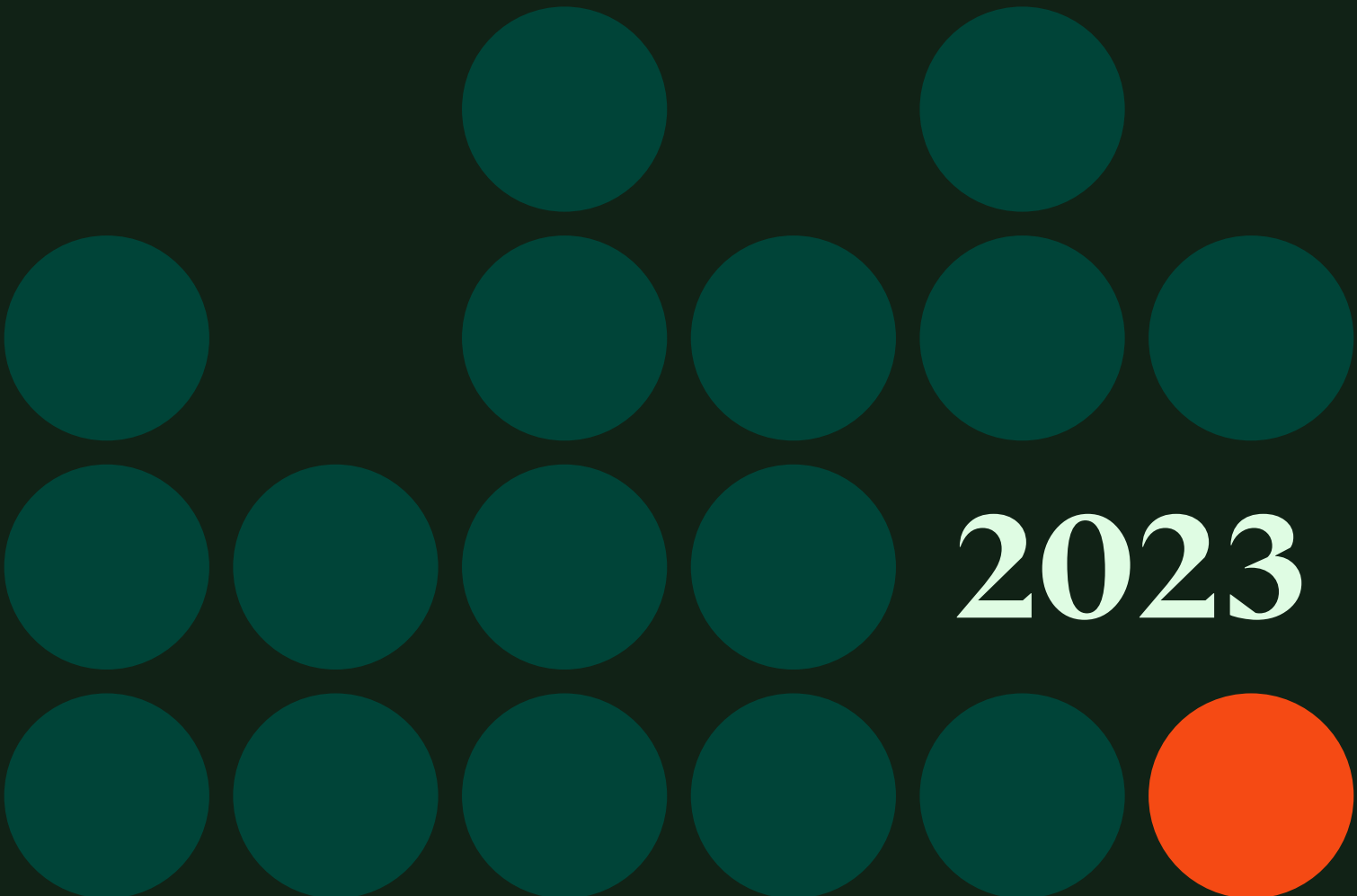


Balderton.

Annual Report

Sustainable Future Goals

2023



Foreword

For centuries, technological innovation has been at the centre of all human progress - from breakthroughs in vaccine technology to smartphones, satellites and electric vehicles - profoundly transforming society for the better.

Today, with so many pressing global challenges to solve, technological innovation couldn't be more vital. And the opportunity for start-ups to lead us into a more stable and sustainable future is clear.

Yet, as excited as we are about the power of technology to build a better world, there is another side to the story. For many, with disruption comes fear: fear of the unknown, fear of harm and misuse, fear of being replaced by automation. We have seen the downsides of technological misuse, from social media abuse to misinformation to invasions of privacy. And we know that the next generation of technologies, even more powerful, must bear ever more responsibility.

Technology runs fast. It is developed quickly, and if successful, spreads rapidly. Creating safeguards through regulation is highly complex, takes time to define and is constantly playing catch up. This creates a dangerous gap - between development and regulation - that must not be overlooked.

So the onus falls on us as investors, founders and operators, and on the entire tech sector, to self-regulate, to build responsibly, and to take into account the potential impact of the products we are designing from day zero, and every day thereafter.

On the other side of the Atlantic, we've heard some of our peers declare corporate responsibility and ESG the enemy, destroying innovation, limiting growth, and demoralising people.

Here at Balderton - and I'd like to think in Europe more widely - we believe the opposite. We believe

that embracing principles of responsibility and sustainability will enable the creation of stronger and more valuable companies that will exist for generations, while also contributing to a better world.

And so we are proud champions of building with integrity.

Building with integrity is not about focusing exclusively on sustainability and impact, or about becoming slower and more constrained in our approach. It reflects our fundamental duty to consider ethics and responsibility, and mitigate potential harms, as we design the technologies of tomorrow. It is about considering the impact of what we build and how we operate on people and the planet.

Of course, this is a balancing act, and the transformative nature of innovation means we cannot predict every outcome of every idea. But we can foster a culture where innovation drives forward at pace, without running away from responsibility.

It is in this spirit that we present our third annual Sustainable Future Goals report, and our continued belief that the best way to change the world, is to build a business.



Bernard Liautaud

Managing Partner

Introduction

If it feels like a long time since our last report, it's because it is. In an effort to best align with our stakeholders' own non-financial reporting cycles, it made sense to reset our SFG reporting cadence to the calendar year.

In 2023, global crises continued to unfold, from unprecedented levels of ocean warming and precipitation, to growing inequalities and international conflicts. The imperative for businesses to act and grow as thoughtful, fair, inclusive and environmentally conscious organisations is as important as ever. This motivated us to write our Start-up Guide to ESG which we launched in Spring 2023. The positive response from the companies in our portfolio and beyond has been overwhelming, confirming the relevance and importance of the topic.

We've always said that our framework needed to evolve to meet a rapidly changing world. This is why we updated our SFG 4 to become "Thriving Natural World", recognising the looming nature and biodiversity crisis and the need for action, as more than half of global GDP is dependent on nature.

Internally, we continued building out our climate strategy, and refining our investment theses while strengthening our climate risk identification and management capabilities across the investment lifecycle. We also challenged ourselves to redefine what diversity means to us. Building on our work on gender diversity to date, and reaching the milestone of 50/50 gender split in our investment team, we felt

ready to widen our thinking and focus to ethnic and socio-economic diversity.

Supporting our portfolio on their own ESG journey remains our top priority. Alongside the launch of the guide, we continued to experiment with different forms of interaction and content, with a laser focus on making sustainability accessible and actionable to any tech start-up. Initiatives such as our On Board with Balderton guide or our Sweep carbon footprinting portfolio campaign are testament to that.

We also proudly launched our Founder Wellbeing and Performance programme, inspired by high-performance athletes, and informed by science. Founders need to be given the right support as they work under intense conditions, building companies that may one day change the world. We believe that taking a holistic view of what impacts performance is in everyone's interests – from founders to investors, to the wider startup ecosystem in Europe.

Our Start-up Guide to ESG launch event panel discussion concluded that there is no such thing as experts in ESG, only fast learners. It is in this very spirit that we share, once more, our progress and updates of this past year.



Elodie Broad

Head of Impact & SFG



Report highlights

Investing

Portfolio championing our SFGs

34%

of the companies in our active portfolio are explicitly championing one or more SFGs

Portfolio



Founder wellbeing

100+ CEOs participation

in at least one programme

Internal

Team gender diversity

Gender balance across Balderton team



61%



39%

Gender balance across investment team



50%



50%

Portfolio

Mental health support

72%

of portfolio companies provide support to staff around mental health and wellbeing

Portfolio

Carbon footprint measurement

37%

of portfolio companies measure their carbon footprint

Internal

Race to Nature

6877km

distance covered collectively in our first Race to Nature

Internal

Philanthropy

£125K

charitable contributions

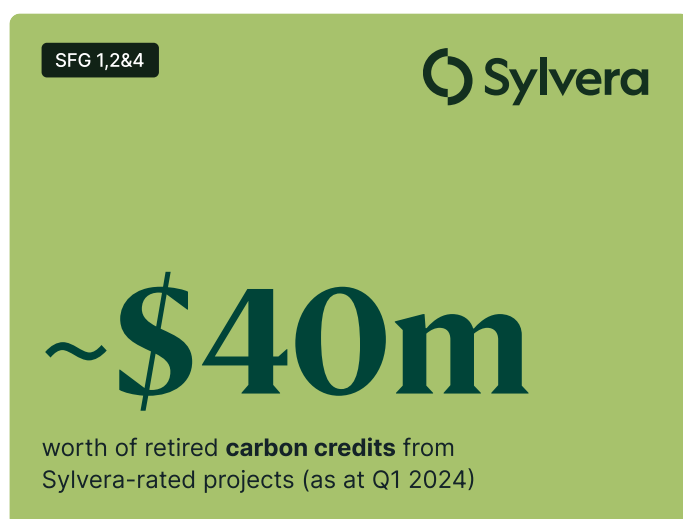
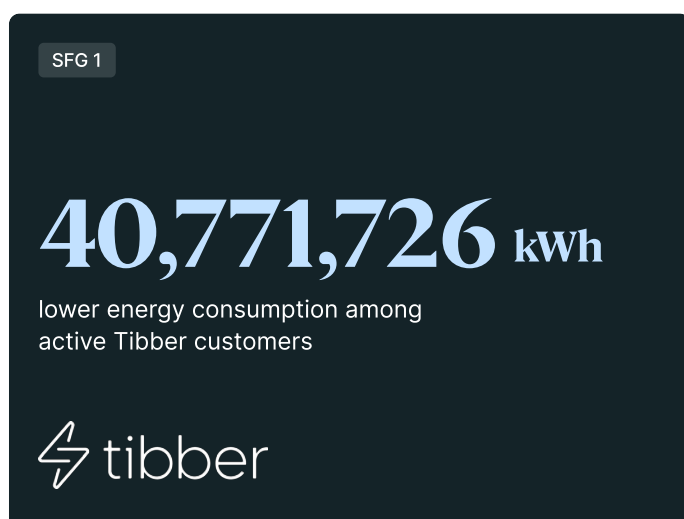
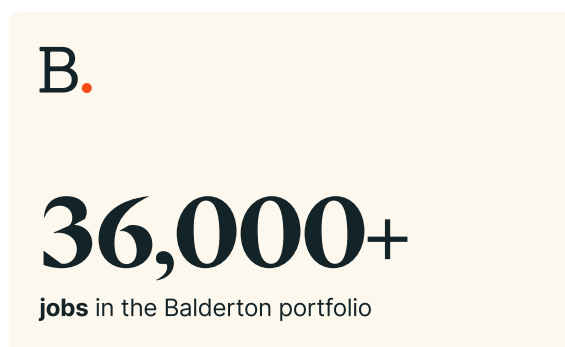
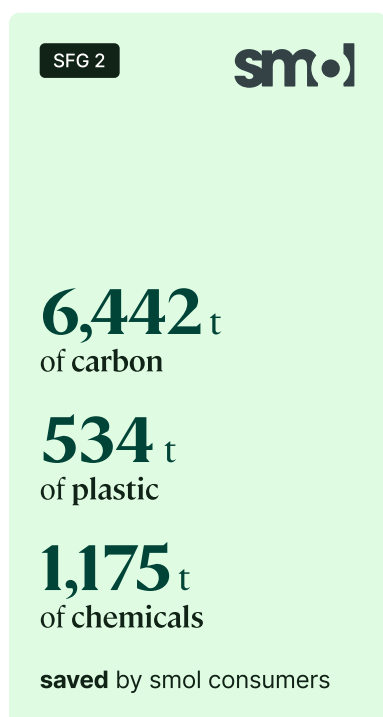
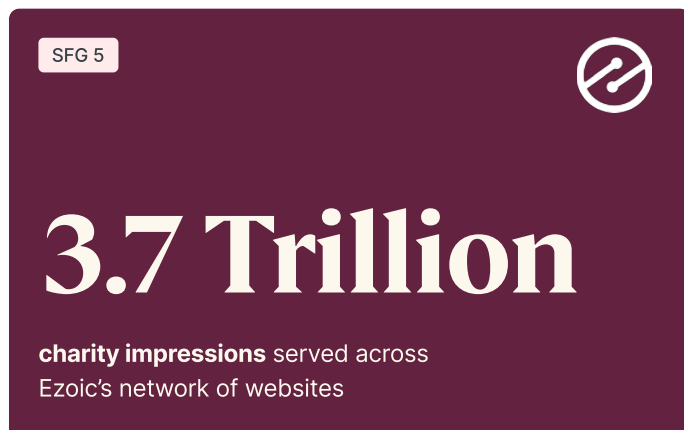
Portfolio

SFG survey

75%

SFG survey participation

Portfolio impact highlights



Framework overview

Our three axes of impact...

01.

Through our
investment
decision-making

02.

As shareholders
in our portfolio
companies

03.

Our own internal
operations
as a company

...across our ten Sustainable Future Goals (SFGs)

SFG. 01

Urgent climate action

SFG. 02

Responsible consumption

SFG. 03

Green cities

SFG. 04

Thriving natural world

SFG. 05

Fairness and equal opportunities

SFG. 06

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

Launched in 2020, our SFGs were inspired by the United Nation's Sustainable Development Goals, focusing on those that are most relevant for European tech venture investors and enterprises.

OKR results executive summary

We work towards our ten SFGs by setting OKRs for ourselves and our portfolio annually and sharing our results. Our detailed scorecards for portfolio OKRs and internal OKRs can be found on p.21-22 and p.42-43 respectively.

	Key Results		New Data Points
SFG. 01 Urgent climate action	6 Key results achieved	5 Key results not achieved yet	+2
SFG. 02 Responsible consumption	6 Key results achieved	1 Key results not achieved yet	+1
SFG. 03 Green cities	3 Key results achieved	1 Key results not achieved yet	
SFG. 04 Thriving natural world	3 Key results achieved	1 Key results not achieved yet	
SFG. 05 Fairness and equal opportunities	1 Key results achieved	2 Key results not achieved yet	+3
SFG. 06 Diversity and inclusion	8 Key results achieved	4 Key results not achieved yet	+1
SFG. 07 Good health and wellbeing	5 Key results achieved		+1
SFG. 08 Lifelong learning	2 Key results achieved	2 Key results not achieved yet	
SFG. 09 Highest ethical and governance standards	7 Key results achieved	2 Key results not achieved yet	
SFG. 10 Data rights are human rights	1 Key results achieved	1 Key results not achieved yet	+2

SFGs through our investment decision-making

Introduction

At Balderton, we are longstanding believers in sustainable value creation and recognise that our impact starts with how we bring to bear our SFGs in our investment decisions.

Our SFGs provide us with an additional comprehensive due diligence framework in the pre-investment stage to help us identify and articulate both positive and negative impact in what the business is building and how it operates. We are actively tracking and reporting the share of our portfolio explicitly championing our SFGs through their business model, products and services. We have also improved our dealflow diversity data collection process to understand how we rank against the industry and motivate us to do more.

Making new investments that champion our Sustainable Future Goals alongside value creation

We made three new investments that explicitly champion our SFGs in 2023. We also announced three investments made in late 2022

New 2023 investments

SFG. 01

 Sylvera

SFG. 08

Grasp

+1 MORE TO BE ANNOUNCED

New announcements since last report

SFG. 02



SFG. 05

 Brigad

SFG. 07

sava

Almost a third (30%) of new* companies that presented to investment committee expressly championed one or more SFGs

30%

2023 — Championing one or more SFGs

27%

2022 — Championing one or more SFGs

26%

2021 — Championing one or more SFGs

*excludes second round investments

34% of the companies in our active portfolio* are explicitly championing one or more SFGs, compared to 29% last year



*active portfolio: excludes exited companies or companies with a FMV of zero as at 31 December 2023

	#PC	Portfolio companies as at 31 December 2023
SFG. 01 Urgent climate action	4	Sweep, Tibber, Fuse, Sylvera
SFG. 02 Responsible consumption	5	Vestiaire Collective, smol, DELLI, Better Origin, Uncommon
SFG. 03 Green cities	2	Voi Technology, Virtuo
SFG. 04 Thriving natural world	0	
SFG. 05 Fairness and equal opportunities	6	Wagestream, Cleo, TestGorilla, Prodigy Finance, Brigad, +1 PC
SFG. 06 Diversity and inclusion	0	
SFG. 07 Good health and wellbeing	6	Avi Medical, Clue, Healx, Kaia Health, ZOE, SAVA
SFG. 08 Lifelong learning	2	Labster, Grasp
SFG. 09 Highest ethical & governance standards	1	ComplyAdvantage
SFG. 10 Data rights are human rights	6	Darktrace, GitGuardian, Ory, Coro, Detectify, Violet

KR

100% of investment memos have a populated SFG section with consideration of positive and negative impacts

Achieved

Discussing and documenting the impact and SFG considerations of investment opportunities, positive and negative, is a key part of our ESG integration in the pre-investment phase of the investment lifecycle. The responsibility lies with individual deal teams, under the leadership and oversight of our Head of Impact and ESG. We also assess founders' awareness of and care for sustainability challenges in early stage conversations.

Sylvera

Incentivising investment in real climate impact



Purchasing carbon credits, which fund projects around the world like protecting rainforests from deforestation or providing clean cooking stoves, is one of the most established and scalable ways to channel finance to effective climate outcomes. But, investors need robust, unconflicted information and accurate impact assessment of these carbon credits.

Founded in 2020 in the UK, Sylvera makes it possible for companies and governments to invest in carbon credits and confidently report on their impact.

Combining cutting-edge technology with leading carbon measurement methodologies, Sylvera provides ratings and data assessing climate action investments, including carbon credits, allowing organisations to confidently deliver their net zero strategies and work towards societal net zero.

To help organisations ensure they're making the most effective investments, Sylvera builds software that independently and accurately automates the evaluation of carbon projects that capture, remove, or avoid emissions. Sylvera develops and tests rigorous, holistic methodologies to rate projects and produce data, leveraging the latest technology and climate science.



There is a serious lack of data to demonstrate progress against net zero targets and to prove that carbon emissions are actually being reduced or removed from the atmosphere. This uncertainty has created inaction—Sylvera is changing that. Our technology ensures funding is going to the projects, companies, and countries having maximum climate impact to get the world on track for net zero. In time, this data will create much-needed financial incentives, such as higher share prices and cheaper borrowing, for organisations taking serious net zero action.

Allister Furey

CEO and Co-Founder
Sylvera

Uncommon

Paving the way for scalable and craveable cultivated meat

uncommon

It is clearer today than ever before that human, animal, and environmental health are inextricably linked. The deterioration of one can cause severe disruptions in the others. Scarcity of natural resources due to factors like overuse of land, water scarcity, and loss of biodiversity are stressing food systems, potentially leading to shortages and higher food prices. As nutritious foods become less accessible, more people could rely on lower quality, less healthy options, compounding public health issues and the larger impacts of climate change. Poor nutrition can exacerbate health problems like diabetes, obesity, and heart disease, increasing the burden on health systems. Uncommon's mission is to become the greatest enablers of a healthier world.

While consumers are well aware of the many problems associated with the meat industry, data has shown that very few consumers are prepared to change their diets long-term. Plant-based meat products were heralded as the key to encouraging people to eat less meat yet sales fell 14% in 2022. Where the plant-based market has struggled to win over loyal consumers, cultivated meat is poised to deliver on meat lovers' taste expectations.

Uncommon leverages RNA, the molecule that contains the chemical instructions that direct cells' natural machinery into making a protein, to create delicious cultivated bacon and pork products from animal cells.



This novel approach to cellular agriculture promises to radically accelerate the availability and sensory attributes of cultured meat, while doing away with the need for antibiotics, animal products or toxic small molecules and drastically reducing the raw materials needed for alternative protein production.

Uncommon's fierce commitment to quality has resulted in an uncompromising attitude when balancing taste, nutrition and flavour with scalability, sustainability and cost, with an aim to own 5% of the global pork market by 2035.

“

From a young age, I have always been aware of how diets and food choices can have a disproportionate impact on our health. This led me to found Uncommon, a biocreation company that uses the power of cells to tackle the most pressing challenges to our health, starting with cultivated pork.

Benamina Bollag

Founder and CEO
Uncommon

SAVA

Reinventing health monitoring with a real-time, multi-analyte and painless biosensor

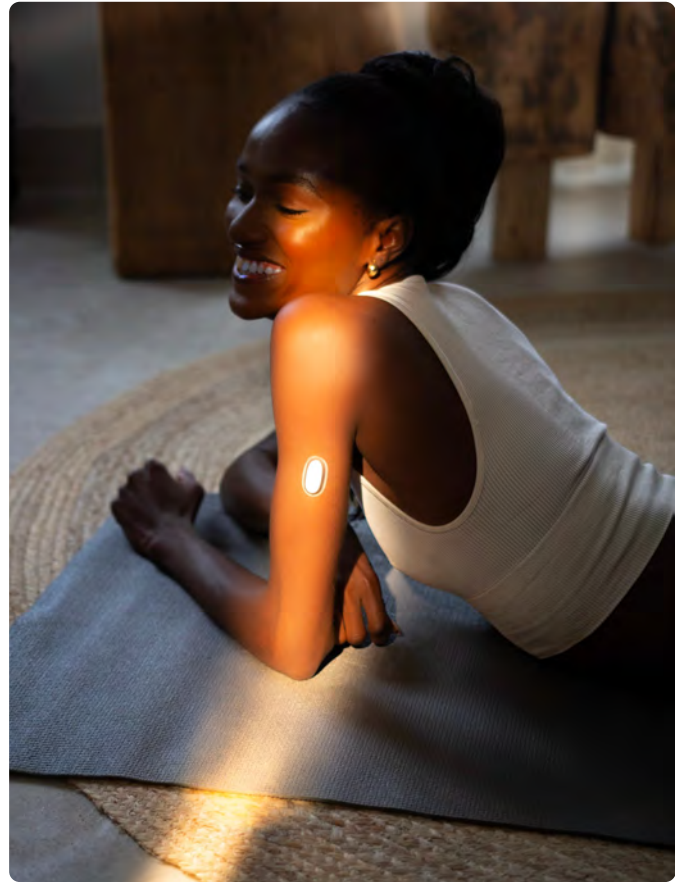
sava

Diabetes is projected to impact 1 in 8 adults, approximately 783 million, by 2045. People with diabetes rely on accurate glucose monitoring technologies to adequately manage their condition. This has seen a growing number of health institutions globally make Continuous Glucose Monitors (CGMs) a default for diabetes care.

SAVA has developed a novel, ground-breaking microsensing device to detect molecules in the interstitial fluid, just under the skin.

Its smart, connected wearable patch has been designed to streamline this data and deliver it directly to a user's phone. SAVA's microsensor will therefore not only offer pain-free, real-time insights for users, but will do so at a much more affordable, accessible price.

Yet glucose monitoring is just the tip of the iceberg. With its modular design, SAVA's sensor will, in time, be able to simultaneously monitor multiple molecules. Multi-analyte sensing unlocks the ability to monitor a vast range of conditions – from chronic conditions, to next-gen wellbeing applications, drug adherence to personalised therapy and more. SAVA's aim is to power the next era of healthcare.



SAVA's mission is to transform healthcare from a curative to a preventative system, by empowering people to take control of their health through effortless access to real-time health insights. The current healthcare system cannot meet this demand and SAVA will bridge this gap by providing the foundational architecture of a new biosensing ecosystem.

Rafael Michali

Co-Founder
SAVA

Increasing our exposure to and backing of more diverse founding teams

KR

Achieved

Track and regularly report internally on hot companies* founder gender, ethnic and socioeconomic diversity

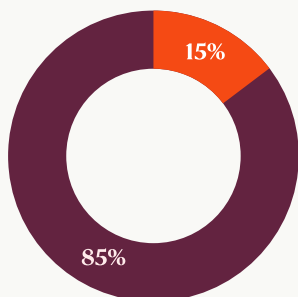
As part of our diversity strategy refresh, we decided to focus on diversity through three key lenses:

- Gender
- Ethnic background and nationality
- Socio-economic background

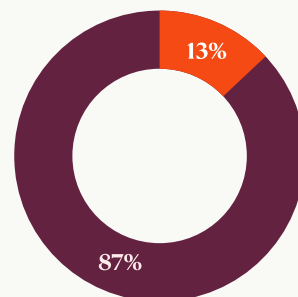
Alongside a range of ongoing diversity initiatives, we believe that taking a data-driven approach will challenge us to be more proactive on this agenda and help focus our efforts. We sought legal advice to be able to track gender, ethnic and socio-economic diversity in our dealflow, for internal reporting purposes only. The data is reported and discussed bi-annually at our dealflow meeting to keep the topic front of mind.

*hot companies in mid to late stages of due diligence discussed with the full investment team

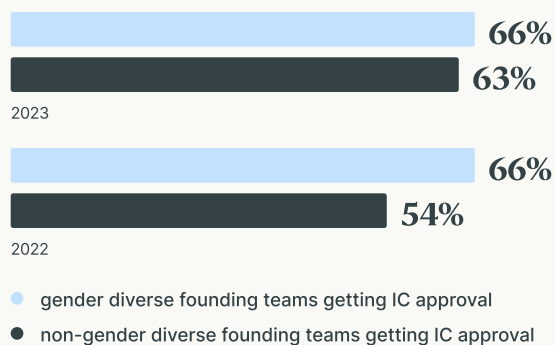
15% of “hot companies” discussed at our weekly dealflow meeting had a female founder



13% of companies that presented to investment committee had a female founder



66% of companies with gender diverse founding teams got IC approval



20% of new investments have a female founder



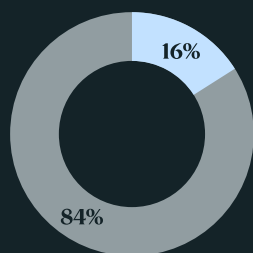
*Industry benchmarks on founder gender diversity

Data is still scarce and we believe that the more funds start their own internal tracking the more we will collectively build the picture of founder diversity across the dealflow - all the way from the top of the funnel.

At present, we can only truly benchmark ourselves at the closed round stage, with the two main sources for share of rounds raised by all-female or mixed founding teams for 2023 being:

Pitchbook - 20.4% (Europe)

Dealroom - 17.6% (European average calculated from 19.5% UK; 16.3% Nordics; 16.4% France; 18% Germany)



As at 31 December 2023, 16% of the companies in our portfolio had a female founder or CEO

Other things we are doing to shape a more diverse tech ecosystem

Balderton Launched

We offer our co-working space alongside a dedicated programme to pre-seed and seed stage founders to support them on their early-stage company-building journey. In 2023, we had 44% and 40% mixed- or all-women founded companies in our spring and autumn cohorts respectively.



Diverse sourcing

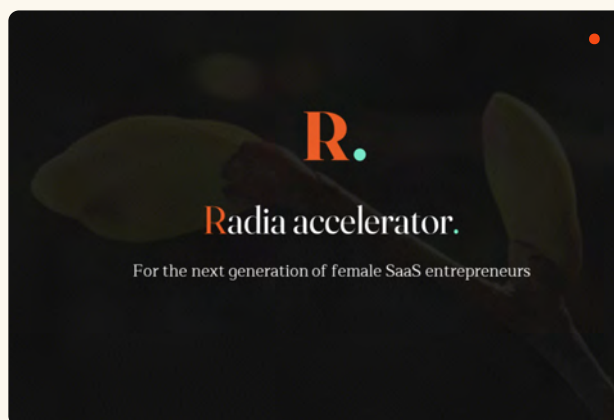
Investment team associates and principals have rolled out quarterly check-ins with angel groups, accelerators and seed funds focused on LGBT, people of colour and female founders, to maximise our top of funnel exposure to underrepresented founders.

Diverse hosting

As part of our new Events Sustainability Policy, we have committed to carefully curating our panels and guest lists to ensure strong female representation at our events. This is tracked by our events manager and assessed as part of investment team members' year-end performance review.

Supporting the Radia Accelerator Programme

Spearheaded by AlbionVC and Speedinvest, the [Radia accelerator](#) is on a mission to help build a new generation of women led SaaS unicorns. We were delighted to be able to help by hosting an AMA session with a female founder from our portfolio and delivering a session on SaaS metrics.



Sponsoring Women in VC Europe (WVC:E)

With over 1,000 active members across GPs, LPs, investors, founders and women in tech, WVC:E promotes inclusion, empowerment and integration of VC in Europe. We sponsor and actively contribute to the WVCE annual summit, deliver information sessions for WVCE member founders and investors on key industry topics, and help organise WVCE specific events at other major conferences. We also provide desk space to WVCE CEO Sophie Winwood.



Mentoring at FemTechLab

Principal Greta Anderson is a mentor for FemTechLab, the European FemTech Accelerator, helping select high-performing cohorts and delivering two mentorship sessions per programme cycle.



Steering Boards

We have the privilege of steering some of the organisations that are most actively shaping a more diverse ecosystem: Principal Claudia Rowe sits on the Board of WVCE while Investment Partner Suranga Chandratillake is on the advisory Board of Diversity VC. We are also alliance partners of Him For Her, a social impact venture aimed at accelerating diversity on corporate Boards.



DIVERSITY VC



Him For Her

Joining the conversation

Diversity and inclusion is a theme close to our heart and we are always willing to share our perspectives and experience on the topic, be it by:

- Speaking at events including Rise Up at Money 20/20 and WVCE summits.
- Recording podcasts such as for The Inclusive Startup Playbook.
- Writing on the topic, such as Principal Laura McGinnis writing on 12 Female Founded Startups to Watch.



Spotlight: Start-up Guide to ESG

Giving early-stage companies the inspiration, confidence and tools to embark on their sustainability journey

Environmental
Social
Governance



A start-up guide to ESG

Balderton.

Contents

01	Introduction
02	Why ESG is important
03	Where to start with ESG
	Environmental
	Social
	Governance
04	How to operationalise
05	Going the extra mile

B.

For many start-ups, 'ESG' often feels abstract, complex, and hardly relatable. But growing as an environmentally conscious and socially responsible company, underpinned by the highest standards of governance and ethics has never been more important. And the longer a company waits, the harder it gets.

Using our Sustainable Future Goals (SFGs) as an organising framework, this guide was born out of a desire to help all start-up founders and operators navigate the world of ESG and embark or accelerate on their sustainable growth and impact journey.

With expert insights, tips and best practices for Pre-seed/Seed, Series A and Series B companies, the guide aims to give founders and operators the inspiration, confidence and tools to get started with ESG, today.

The guide covers:

- 1 Why ESG matters - from a moral and business perspective, and the advantages to starting early
- 2 Where to get started with ESG - leveraging the SFG framework to identify and tackle key areas, from urgent climate action to diversity and inclusion
- 3 How to operationalise ESG - from writing your inaugural policy, to assigning owners and engaging your Board, to goal setting and reporting
- 4 Going the extra mile - including incorporating ESG into your products and services, and becoming a BCorp

8,500 views

in the first month of launch

To celebrate the launch of the guide, we hosted a panel discussion at Balderton HQ on how to incorporate ESG into a high-growth start-up. Read about the key takeaways from this evening [here](#).



We were extremely impressed by the ESG playbook - an excellent resource, which we've shared internally.

Portfolio company GC

Your "Start-up guide to ESG" has been hugely helpful, full of practical tips when thinking about this and our ESG strategy more broadly.

Portfolio company ESG Manager

The guide is brilliant! It's really comprehensive but practical at the same time - it's not an easy balance to strike...

Portfolio company COO

Section

02

SFGs through our portfolio

Introduction

We see it both as our opportunity and responsibility to plant the sustainability seed early in all the companies within our portfolio.

The SFGs already provided us with a clear and relevant sustainability blueprint to engage our portfolio companies with. The launch of our Start-up Guide to ESG, also leveraging our SFGs, was a further key milestone in equipping them with some tangible, actionable guidance. Spearheaded by our Head of Impact and SFG, we continue to enhance our sustainability platform offering, bringing to the portfolio information, education, and a dedicated community to connect with.

Our annual SFG survey continues to be a landmark of the Balderton calendar year, allowing us to gauge areas of progress and areas of stalling or regression, but also acting as a catalyst for action for the companies in our portfolio.

We are proud of the portfolio companies that are leading the charge: for example, a total of five companies have become BCorp certified, while seven companies have gone through the process of setting net zero science-based targets. We applaud their progress and leadership, which provides invaluable experience and inspiration to the rest of the portfolio.

Equally, we should remain transparent about where more work is needed or where we have tried and not always succeeded in achieving intended outcomes. Take for example our portfolio carbon footprinting campaign: despite removing the barrier of cost, we have not achieved our OKR of 50% of portfolio companies measuring their carbon footprint. And so we continue to learn out loud and advance on our journey.

Portfolio OKR summary (1/2)

For each goal and specific objective, we report on whether or not we have achieved our target key results (KR), and how our results compare to last year. We also show where we have started collecting new data for future OKR setting.

● Achieved
 ● Not achieved
 ● New data point
 ▲ Better than last year
 ▼ Worse than last year
 ▬ Similar to last year
 ● New/no comparison

SFG. 01 Urgent climate action	<p>Encourage measurement, reduction and offsetting of carbon emissions</p> <div> <div> KR ▲ </div> <div>>50% Measure their carbon footprint</div> </div> <div> <div> KR ▼ </div> <div>>50% Actively working on reducing carbon footprint</div> </div> <div> <div> KR ▼ </div> <div>>30% Use carbon credits to fully or partially neutralise residual emissions</div> </div> <div> <div> KR ▲ </div> <div>>50% Have office electricity coming from renewable sources</div> </div> <div> <div> NEW ● </div> <div>% Have a sustainable travel policy in place</div> </div>
SFG. 02 Responsible consumption	<p>Encourage responsible consumption and zero waste practices</p> <div> <div> KR ▼ </div> <div>>70% Have a waste management policy in place</div> </div> <div> <div> NEW ● </div> <div>% Have a sustainable procurement policy in place</div> </div> <p>Advocate sustainable production and packaging</p> <div> <div> KR ▲ </div> <div>>50% Policies to drive sustainable production and packaging in place</div> </div>
SFG. 03 Green cities	<p>Encourage reduction of unnecessary commute emissions</p> <div> <div> KR ▲ </div> <div>>90% Offer flexible working policies</div> </div> <div> <div> KR ▼ </div> <div>>70% offer green commute benefits</div> </div>
SFG. 04 Thriving natural world	<p>Raise awareness of nature and biodiversity as a business agenda</p> <div> <div> KR ● </div> <div>>50% Bring nature into their offices and operations</div> </div> <div> <div> KR ● </div> <div>>20% Consider their business impact on nature and biodiversity</div> </div>
SFG. 05 Fairness and equal opportunities	<p>Promote fair compensation and broad access to equity ownership</p> <div> <div> KR ▲ </div> <div>90% Offer 75-100% FTEs to participate in schemes linked to value creation</div> </div> <div> <div> NEW ● </div> <div>% Measure gender pay gap</div> </div> <p>Inspire action to support charitable causes</p> <div> <div> NEW ● </div> <div>% Provide paid time off for employee volunteering</div> </div> <div> <div> NEW ● </div> <div>% Have a company-wide philanthropy programme</div> </div>

Portfolio OKR summary (2/2)

For each goal and specific objective, we report on whether or not we have achieved our target key results (KR), and how our results compare to last year. We also show where we have started collecting new data for future OKR setting.

● Achieved
 ● Not achieved
 ● New data point
 ▲ Better than last year
 ▼ Worse than last year
 = Similar to last year
 ● New/no comparison

SFG. 06	Diversity and inclusion	Encourage the adoption of diversity and inclusion best practices and policies		
		KR >80% Measure their D&I ▼	KR >75% Have a D&I hiring policy/plan in place ▼	NEW % Provide D&I training for all staff ●
		Champion gender and other diversity in portfolio company leadership teams and Boards		
		KR >100% Have at least 1 woman in their leadership team ▼	KR >50% Post Series A have at least one woman on their Board ●	
SFG. 07	Good health and wellbeing	Ensure good health and wellbeing of the founders and teams		
		KR >90% Offer health and wellbeing benefits to their employees =	NEW % Provide support to staff around mental health and wellbeing ●	
SFG. 08	Lifelong learning	Advocate learning and development programmes		
		KR >90% Offer learning and development programmes to employees =		
SFG. 09	Highest ethical and governance standards	Encourage where possible to put appropriate policies in place		
		KR >80% Have a code of conduct or ethics in place ▲	KR >50% Have an internal sustainability or impact policy in place ▲	
		Support in creating functional, high-performing Boards		
		KR >50% Post Series B have an independent Board Director ▲	KR >70% Post Series A have ESG on the Board agenda at least once a year ▲	
SFG. 10	Fairness Data rights are human rights	Demand the highest levels of data security and responsible handling of AI		
		KR Have zero data breaches =	NEW % Have data protection policies in place ●	NEW % Support responsible development of AI ●

SFG survey executive summary

We sent out our SFG survey to 80 companies in the portfolio and obtained a response rate of 75%, on par with last year's participation rate.

Triangulating for a number of factors, we ended up doubling the number of survey questions compared to last year, catering for:

- The increasing breadth and depth of portfolio ESG data requested by LPs
- The gradual standardisation of VC and PE industry ESG frameworks, presenting unprecedented benchmarking opportunities
- The imperative to keep things relevant, pragmatic and value adding for the companies in our portfolio

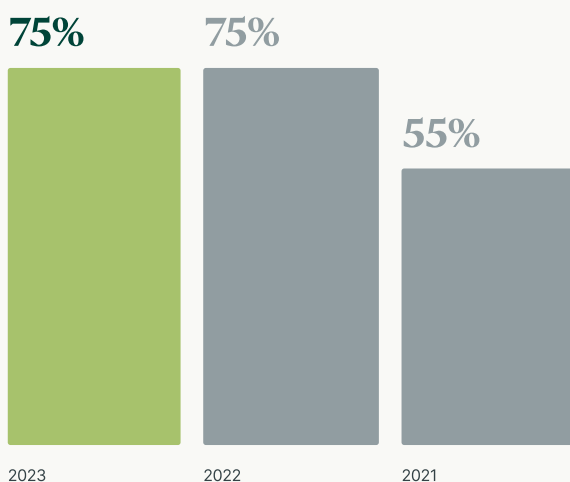
It is always rewarding to see this survey have meaning beyond its primary purpose of data collection. Indeed, some respondents describe how the survey provides them with new inspiration and a clear set of actions to take forward. And hopefully this performance summary aggregated at portfolio level provides a good benchmark driving a race to the top.



Participation breakdown by stage



SFG survey response rate



In order to maximise efforts and quality of data, the survey was only sent to companies where Balderton had an ownership of >3% in an early fund, and >2% in our growth fund. Companies which had an NPV of 0 or had exited the portfolio as at 31 December 2023 were also excluded from this survey.

5 BCorp

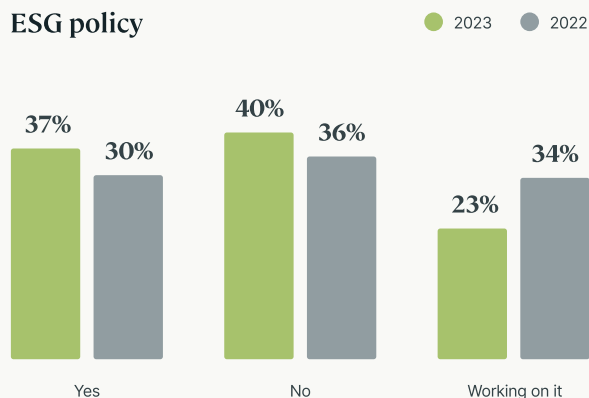
Up 3 from last year



Certified



ESG policy



Encouraging all portfolio companies to measure their annual GHG emissions and reduce their carbon intensity

KR

>50% of portfolio companies measuring their carbon footprint (themselves or via Sweep campaign)

Not achieved

37% of companies are measuring their carbon footprint.

It is encouraging to see a slow but steady upward trend as start-ups realise the importance of measurement as the starting point of any robust climate action plan. We anticipated more companies to take us up on the offer of calculating their carbon footprint for free using Sweep. This experiment has shed light on some of the other significant barriers including time and resource availability, timing, and perceived urgency.

37%



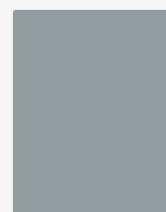
2023

24%



2022

26%



2021

KR

>50% of portfolio companies actively working on carbon emissions reduction

Not achieved

Falling just short of our target, emissions reduction efforts across the portfolio have remained stable. We remain committed to demystifying climate action for early-stage start-ups, and giving companies reassurance that they can balance carbon footprint and growth.

48%



2023

51%



2022

46%



2021

NEW

7 companies have set a science-based target

Science-based targets provide a clearly-defined pathway for companies to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to 1.5°C above pre-industrial levels. It's great to see that already seven companies in the portfolio have taken steps to robustly set their climate action plan in line with science.



SFG 1. Urgent climate action

KR

>30% of portfolio companies using carbon credits to fully or partially neutralise their residual emissions

Not achieved

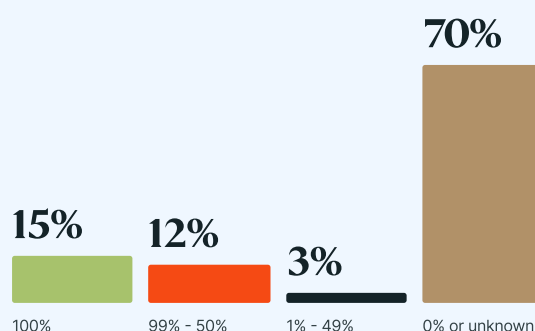
20% of portfolio companies are reporting using carbon credits.

Anecdotally, one company reported having decided to stop purchasing carbon credits to reallocate all resources to absolute emissions reduction. While one doesn't exclude the other, we would always encourage early-stage companies to prioritise investment of their finite resources in understanding their carbon footprint and maintaining it as low as possible as they grow.

NEW

% of portfolio company office electricity consumption powered by renewable sources

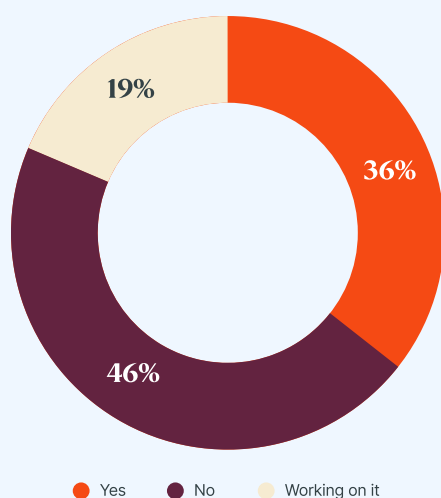
Office energy sources determine whether an early-stage company has any scope 1 and 2 emissions to report. Choosing to lease office space powered by renewable sources is therefore, when possible, the most readily accessible lever to reduce a company's carbon footprint and grow green. We understand that competing criteria such as location and affordability can stand in the way. Several companies also reported not being sure where they could access that data.



NEW

% of portfolio companies that have a sustainable travel policy in place

Travel is another one of the more actionable GHG emissions reduction levers. It's great to see that so many companies have published a policy outlining principles for less and greener travel, or are working on it. Several companies reported not having a standalone sustainable travel policy, but referencing environmentally (and financially) responsible travel as part of another policy (examples included expense policy, travel policy, or environmental policy). A few companies reported that travel was too minimal to warrant any dedicated policy.

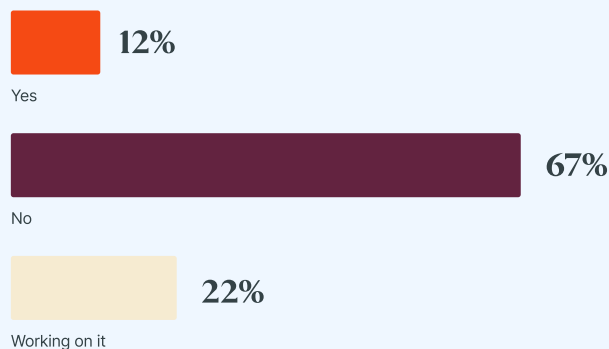


NEW

% of portfolio companies that have a sustainable procurement policy in place

1 in 3 companies reported having or working on a sustainable procurement policy.

While much harder to account for compared to energy and transport, the choice of suppliers is also instrumental in growing green as an early-stage company. Practically speaking, a sustainable procurement policy sets out a number of criteria as part of the overall procurement and vendor assessment process that promote common environmental objectives. For example, choosing to only work with suppliers who are measuring their emissions can make a company's own scope 3 emissions accounting easier. Such policies typically also include some social criteria, such as the safeguarding of human rights, which can significantly de-risk a business' supply chain. A sustainable procurement policy also has the benefit of promoting sustainability awareness amongst suppliers and contractors, contributing to systemic change.



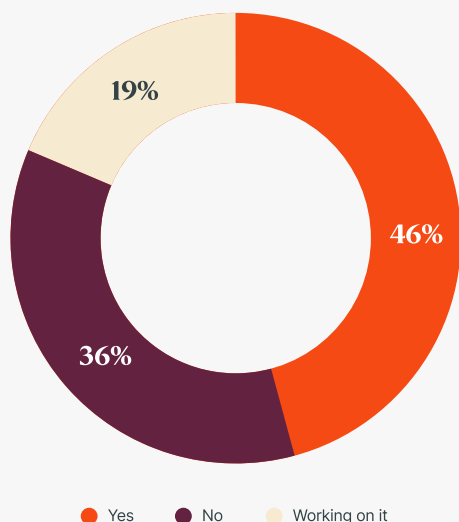
Encouraging responsible consumption and zero waste practices

KR

>70% of portfolio companies have a waste management policy in place

Not achieved

46% of companies have a waste management policy in place, with an additional 19% working on it. A few companies reported having recycling facilities and practices without a dedicated waste management policy.



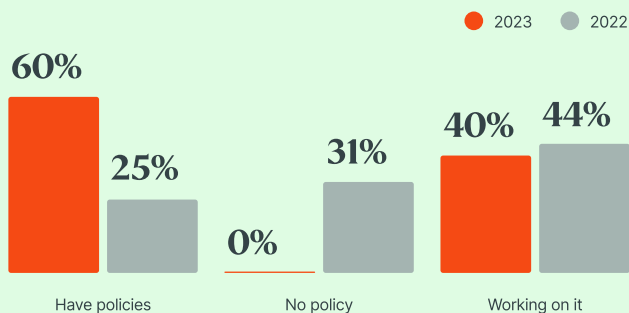
Advocating for sustainable production and packaging

KR

>50% of portfolio companies that produce/enable production of physical goods have policies to drive sustainable production and packaging

Achieved

60% (6 out of 10, with the other 4 working on it).



Encouraging portfolio companies to reduce unnecessary commute emissions

KR

>90% of portfolio companies offering flexible working policies

Achieved

95% of companies have a full-time or part-time flexible working policy.

95%



2023

93%



2022

KR

>70% of companies offer green commute benefits

Not achieved

54% of companies reported offering green commute benefits, with the UK Cycle to Work scheme being the most frequently cited. One company reported working on an EV leasing scheme, and another company is offering an annual employee subsidy for green transportation, facilitated via a third party platform.

54%



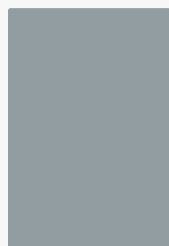
2023

60%



2022

46%



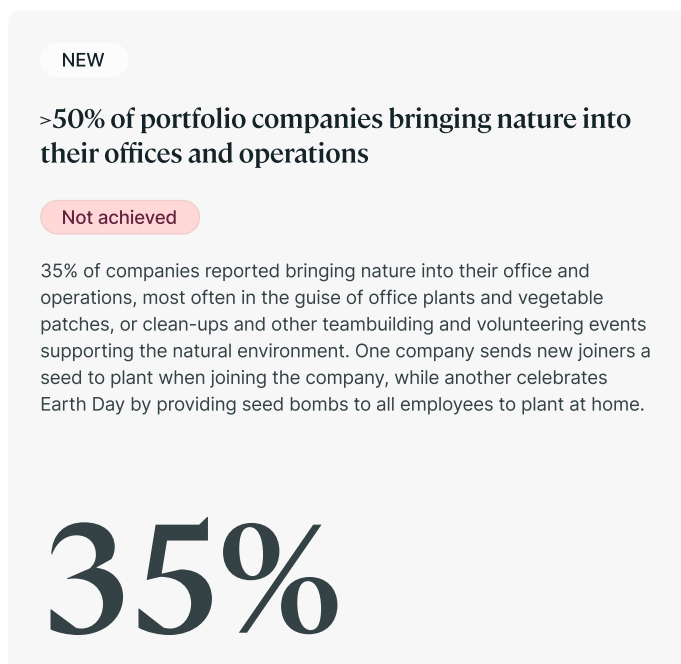
2021



Raising awareness of nature and biodiversity as a business agenda

Why this new goal and objective?

More than half of global GDP, 55% or \$58trn, is dependent on nature, and all sectors are exposed to risks relating to nature loss and degradation somewhere in their value chain ([source](#)). We therefore want to raise the awareness of the companies in our portfolio vis-à-vis this agenda, while recognising that the immediate risks and impacts may remain low for early-stage tech companies.



Promoting fair compensation and broad access to equity ownership

KR

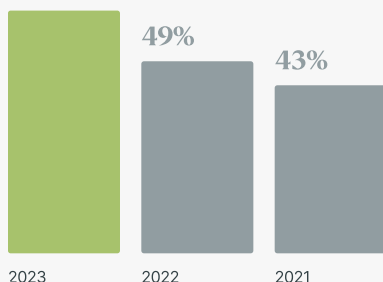
90% of portfolio companies offering 75-100% FTEs to participate in schemes linked to value creation of the company (e.g. ESOP)

Not achieved

73% of companies offering 75-100% FTEs.

We have seen a significant increase in the number of companies offering and ESOP or other value creation scheme to 100% of employees compared to previous years:

62%



2023

2022

2021

100% participate in profit share



62%

100%



11%

75% - 99%



12%

25% - 74%



7%

1% - 24%



8%

0%

NEW

% of portfolio companies measuring gender pay gap

52% companies are measuring their gender pay gap (48% not measuring). Fifteen (25%) companies sharing their unadjusted gender pay gap with us. While all of them are actively tracking down pay inequity, they recognise the ongoing challenges of opportunity equity, as well as some of the structural challenges of operating in a labour market that tends to pay more for male-dominated roles.

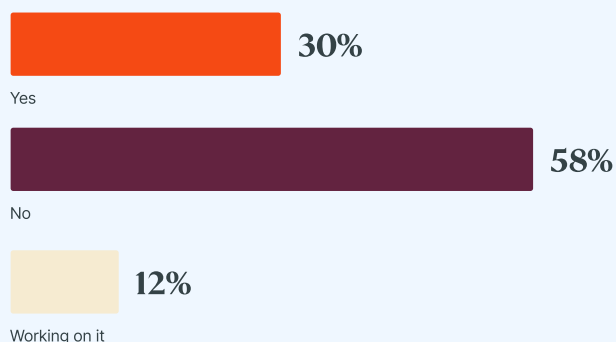
52%

Inspiring action to support charitable causes

NEW

% of portfolio companies providing paid time off for employee volunteering

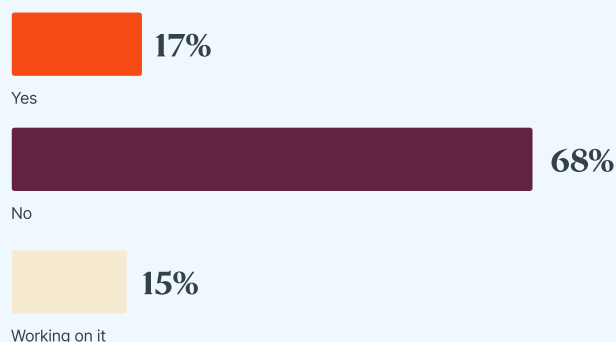
30% of companies are currently offering between one and three volunteering days, with an additional 12% working on it.



NEW

% of portfolio companies that have a company-wide philanthropy programme

17% of companies currently report having one, with an additional 15% working on it. Programmes typically involve one or more charity partners, with contributions spanning volunteering, fundraising and product donations.



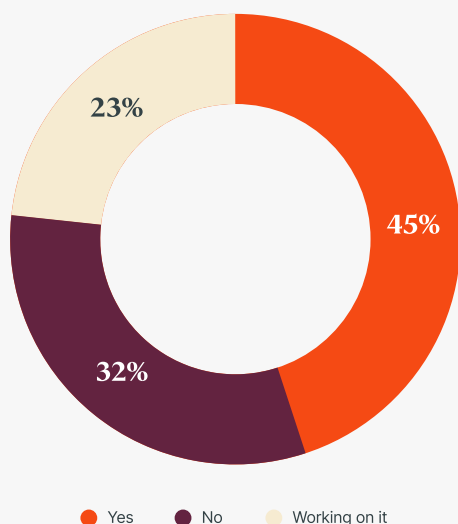
Encouraging the adoption of diversity and inclusion best practices and policies

KR

>80% of portfolio companies measuring D&I in their company

Not achieved

45% are measuring D&I in their company, with an additional 23% working on it. Data collection would typically take place on a voluntary basis, either as part of the onboarding process, an employee engagement survey, or a dedicated survey. A few companies reported outsourcing measurement to a specialist consultancy firm as part of a broader diversity audit and strategy development exercise. Of note, companies in some jurisdictions (typically France and some of the Nordics) are not allowed or inclined to collect any demographic data beyond gender out of ethical motivations.



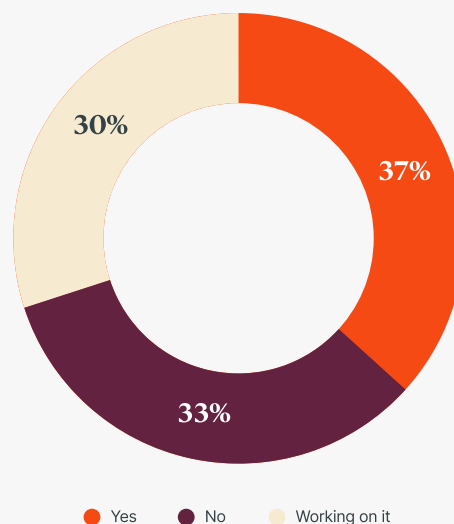
KR

>75% of portfolio companies have a D&I hiring policy/plan in place

Not achieved

37% of companies have a D&I hiring policy, with an additional 30% working on it. Tactics and initiatives mentioned include:

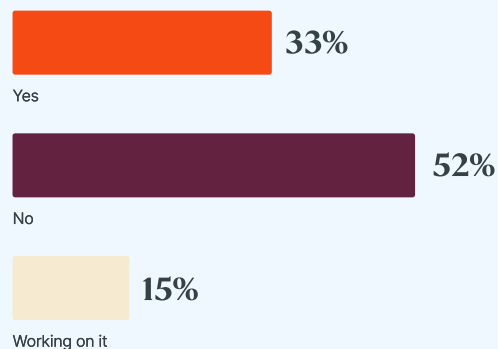
- Checking job descriptions for inclusive language
- Making DEI awareness part of hiring managers' training
- Working with specialist talent agencies to source more diverse talent
- Curating diverse panels of interviewers
- Demanding individual written feedback before discussing with other interviewers to reduce groupthink



NEW

% of portfolio companies providing D&I training for all staff

33% currently providing DEI training, with an additional 15% working on it. Training can take many forms, from hosting internal discussions and workshops on select topics as part of team building events, to engaging an external provider to deliver a tailored session on unconscious bias and inclusiveness, to selecting DEI modules on online company compliance training platforms. A few companies also reported having employee-led DEI communities/guilds.



Championing gender and other diversity in portfolio company leadership teams and Boards

KR

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

Not achieved

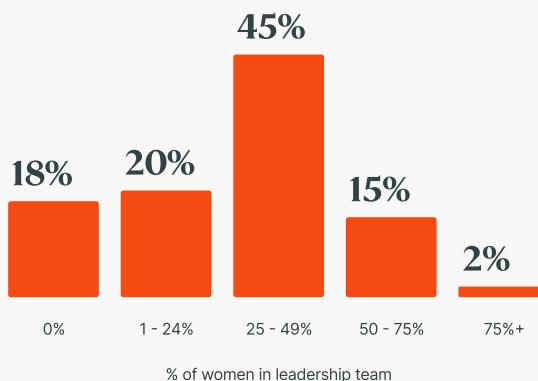
82% ↓ -5% from 2022

of portfolio companies have at least one woman in their leadership team.



17% ↑ +2% from 2022

of portfolio companies have over 50% women in their leadership team.



KR

>50% of portfolio companies post Series A have at least one woman on their Board (either Board member or observer)

Achieved

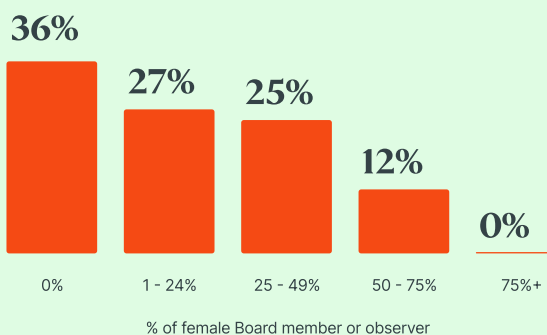
69%

69% of companies post series A (n=45) have at least one woman on their Board.

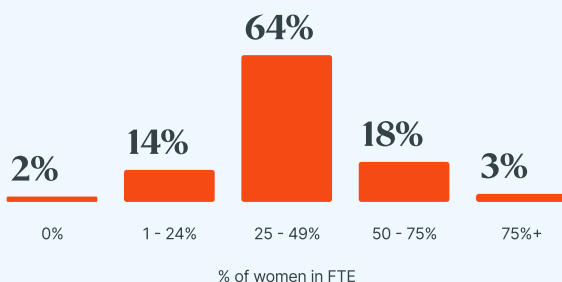


12%

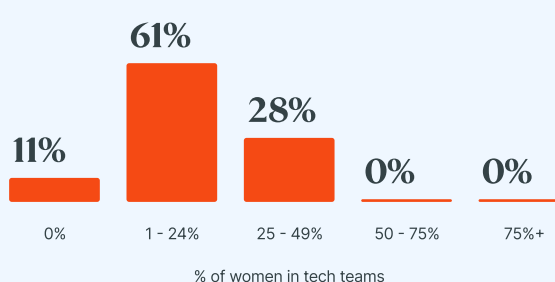
12% of the total portfolio report over 50% female representation on their Board.



Women FTE



Women in tech teams



Ethnic diversity in leadership teams and on Boards

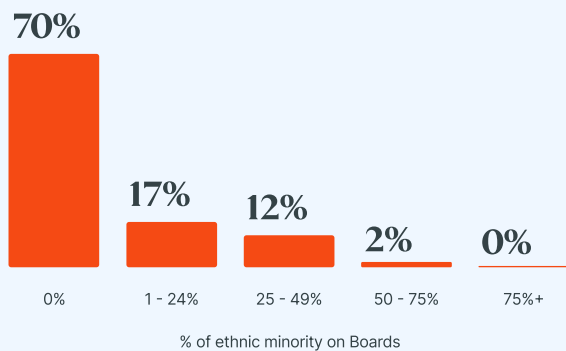
30% ↓ -12% from 2022

of portfolio companies have at least one member identifying as ethnic minority in their leadership team, down from 42% last year.



30% ↓ -5% from 2022

of portfolio companies have at least one member identifying as ethnic minority on their Board, down from 35% last year.



Ensuring good health and wellbeing of the founders and teams in our portfolio

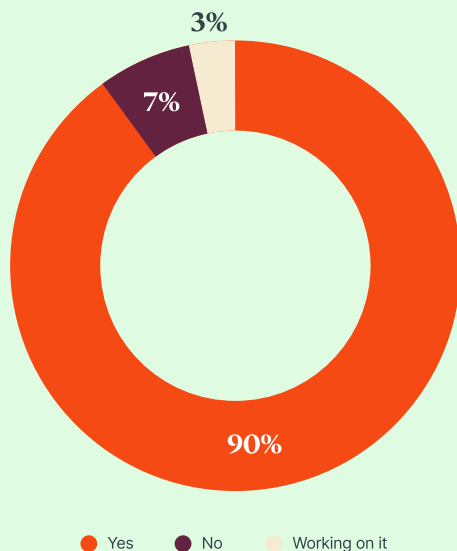
KR

>90% of portfolio companies offering health and wellbeing benefits to their employees

Achieved

Examples include:

- Gym membership
- Additional birthday/life event/reset/volunteering leave days
- Flexible/unlimited PTO
- Private health insurance
- Mental health app

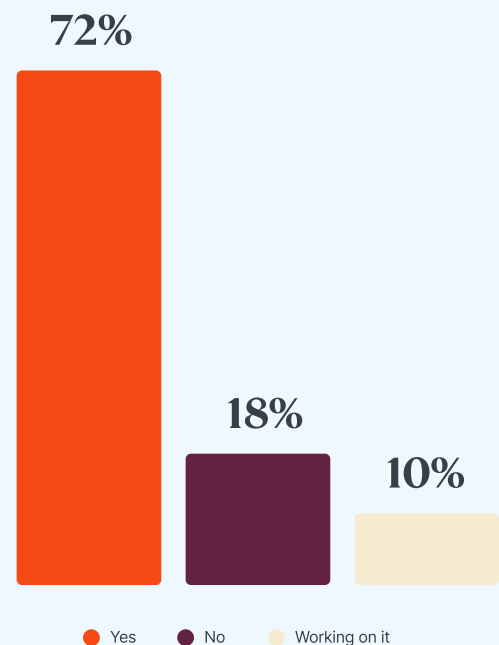


NEW

% of portfolio companies providing support to staff around mental health and wellbeing

72% reported having some dedicated initiatives in place, with an additional 10% working on it.

Many companies leverage the initiatives included as part of their private health insurance package, while others pay for additional specialist products or services providers.



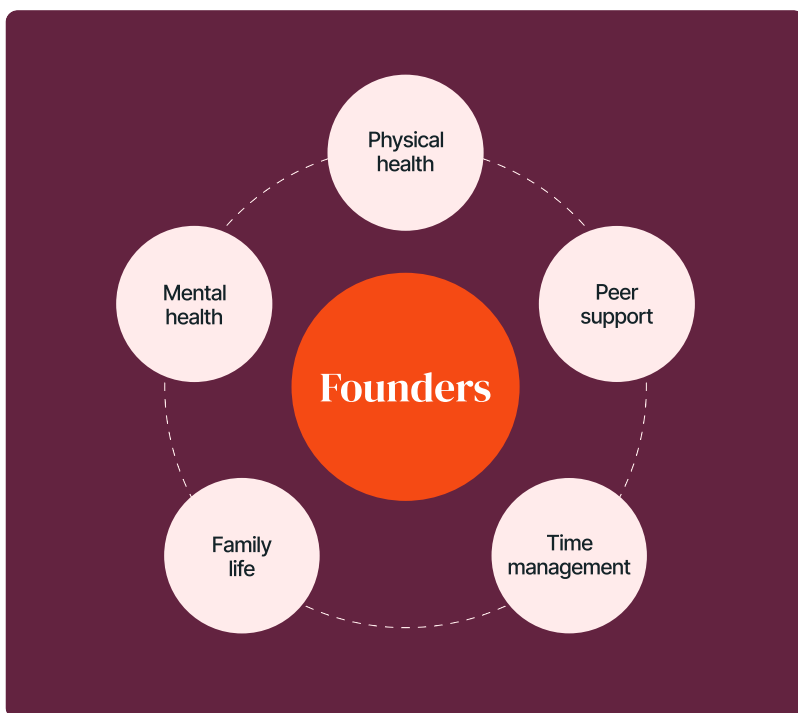
Spotlight: Founder wellbeing and performance platform

Entrepreneurs are often under relentless pressure. This is an unavoidable part of being a founder. And when things get difficult, the assumption has always been that you just have to work harder, for more hours.

But science tells us that this is not the best approach – and won't lead to the best outcomes. Instead, founders can optimise their performance by dedicating time to key areas – like wellbeing, mental health, coaching and peer support. High-performance athletes don't train at 100% intensity, 7 days a week and ignore everything else – and neither should high-performance founders.

We believe taking a holistic view of what impacts performance is in everyone's interests – from founders to investors, to the wider startup ecosystem in Europe.

That is why we have made holistic support a priority at Balderton, creating a programme to offer broad support to our founders. More than 100 Balderton founders participated in at least one of our wellbeing programmes in 2023.



Our programme of support:

Health and performance programme

Science-based programme designed for founders, run by expert clinicians at our partner WellFounded.

CEO forums

Small peer groups that meet regularly to discuss the unique challenges that the CEOs of high growth businesses face.

Executive coaching

Access to professional coaching focused on navigating challenges and building resilience.



Wellbeing events & resources

Covering areas like gut health, sleep, sports psychology and more.

Advocating learning and development programmes in our portfolio companies

KR

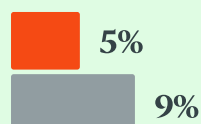
>90% of portfolio companies offering learning and development programmes to employees

Achieved

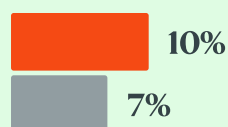
85% of companies, with an additional 10% working on it.



Yes



No



Working on it

● 2023 ● 2022

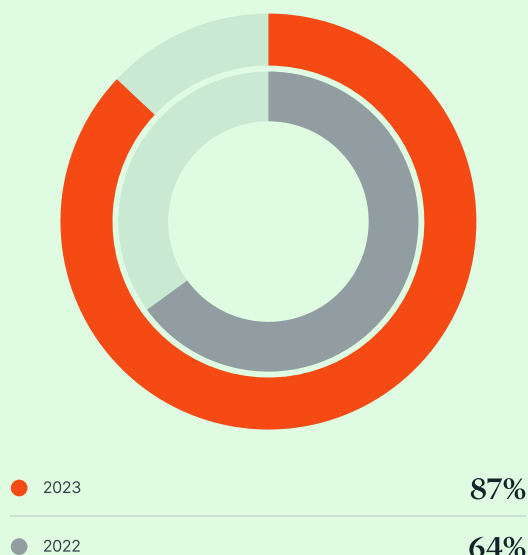
Ensuring portfolio management teams behave with integrity; encouraging where possible to put appropriate policies in place

KR

>80% of portfolio companies have a code of conduct or ethics in place

Achieved

The vast majority of companies have a code of conduct in place. Codes of conduct can touch on topics such as anti harassment, bribery, or whistleblowing, which don't always warrant a separate policy.



KR

>50% of portfolio companies have an internal sustainability/ impact policy/plan in place

Not achieved

Uptake of ESG policies remains slower than hoped and reflects the fact that they need to be carefully thought through in the context of each business model and operations. With a reported additional 23% companies working on it, and with our termsheet ESG clause now requesting an ESG policy within twelve months of closing, we are confident that this number is on an upward trajectory.

37%



30%



2023

2022

NEW

% of portfolio companies with an anti-harassment policy

79%

NEW

% of portfolio companies with an anti-corruption/bribery policy

74%

NEW

% of portfolio companies with a whistleblowing policy

74%

Supporting our portfolio companies in creating functional Boards with the appropriate skills and experience mix to execute their governance responsibilities

KR

>70% of portfolio companies post Series A have ESG on the Board agenda at least once a year

Not achieved

20% of companies post Series A (n=45) reported that ESG was discussed at the Board level this past year. This is a priority focus area for 2024, working both with companies and in our capacity as Board Directors to make sure that material ESG issues, or ESG as a whole, are discussed at least once a year.

KR

>50% of portfolio companies post Series B have an independent Board Director

Achieved

64% of companies post Series B (n = 25) have an independent Board Director.

Spotlight: On Board with Balderton

On Board with Balderton summarises our learnings as seasoned CEOs, directors and chairs into a 101 guide for early stage tech CEOs to help alleviate the stress associated with preparing for Board meetings and build sustainable best practices.



Good Boards are unafraid of healthy debate and tackling uncomfortable conversations. They bring experience to the table and help handle tough situations. But great Boards go beyond business as usual and provide holistic, strategic, and empathetic support for founders and CEOs.

Laura McGinnis

Investment Principal
Balderton Capital

And author of this guide. Access it [here](#).



Structure of the guide

This guide addresses three key areas:

01

Building a high performing Board

02

Structuring the meetings

03

Meeting day checklist

B.

On Board with Balderton

Demanding the highest levels of data security and responsible handling of AI

KR

Zero material data breaches across portfolio

Not achieved

Six companies reported at least one material personal data breach. We define a material personal data breach as one that has posed a risk to an individual's rights and freedoms, and likely requires onward reporting to the company's relevant data protection authority.

NEW

% of portfolio companies with data protection policies and/or data security processes in place

93% of companies reported they had processes and procedures to ensure compliance with data regulation (e.g., GDPR) and prevent/monitor unintended uses of data. A few companies reported that they were currently working with external consultants to run training, conduct gap/risk analyses, develop data breach response plans, or act as interim Data Protection Officer.

93%

NEW

% of portfolio companies capability building for responsible development of code/AI systems

54% of companies are currently offering their staff codes of conduct, relevant training and hosting internal team discussions to support the responsible development and use of AI tools.

54%



SFGs in our internal operations

Introduction

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

This year we focused on further formalising our climate strategy, performing a full carbon inventory of our corporate footprint for the first time. We now have a complete scope 1, 2 and 3 (excluding cat. 15) baseline to work from. While busy with measurement, we have not relaxed our efforts to minimise our travel-related emissions and are pleased to see our air travel and taxi usage have not bounced back to pre-covid levels. Ultimately, our most material environmental impact is inextricably linked to our portfolio activities; which is why we have also started developing a better understanding of our portfolio emissions and will continue with this project next year. We have also advanced our carbon offsetting strategy, choosing carbon removal projects with very high permanence for our direct emissions.

On the people front, we have rolled out a number of new initiatives, from an internal team diversity audit across gender, ethnicity, nationality and socio-economic background, to a dedicated speakers series around conscious inclusion and the introduction of fertility cover. 2023 also saw the launch of our first ever Race to Nature which brought a lot of excitement and healthy competition across the team and is likely to become a highlight of the Balderton annual calendar.

Internal OKR summary (1/2)

For each goal and specific objective, we report on whether or not we have achieved our target key results (KR), and how our results compare to last year.

● Achieved
● Not achieved
● New data point
▲ Better than last year
▼ Worse than last year
▬ Similar to last year
● New/no comparison

SFG. 01 Urgent climate action	Measure, reduce and compensate for our carbon footprint			
	KR ● Measure corporate scope 1, 2 and 3 GHG emissions	KR ● Measure our financed emissions	KR ● Reduce our carbon footprint	KR ▬ Continue to attend >50% of non-local meetings by video
	KR ● Continue procuring 100% renewable electricity	KR ● Purchase carbon credits to compensate our emissions		
	Understanding potential climate change impacts			
	KR ● Conduct an inaugural climate risk assessment			
SFG. 02 Responsible consumption	Reduce waste in all forms and use of single use plastics in our offices			
	KR ● 100% audit our waste to track and improve our recycling rate	KR ▲ Improve the use of recycling facilities	KR ● Repurpose and recycle office materials that are recyclable	KR ● Avoid food waste by giving food away to evening shift staff using the OLIO app
	KR ● Minimise use of plastics and single use packaging			
SFG. 03 Green cities	Encourage Balderton employees to minimise their commute related footprint			
	KR ▬ 100% employees regularly commute on foot, bike, or public transport	KR ● 100% employees use flex working policy to reduce their weekly commute		
SFG. 04 Thriving natural world	Support our new goal of thriving natural world			
	KR ● Bring nature into the office with green plants	KR ● Make nature positive contributions wherever we can		
SFG. 05 Fairness and equal opportunities	Give back and support charities that improve the lives of vulnerable groups			
	KR ● 75% employees using at least one of their charity days allowance	KR ▲ Increase total charity fundraising year-on-year		

Internal OKR summary (2/2)

For each goal and specific objective, we report on whether or not we have achieved our target key results (KR), and how our results compare to last year.

● Achieved
 ● Not achieved
 ● New data point
 ▲ Better than last year
 ▼ Worse than last year
 = Similar to last year
 ● New/no comparison

SFG. 06

Diversity and inclusion

Champion diversity in demographics, backgrounds and experiences as a driver of performance

KR

=

50/50 gender split for all new members of the partnership overtime

KR

▲

50/50 gender split in our investment team (including partners)

KR

=

Continue to have at least 50% women in our team

KR

=

Continue to have 100% new parents taking full or partial enhanced parental leave

KR

=

Continue to have 100% of female investors receive additional mentoring

KR

●

Report internally on Balderton team gender, ethnic and socioeconomic diversity

KR

●

Introduce a speakers series on diversity, focusing on tackling unconscious bias

KR

=

Maintain our diversity level 2 VC certification

SFG. 07

Good health and wellbeing

Ensure the good health and wellbeing of our employees by listening to staff feedback and enhancing the employee benefits package

KR

▲

>86% participation rate in our quarterly employee survey powered by Peakon

KR

▲

Peakon engagement score across the firm of at least 8.0

KR

▼

eNPS score over 50 (top 10% Peakon)

KR

●

Host mental health and wellbeing workshops to help staff look after themselves

SFG. 08

Lifelong learning

Support the continual professional development and growth of our employees

KR

▲

Peakon growth score across the firm of at least 8.0

KR

▼

>50% utilisation of training budget of £1,000 PP/PA

KR

●

Roll out new learning and development curriculum

SFG. 09

Highest ethical and governance standards

Ensure that modern slavery does not exist within Balderton's ecosystem

KR

▲

Publish modern slavery statement

Hold ourselves to high integrity and ethical standards as defined by our code of conduct

KR

●

100% employees quarterly confirming their adherence to the firm's policies

KR

●

100% employees completing their financial crime training annually

KR

●

Prepare clean audit reports with minimal raised control points

KR

●

Publish Balderton annual SFG report

SFG. 10

Fairness
Data rights are human rights

Adopt data protection best practices

KR

=

Have zero material data breaches

Measuring, reducing and compensating for our carbon footprint

KR

Measure our corporate scope 1, 2 and 3 GHG emissions

Achieved

For the first time we performed a full carbon inventory of our corporate footprint, in line with the GHG Protocol with the support of climate experts and using Sweep as our carbon data management platform. Our scope 1 and 2 emissions (i.e. emissions produced from our office's gas and electricity usage) represent 4% of our total footprint (only 1% when using a market-based approach, namely accounting for null emissions for renewable electricity contracts). As expected of asset management companies, the majority of our corporate GHG emissions stem from indirect sources, also known as scope 3 emissions.

KR

Measure our financed emissions


Achieved

As asset managers, we have a responsibility to understand our financed emissions and to manage them towards a net zero target. While what a credible and practical net zero target looks like for a VC fund is still being defined, it feels like a no brainer to start with measurement. We launched a portfolio carbon footprinting campaign powered by Sweep (FVIII), giving all the companies in our portfolio the opportunity to calculate their scope 1, 2 and select scope 3 GHG emissions using a trusted, quality platform, for free. We wrote about the ins-and-outs of this exercise in [this article](#).

The campaign uptake was lower than anticipated due to a range of factors including timing, resourcing and competing priorities, and we have had to significantly rely on sector estimates to estimate our financed emissions. We will be focusing on improving the actuals vs. estimates ratio over the coming years by continuing to engage our portfolio on climate action.

2022 financed emissions

2,036 tCO₂





2022 corporate footprint

944 tCO₂

Scope 01

9 tCO₂

Scope 02

31 tCO₂

Scope 03

904 tCO₂

GHG emissions category	Location-based emissions tCO ₂	Market-based emissions tCO ₂
Scope 1	8.72	8.72
Scope 2	31.06	0.00
Scope 3 (breakdown below)	903.77	903.77
Purchased goods and services	553.60	553.60
Capital goods	98.80	98.80
Fuel-and energy-related activities	12.43	12.43
Waste generated in operations	0.36	0.36
Business travel	218.29	218.29
Employee commuting	20.29	20.29
Total emissions	943.55	912.49

Office refurbishment emissions

We recorded an additional 389tCO₂ from the purchase of capital goods linked to our office refurbishment which we completed in 2022. We report them separately from the rest of our footprint given the one-off nature of these emissions but are committed to compensate for them through the purchase of high-quality carbon credits over the next five years (see p. 46 for further details).

SFG 1. Urgent climate action

KR

Reduce our carbon footprint

Not achieved

Having calculated for the first time our full scope 1, 2 and 3 corporate footprint, we cannot say for sure whether we have reduced our carbon footprint this year. We are pleased to have set a new baseline to track our emissions reduction efforts going forward, while continuing to track across our historical carbon emissions OKRs, as set out on this page.

KR

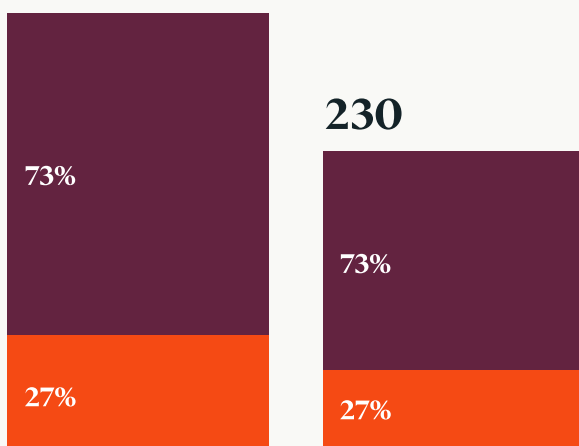
Continue attending >50% of non-local Board meetings by video

Achieved

Our partners attended 336 Board meetings this year. 73% of which virtually, while the majority of those attended in person were in London or Paris, therefore not requiring any air travel.

Board meetings

336



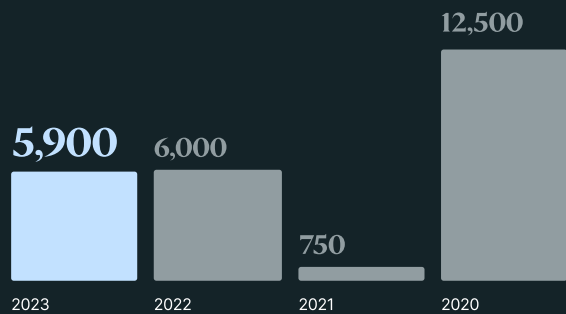
2023

2022

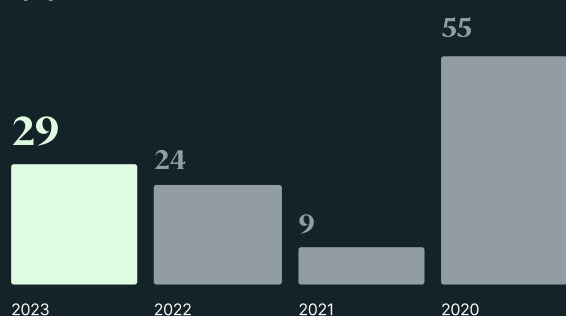
● Online ● In-person



Air miles per employee



Taxi rides per employee



KR

Continue procuring 100% renewable electricity from the grid until we can procure directly from renewable energy plant

Achieved

Octopus Energy continues to be our electricity provider, using renewable energy sources primarily from wind, solar and hydro (water) sources to power a 100% green electricity tariff.

KR

Purchase carbon credits on a 1-for-1 tonne basis to compensate for our direct (scope 1 & 2) emissions and business travel emissions, and apply an internal carbon price for our company scope 3 emissions

Achieved

We built our portfolio of carbon removal projects based on their cost, permanence, and offsetting date, via carbon removal platform Supercritical.

We chose to neutralise our scope 1, scope 2 and business travel greenhouse gas emissions by investing in tech-based carbon removal projects, with the high quality and price of these credits mirroring the direct nature of these emissions.

As for our company scope 3 emissions (excluding business travel), we decided to follow emerging industry practice and apply an internal carbon price of £10 / tCO₂. This lower price reflects the fact that we have no direct influence over these emissions but are still taking responsibility for them. We invested this budget into tree planting as a means to diversify our carbon credit portfolio and recognising the need to also back nature-based solutions, even if their durability is more uncertain.

We also applied this pricing mechanism to neutralise the carbon impact of our office refurbishment. Given the “one off” nature of these emissions, while many decide to exclude them, we still feel that we should compensate for them, but will absorb the cost over the next five years, 80tCO₂ per annum.

Neutralising emissions related to our 2022 office refurbishment over five years

Per year

80

tCO₂

Total

389

tCO₂

1

2

3

4

5

Our carbon removal project portfolio

Scope 1
compensation

Price
£252 / tCO₂

Project
Woody Biomass Burial



Scope 2
compensation

Price
£206 / tCO₂

Project
Enhanced Rock Weathering



Business Travel
compensation

Price
£145 / tCO₂

Project
Biochar



Other company
scope 3 compensation

Price
£10 / tCO₂

Project
Tree Planting



Understanding potential climate change impacts

KR

Conduct an inaugural climate risk assessment of our business and our portfolio

Achieved

We started with a portfolio screening exercise where we undertook a desk-based assessment using publicly available climate risk data for each of our key sectors to establish a heatmap of the climate risks and opportunities that matter most. We used external climate expertise to establish and validate the screening outcomes which allowed for a deeper, more quantitative, scenario analysis focusing on financial impacts across the portfolio. We then conducted scenario analysis to understand the financial impact of 1.5, <2 and 3-degree climate scenarios on our portfolio.

Using external climate expertise, we analysed the financial impacts of each risk impacting each sub-sector in the short-term (2030), the medium-term (2040), and the long-term (2050). The outcomes of the analysis focused on the short-term impacts as this is directly relevant to our existing funds and portfolio, allowing us to develop a strategy to engage, influence and monitor portfolio companies to improve their climate mitigation and adaptation.

Remembering that climate scenario analysis is an evolving field and consequently there is no one right answer is important. We've had to make many assumptions, a lot of it involving quantifying the hard to quantify, and guessing potential futures. It is first and foremost a strategic tool. Our Head of Impact and SFG Elodie talked to [sifted](#) about this exercise.

Top 3 Transition Climate Risks	Policy	Carbon taxation
	Market/Technology	Increased fuel costs (impacting supply chain costs)
		Demand for net zero products/ services
Top 3 Physical Climate Risks	Chronic	Extreme heat
		Drought
	Acute	Flooding

Other notable activities

Climate Fresk workshop

Members of the Balderton team came together to explore and unravel the causes and effects of the climate crisis, based on IPCC reports (the most reliable source of climate science and data), in a game format, before engaging in a pragmatic and open discussion about climate action. The experience was highly sobering as well motivating to continue our climate action efforts.



Reducing waste in all forms and use of single use plastics in our offices

KR

Audit 100% of our waste to track and improve our recycling rate

Achieved

We gather monthly waste weight reports from our waste disposal provider on general waste, glass and mixed recycling, from our local council on organic waste, and from our confidential waste specialist recycler on paper.

KR

Improve use of recycling facilities by enhancing facilities, adding signage and including recycling briefing in office induction

Achieved

We have observed a greater compliance with our recycling system (mixed, glass, food recycling and general waste) with more detailed signage. Recycling facilities orientation is also included as part of the office induction of new team members.

KR

Repurpose and recycle hardware where the materials are actually recyclable

Achieved

We have been donating recyclable IT items to [Little Lives UK](#). Items that need to be destroyed are processed by [Restore Technology](#).

KR

Avoid food waste by always giving food away to evening shift staff and using Olio app

Achieved

This is a constant focus of ours and we are very grateful to our office managers and receptionists for managing our stocks in a eco-conscious manner.

KR

Minimise use of plastics and single-use packaging

Achieved

All our JustEat for Business food is delivered in recyclable packaging. We are also making more conscious choices in our office groceries shop, such as swapping milk cartons from plastic to cardboard, or ordering unwrapped fruit only. The office is equipped with all kitchen and catering essentials to maximise use of reusable containers and crockery.



Other notable activities

Balderton Events Sustainability Policy

We published our first Balderton events sustainability policy to outline the responsible consumption (among other) principles guiding the planning of our in-person events, at our Balderton London HQ or an external venue. The policy spans venue, transport, catering and plastic and paper choices and arrangements to be mindful of and prioritise while continuing to host Balderton events of the highest quality.

Encouraging Balderton employees to minimise their commute-related footprint

KR

100% employees most regularly commute to their local office on foot, bike or other e-mobility vehicle, or public transport

Achieved

We carried out an employee commute survey via the Sweep platform to estimate our employee commute and working from home related emissions. With 96% participation, the survey confirmed that all Balderton employees use green commute methods to get to their local office.

KR

100% employees continue taking advantage of flex working policy to reduce their weekly commute

Achieved

Our flex working policy continues to encourage three days in the office (which most of us observe as Mondays, Tuesdays and Thursdays).

Other notable activities

Purifying the air of our London Kings Cross offices

We welcomed Camden Clean Air as a new charity partner. Camden Clean Air is a local not-for-profit action group aiming to reduce air pollution across the London Borough of Camden where Balderton HQ is located. Our sponsorship helps them run community projects and initiatives tackling air pollution, including the [Camden Beeline](#) Rewilding School Scheme. We also hosted them for a lunch & learn to discuss air pollution and focus on Balderton offices indoor air quality, involving us building Indoor Air Purifiers from scratch.



Supporting our new goal of thriving natural world

KR

Bring nature into the office with green plants

Achieved

We are proud parents to 85 plants (and counting!) in our London offices.



KR

Make nature positive contributions wherever we can

Achieved

Fundraising for nature: Balderton Race2Nature 2023

Inspired by our own portfolio company, GoCardless, we organised Balderton's first ever Race to Nature, collectively challenging ourselves to cover 5,000km of walking, running, cycling and swimming over a 5-week period in June-July 2023. Balderton matched every km recorded with a £1 donation. We exceeded our target and ended up achieving 6,877 km, raising a total £9,000 for two nature conservation charities (see below). Our 2023 champion, Head of IT Richard, managed 1,011km alone, while the team trophy was claimed by our EA team.

This allowed us to donate £9,000 towards two great causes:



Wildfowl & Wetlands Trust (WWT)'s Blue Recovery Fund

Working towards the creation and restoration of 100,000 hectares of new and restored wetlands across the UK, providing community benefits from storing carbon and reducing flooding to restoring wellbeing and improving water quality.



The WDC's Climate Giant Project

Helping fight the climate crisis by supporting whale conservation projects, also known as the ocean's alternative to planting trees. Balderton is now a proud bronze partner of the Project.

Race to Nature

Money raised for charity

£9,000

Distance covered

6,877 km

Duration

5 weeks



Purchasing nature-based carbon credits

As outlined in detail p. 46, we ensured that a portion of our carbon removal credits contributed to nature-based solutions with biodiversity co-benefits.

Printing

We joined the PaperCut Grows programme to transform the environmental impact of our printing and become "forest positive": in 2023 we used fewer than four trees for printing, while planting 100 trees through three projects in line with our Thriving Natural World goal:

- Project Save the Orca
- Project Mangrove
- Project UK trees



Giving back and supporting charities that improve the lives of vulnerable groups

We continued to partner with both local and national charities which are actively championing our SFGs and support some of society's most vulnerable groups. Beyond charitable donations, we supported their causes through volunteering, organising fundraising events, acting as trustees and usage of Balderton offices.

Some of our key contributions this year included:

- Cooking meals for families supported by the Sick Children's Trust in their kitchen in Whitechapel
- Ten Balderton team members running the Kew Gardens 10k race
- Sizeable donations to emergency appeals for the Earthquake Turkey-Syria in February 2023 and the victims of the Israel-Hamas war in October 2023
- Building air purifiers for our offices after learning about air pollution with the Camden Clean Air Initiative
- Supporting the Sick Children's Trust Christmas Carol service
- Organising MacMillan coffee morning and Christmas Jumper day in our offices.



£125,000

Total charitable donations made in 2023

KR

90% of employees using at least one of their two charity day allowance to participate in volunteering activities

Not achieved

27% of the firm recorded 1 or more charity volunteering dates in 2023. We believe that the number of employees involved in some charitable activity is probably higher but not systematically recorded, something we are working on. Regardless, we continue to explore how we can drive further uptake of charity days, through centrally organising and advertising more opportunities as well as looking into a firm-wide "Impact Day".

KR

Maintain or increase our total charitable giving year-on-year

Achieved

We contributed £125,000 to a range of charities and emergency appeals this year, up from £75,000 last year.

Good health and wellbeing



Urgent climate action, Responsible consumption and Green cities



Diversity & inclusion



Fairness & equal opportunities



Championing diversity in demographics, backgrounds and experiences as a driver of performance

KR

50/50 gender split for all new members of the Partnership over time since the introduction of the SFGs

Not achieved

There were no changes in the Partnership in 2023.

KR

50/50 gender split in our Investment Team (including partners)

Achieved

11 women and 11 men (n=22) or 50% women.

KR

Continue to have at least 50% women in our team

Achieved

39 women and 22 men (n=61) or 61% women.

KR

Track and report internally on Balderton team diversity profile on gender, ethnic and socioeconomic background

Achieved

We carried out our first internal diversity audit through a voluntary and anonymous diversity survey sent out to all Balderton team members. We used the UK's Office for National Statistics (ONS) ethnic group categorisation and followed UK guidelines for socioeconomic background assessment methodologies. While not being perfect, it felt like a good place to start, and we were pleased to see that Diversity VC's inaugural exploration of GP socioeconomic background in their [2023 Equity Report](#) followed the same evaluation approach; namely, combining respondents parents' educational attainment and the type of secondary education that they received (fee-paying vs. state-funded).

Our diversity survey achieved a 77% participation rate and results were presented by our Head of Impact and SFG at a Townhall. We plan on making this an annual exercise to track year-on-year trends.

KR

Continue to have 100% of new parents taking full or partial enhanced parental leave

Achieved

2023 saw the arrival of three new Balderton babies, and we were happy to support three parents, two mums and one dad, who all took advantage of our enhanced parental leave policy.



KR

Maintain our Diversity VC Level 2 certification

Achieved

We are proud to have received and maintained the Diversity VC Level 2 certification since 2021 and continue to follow the guidance of Diversity VC. We also provided feedback on The Diversity VC Standard Framework 2.0 which launched in 2024.



KR

Introduce a speaker series on diversity as part of our ongoing work to tackle unconscious bias

Achieved

Our speaker series aims to provide a platform for empowering voices that foster understanding, and inspire positive change. We want these sessions to give everyone at Balderton the opportunity to learn from the lived experiences of our speakers, gaining a deeper understanding of the challenges they encounter.

In recognition and celebration of International Women's Day 2023 and its theme of "Embracing Equity", we hosted a webinar on "Kick Ass Confidence", touching on themes of imposter syndrome and inclusive leadership.

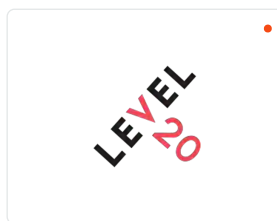
In celebration of PRIDE we also invited a thought-provoking transgender speaker to share his life experience as a trans man and inviting us to be aware of and overcome our own biases.

KR

Continue to have 100% of female investors receive additional mentoring with regards to career progression

Achieved

All of our investors are paired with partners for ongoing internal mentoring. Additionally, our two new joiners were put through the Level 20 mentoring programme.



Other notable activities

Diversity in recruitment activities

Recruitment is a key window of opportunity to shape a diverse team. We work with recruiters and specialised partner organisations including Future VC, Diversity VC, 10,000 Black interns and GAIN to source from as diverse a candidate pool as possible. We also encourage our employees to recommend candidates outside of the classic candidate pool. We are an equal opportunities employer. Aware of our inherent biases as human beings, we have rolled out a number of initiatives to tackle bias in our recruitment process, from checking for inclusive language in job descriptions, to using a software tool (TestGorilla) for early stage skills-based testing, and running a codified and systematic interview process.



We also published our diversity and inclusion policy for sharing internally, with our LPs, and with portfolio companies.

Ensuring the good health and wellbeing of our employees by continually listening to staff feedback and enhancing the employee benefits package

KR

Peakon

>86% participation rate in our quarterly employee survey powered by Peakon

Achieved

Our quarterly Peakon survey saw an average of 87% participation throughout the year. In an effort to consolidate our internal platforms, we will be moving from Peakon to Hibob for our team engagement survey in 2024 and will be redefining our OKRs accordingly.

KR

Peakon

Peakon engagement score across the firm of at least 8.0

Achieved

We achieved an average of 8.3 engagement score.

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.

8.3



2023

8.2



2022

8.1



2021

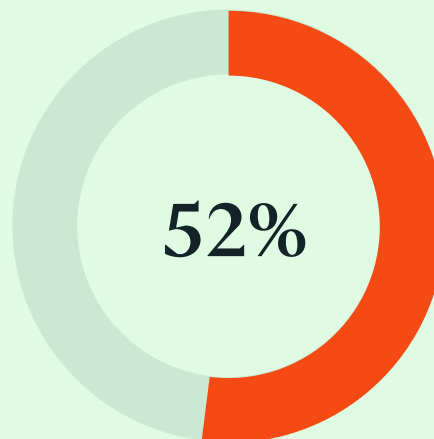
KR

Peakon

eNPS score over 50 (top 10% Peakon)

Achieved

We recorded an eNPS score of 52. eNPS is calculated by subtracting % of detractors to % promoters.



KR

Host mental health and wellbeing workshops to help staff look after themselves and each other

Achieved

We partnered with third-party provider Mind Advisory to run Mental Health Awareness sessions with all members of our team. The sessions covered the drivers of emotional wellbeing, how to identify stress in oneself and others, and how to cope with stress. Our team was grateful to be reminded of what mental health benefits and resources are available and how to access them, but also to be part of an organisation striving to create a culture where it is safe and normal to talk about the challenges we are facing.



Other notable activities

Introduction of fertility cover

Since June 2023 all Balderton employees have access to male and female fertility, reproductive and menopause support via Fertifa, a holistic reproductive healthcare service that can support anyone looking to be proactive about their reproductive health. This additional benefit is designed to complement our Enhanced Parental Leave policy.



Supporting the continual professional development and growth of our employees

KR

Peakon growth score across the firm of at least 8.0

Not achieved

We recorded a score of 7.5 for the year, which is only 0.5 under our benchmark.

KR

>50% utilisation of training budget of £1,000 pp/pa

Achieved

59% of individuals used their training budget this year on various things including 1-to-1 coaching sessions, professional certification courses, fire marshall, and first aid courses.

On top of that we also spent over £25k on group training, covering for example mental health workshops, Gallup strengths finder and Microsoft training.

Individual annual training budget uptake

2023

£1,000



2022

£1,000



2021

£500



KR

Roll out new learning and development curriculum

Achieved

We formalised an internal training session schedule delivered by the partners covering topics such as financial modelling, exit strategy and how to be a successful Board member.

Ensuring that modern slavery does not exist within Balderton's ecosystem

KR

Publish modern slavery statement

Achieved

Our modern slavery statement can be accessed [here](#) from our website.

Holding ourselves to a high integrity and ethical standards as defined by our code of conduct

KR

Continue to have 100% employees quarterly confirming their adherence to the Firm's policies

Achieved

Reporting accurately and transparently on our financial and non-financial performance

KR

Prepare clean audit reports with minimal control points raised for Balderton Capital and the Funds

Achieved

KR

Publish annual Balderton SFG Report

Achieved



Adopting data protection best practices

KR

Zero material data breach

Achieved

We did not record any material data breach that required onward reporting to the ICO.

Balderton.

