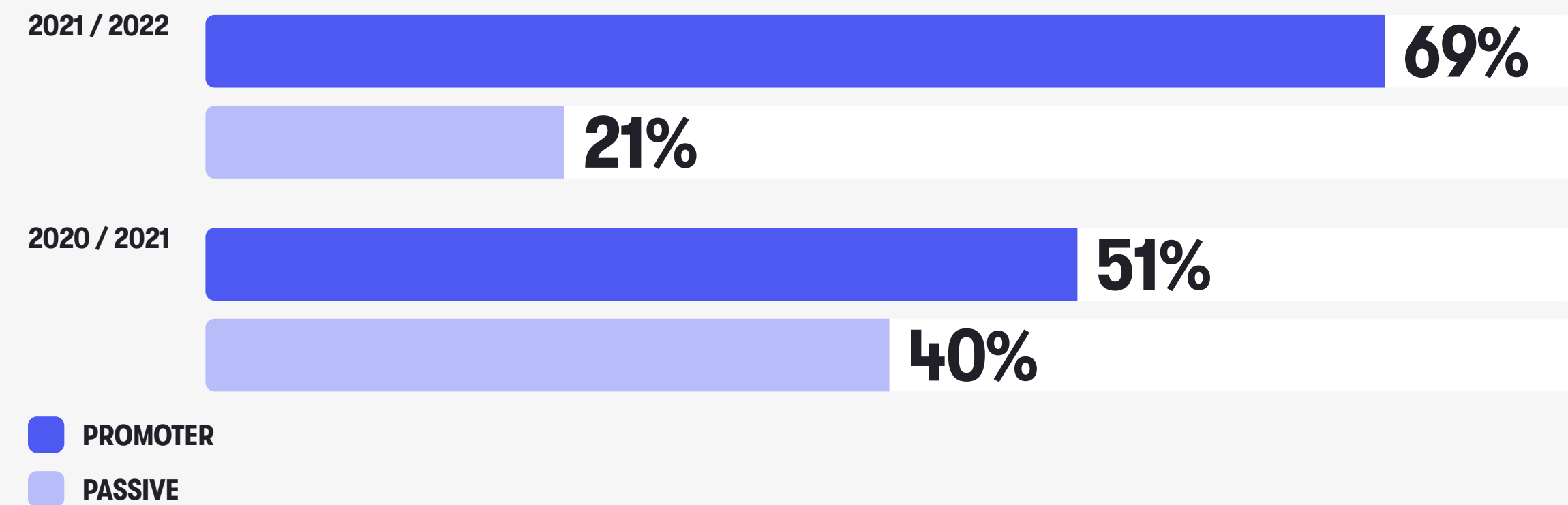
HOW WE ACHIEVED THIS

We recorded an 8.3 engagement score, +0.2 on last year's score. This positions us 0.5 above Peakon's benchmark and in the overall top 25% of Peakon users.

OUR EMPLOYER NET PROMOTER SCORE (ENPS) WAS ALSO SIGNIFICANTLY HIGHER AT 59, IN THE TOP 10% OF THE PEAKON BENCHMARK*



<<< ENPS IS CALCULATED BY SUBSTRACTING % OF DETRACTORS TO % PROMOTERS >>>



KR: ENPS score over 50.

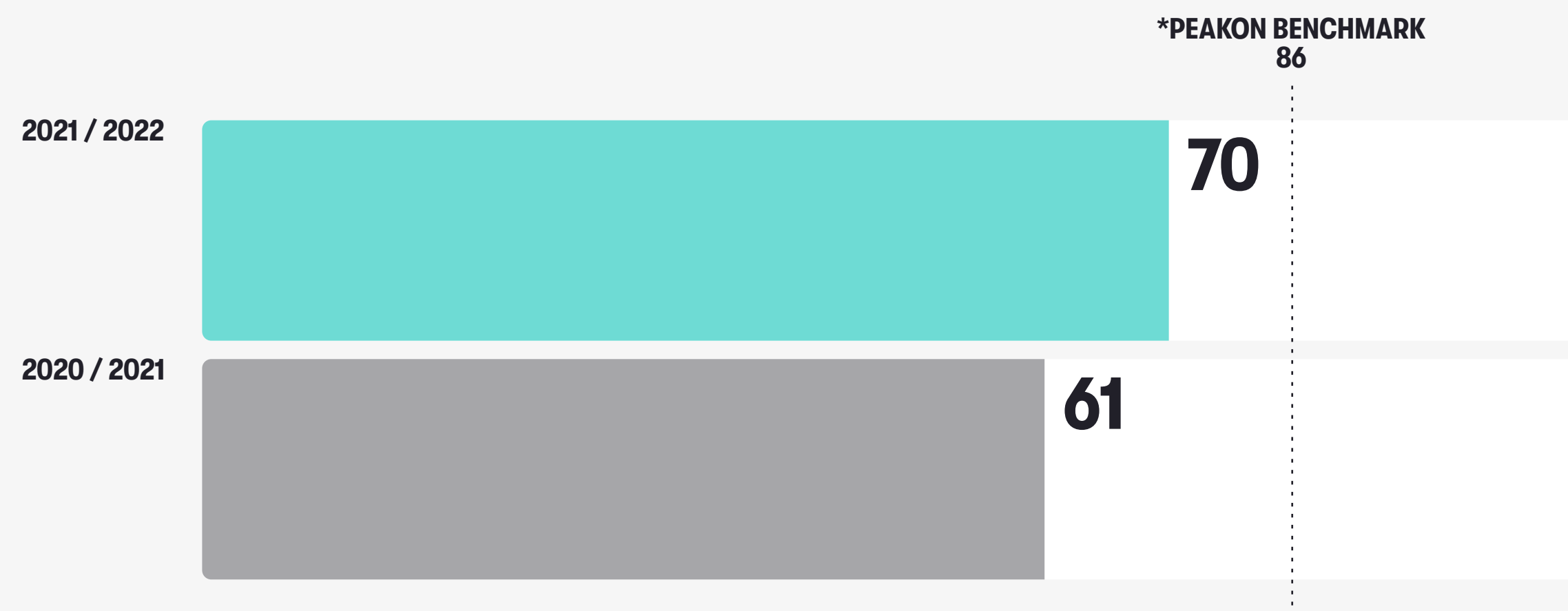
HOW WE ACHIEVED THIS

We recorded an ENPS score of 59 this year, a significant increase on 42 last year and putting us 33 over Peakon's benchmark, and top 10% of Peakon users.

SFG.07 – GOOD HEALTH AND WELLBEING

ENSURE THE GOOD HEALTH AND WELLBEING OF OUR EMPLOYEES BY CONTINUALLY LISTENING TO STAFF FEEDBACK AND ENHANCING THE EMPLOYEE BENEFITS PACKAGE (CONT.)

SURVEY PARTICIPATION WAS HIGHER THAN LAST YEAR BUT REMAINS 16% BELOW THE PEAKON BENCHMARK*



KR: >90% participation rate in Peakon surveys.

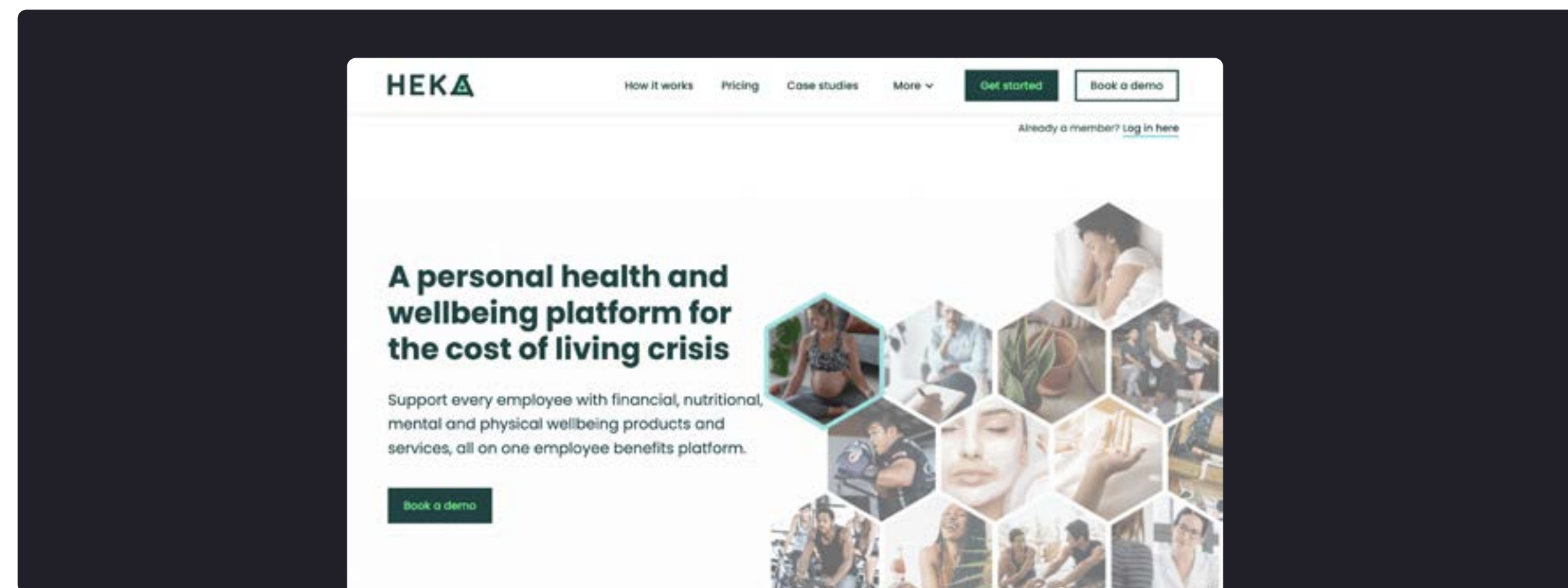
HOW WE'RE PROGRESSING

Our aggregated participation rate improved from 61% to 70%, but still remains 20% below our target and 16% below Peakon benchmark.

NOTABLE STEPS TAKEN THIS YEAR

We continued to enhance our health and wellbeing benefits package by:

- Adding partners/spouses and families to private healthcare cover
- Partnering with HEKA to provide our employees with wellbeing benefits, with Balderton investing £50 per month for employees to spend on the HEKA platform, representing a total investment of £30,000 for 2021/2022
- Providing equipment (eg. Pelotons) & classes (eg. yoga) at our offices to encourage employees to keep fit



ONGOING COMMITMENTS

Generous private health insurance cover provided to all employees.

WHAT WE LOOK FORWARD TO REPORTING ON NEXT YEAR

We will be honing in on mental health and wellbeing as an important topic that we'd like to collectively become more aware and active in. We have engaged a third-party organisation to provide some training and resources to put mental wellbeing at the heart of what we do.

SFG.08 – LIFELONG LEARNING

SUPPORT THE CONTINUAL PROFESSIONAL DEVELOPMENT AND GROWTH OF OUR EMPLOYEES BY PROVIDING THEM WITH A STRUCTURED APPRAISAL AND DEVELOPMENT PROGRAMME, LEARNING OPPORTUNITIES, AND AN ANNUAL TRAINING BUDGET

OUR EMPLOYEE GROWTH SCORE OF 7.7 WAS SLIGHTLY ABOVE THE PEAKON BENCHMARK*



A fulfilling job with adequate support and opportunities for growth helps satisfy individual need for growth. Growth score is calculated based on questions around career path, learning and mentoring.



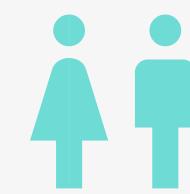
KR: Employee scoring on growth is above Peakon benchmark.

NOTABLE STEPS TAKEN THIS YEAR

- Ensured that all our employees had a structured appraisal and development programme in place
- Rolled out a refreshed internal training program that includes monthly sessions on macro views, overview of portfolio companies and learnings over time, key milestones companies often go through, companies' valuation, debt financing instruments, and exits. This training is offered to different teams depending on the relevance of its content. Additionally, we have also put in place a monthly "lunch & learn" session where a team member shares his or her expertise or learnings on a topic of their choice; this can be work related or cover other interesting topics outside of work
- Maintained annual individual training budget of £1000 for all our people to spend on external courses and experiences of professional interest

THE INCREASE IN INDIVIDUAL TRAINING BUDGET ALLOCATION HAS NOT RESULTED IN GREATER UPTAKE, WITH ONLY 25% OF OUR BUDGET USED THIS YEAR

2019 / 2020



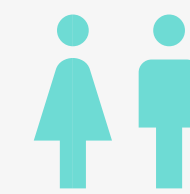
£500

INDIVIDUAL ANNUAL TRAINING BUDGET

50%

UTILISED

2020 / 2021



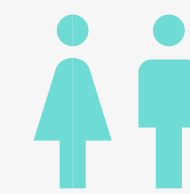
£1000

INDIVIDUAL ANNUAL TRAINING BUDGET

28%

UTILISED

2021 / 2022



£1000

INDIVIDUAL ANNUAL TRAINING BUDGET

25%

UTILISED

KR: 70% training budget utilised annually.

HOW WE'RE PROGRESSING

Our training budget utilisation remained on par with last year's and we will putting a more concerted effort towards promoting this training budget and increasing understanding of what it can be used for.

SFG.09 – HIGHEST ETHICAL AND GOVERNANCE STANDARDS
 SFG.10 – DATA RIGHTS ARE HUMAN RIGHTS

ENSURE THAT MODERN SLAVERY DOES NOT EXIST WITHIN BALDERTON’S ECOSYSTEM

KR: Publish modern slavery statement and have 100% suppliers signed up to it.

HOW WE'RE PROGRESSING

We recognise the need to more proactively engage on the important agenda of human rights and modern slavery and will be articulating our own beliefs and commitments in a short modern slavery statement. We will then engage our suppliers on it to ensure that these commitments are applied throughout our supply chain.



ENSURE COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS AND UPHOLD OURSELVES TO HIGH INTEGRITY AND ETHICAL STANDARDS AS DEFINED BY THE BALDERTON CODE OF CONDUCT

KR: 100% employees quarterly confirming their adherence to the firm’s policies.

KR: 100% employees completing financial crime training annually.

KR: 0 data breaches.

NOTABLE STEPS TAKEN THIS YEAR

Appointed our first Compliance Officer to support our Operating Partner and legal team.

ONGOING COMMITMENTS

- Undertake annual review of all Balderton policies

REPORT ACCURATELY AND TRANSPARENTLY ON OUR FINANCIAL AND NON-FINANCIAL PERFORMANCE

ONGOING COMMITMENTS

- Prepare clean audit reports with minimal control points raised for Balderton Capital and the Funds
- Publish annual Balderton SFG Report



LOOKING AHEAD

A MESSAGE FROM OUR NEW HEAD OF IMPACT AND SFG, ELODIE BROAD



Elodie Broad

ELODIE BROAD
HEAD OF IMPACT & SFG

Since joining Balderton in August this year, it has been inspiring to see so many open and honest conversations happening across both the firm and the portfolio.

Preparing this report has given me the opportunity to take stock of where we stand today and to get excited about where we could go next.

Far from starting from a blank slate, I will be building on the solid foundations laid by my colleagues: two successive years of SFG data collection across our internal operations, dealflow and portfolio, alongside a clear and long-term vision and direction articulated by our SFG framework.

The world is changing drastically and rapidly, and so it's essential that our framework evolves with it to meet the most pressing challenges of today and tomorrow. For example, biodiversity loss has come to the fore as another looming existential threat to economies and societies, and we will be reflecting on our responsibility and opportunity to create a positive impact in this area.

No matter what, we will be ambitious yet pragmatic, and comprehensive yet strategic, in our approach.

I fundamentally believe that sustainability is a team sport. The nature of my role at Balderton allows me to collaborate with our investment, operations and value creation teams internally, as well as with founders and operators from across our portfolio. I've also been inspired by the collaborative spirit of the VC industry and look forward to driving the conversation forward so that we can all do better, together.

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THANK YOU.