



Sustainability report.

AlbionVC

We support
visionary founders
with long-term capital
and scale-up expertise.
Since 1996.

Visit albion.vc

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1.0 Overview and ESG timeline.

Mission statement.

“At AlbionVC we exist to help entrepreneurs succeed. Since 1996 we have backed visionary founders, regardless of their age, race or background. We’ve learnt that companies with a long horizon and solid foundations are the ones that outperform over time.

Establishing sustainable business practices both within our own business and across the companies we back has been ingrained in AlbionVC from the early days. In recent years this process has become systematised, governed by UN PRI principles. Today we use the ESG framework to achieve desired outcomes for all stakeholders and drive appropriate risk-returns.

Events of the past 12 months have demonstrated that, during periods of uncertainty and rapid change, it is crucial to establish solid operational principles, surround yourselves with the best possible team and incorporate interests of all stakeholders to deliver growth, minimise unintended consequences and drive positive impact.

This report is a collection of shared learnings from our team and companies. It is designed to highlight progress achieved to date, celebrate successes and flag areas for change. For us, it is a part of a long-term journey to do venture differently, to create a more collaborative, diverse and dynamic tech sector that works for all parts of the ecosystem.”

Andrew Elder, Deputy Managing Partner, AlbionVC ESG Leader



Overview.

1996

Partners to early-stage B2B software and healthcare companies in the UK. Since 1996.

£1bn+

£1bn AUM across multiple funds investing in category leading companies.

Know how

Great companies are built, not born. We provide scale-up expertise.

Team

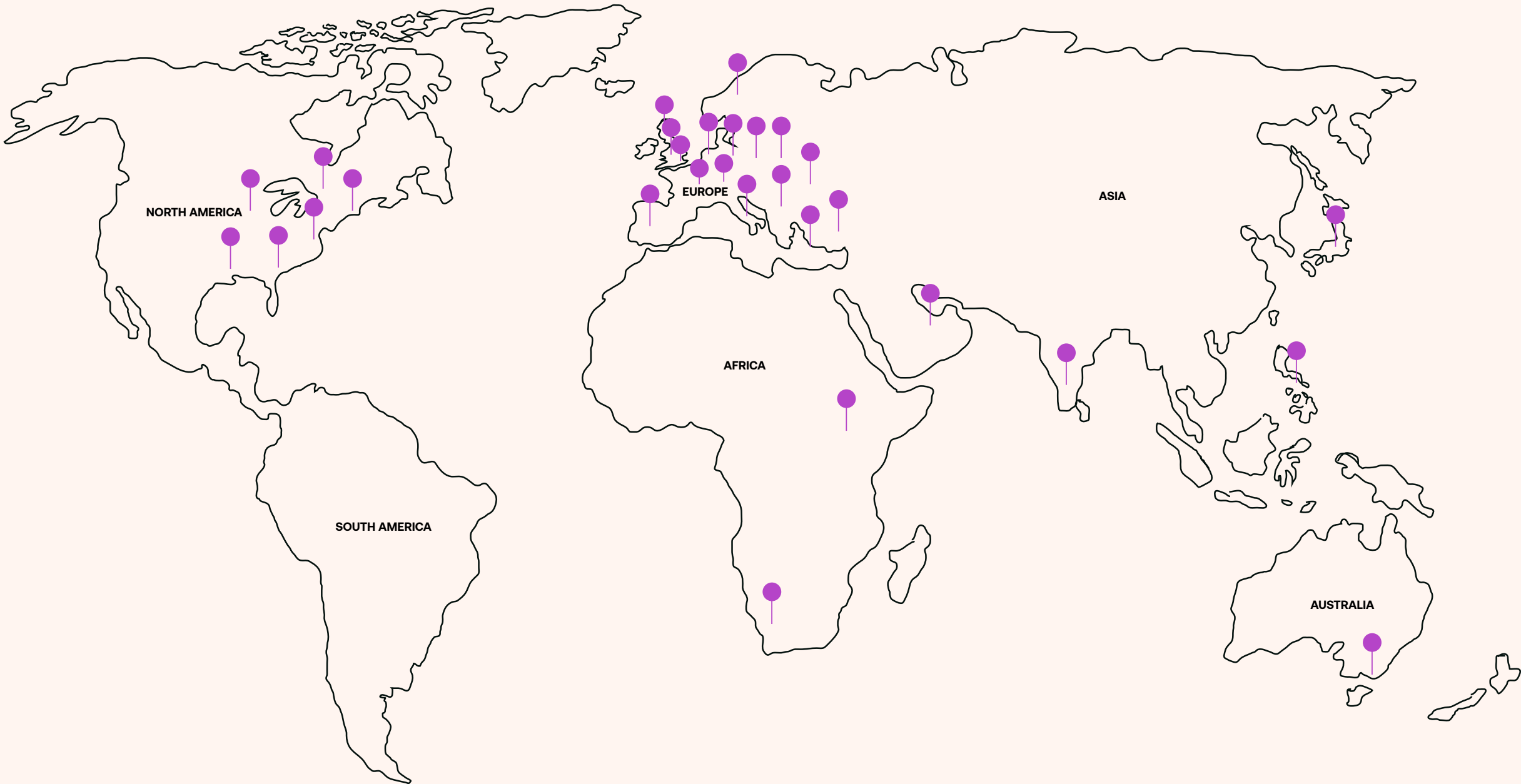
289 years' experience in your corner.

£100m+

Invested in the last 12m in AI & Data, Digital risk, Fintech, Healthtech.

UK heart, global reach.

From our London HQ and across the multiple funds managed by AlbionVC, we are currently invested in 45 technology companies. Many have scaled to become category leaders globally.



Operations

Select office locations
London HQ.

Teams

Over 3,000 people
employed across our
companies.

Growth

Our leading growth companies
have scaled their employee base
15x since we first invested.

It is our firm belief that sustainability is paramount to long-term success.

Companies that integrate sustainable business practices offer better products and services to their customers, reduce operational costs, gain better access to capital, support healthy company culture and allow employees of all backgrounds to thrive.

Companies that prioritise Environmental, Social, Governance (ESG) factors are better equipped to mitigate risks related to climate change, regulatory compliance, social responsibility, and governance issues. By integrating ESG considerations into business strategies, companies can anticipate and address these risks to help reduce potential financial and reputational damage, whilst identifying opportunities for innovation and growth.

They consider unintended consequences of their actions and incorporate interests of all stakeholders. Such practices build enduring success and create long-term value, thus delivering better returns not just to investors but, all stakeholders.

Signatories.

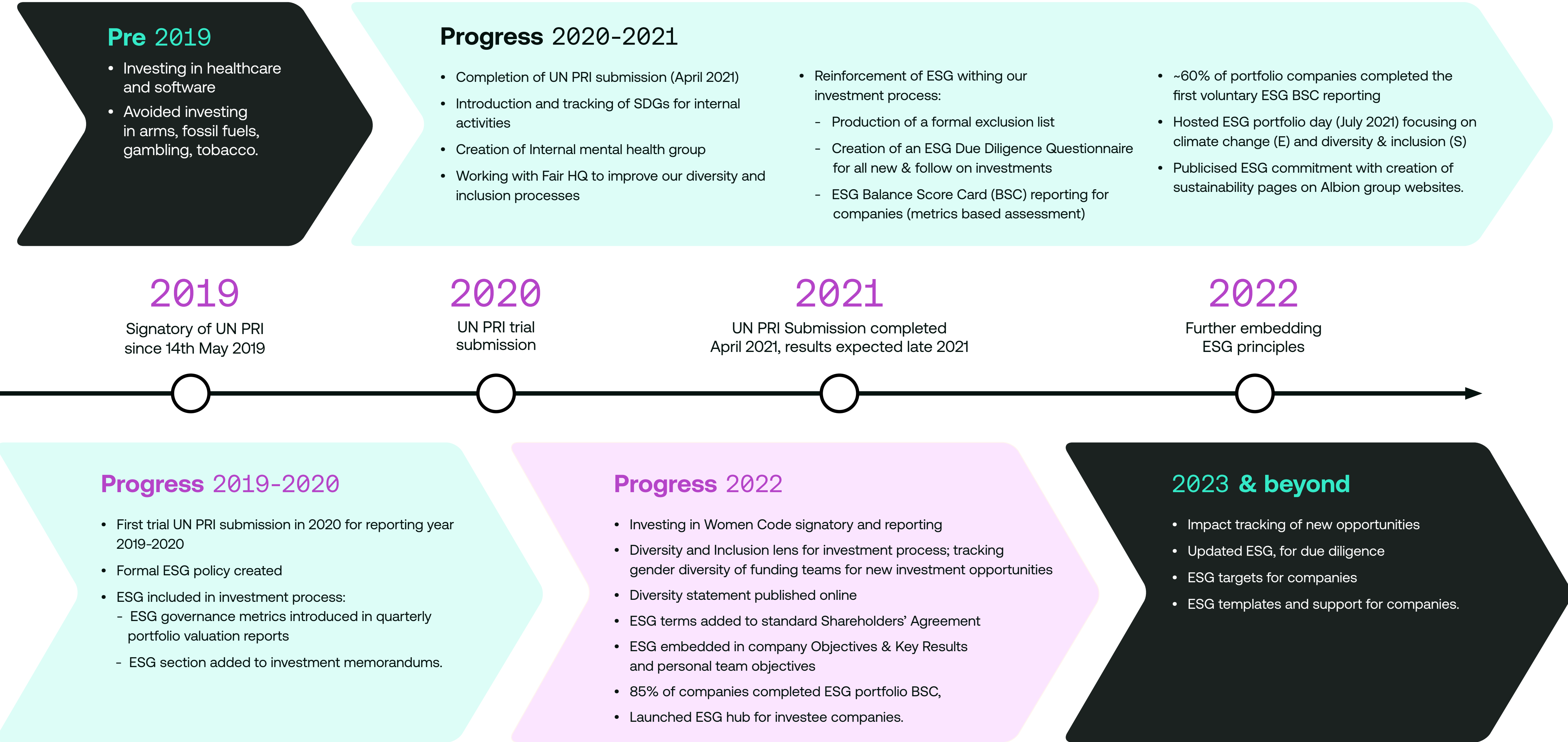


As a signatory of the **UN Principles for Responsible Investment** (UN PRI), we commit to the six key principles to incorporate ESG issues into investment practices.

We are a member of **VentureESG** steering committee, a community-based non-profit initiative from VCs for VCs to push the industry on ESG best practice. Today, the group includes 300 venture funds and 90 limited partners from across the globe, working to make ESG a standard part of due diligence, portfolio stewardship and internal fund management.

AlbionVC is a proud signatory of the **Investing in Women Code** and adopts internal practices that aim to improve female entrepreneurs' access to the tools, resources and finance required to scale their companies.

AlbionVC's ESG Timeline.



2.0 Our ESG strategy and sustainability initiatives.

ESG at work in our internal operations, investment process and our investee companies.

Our approach.

Build a sustainable business

We believe that the most successful businesses are those that prioritise sustainable practices. We are therefore committed to driving sustainable change and intentionally revising our processes and policies.

Invest in a responsible manner

ESG considerations are incorporated throughout our investment process to create lasting value for all stakeholders.

Grow companies through active engagement

We work closely with our companies to help them adopt best ESG practices, integrate ESG considerations into their business strategies, and foster a culture of responsible business practices. We also engage across the ecosystem to drive systematic change.

2.1 ESG in our internal operations.

Building a sustainable business.

Building a sustainable business.

In making our commitment to responsible investment and sustainability we have aligned ourselves with the most relevant UN Sustainable Development Goals (SDGs).

We believe that by focusing on a few specific goals, and actively monitoring them, we are creating tangible positive action towards meeting the global challenge by 2030. We focus on:



UN sustainable development goals.

Action on climate change.

We are committed to action on climate change and strive to play an active part in tackling the climate crisis. Our goal is to achieve Net Zero Carbon Emissions by 2030.

What does this mean in practice?

- Net Zero action group
- *We measure our carbon footprint (Scope 1, Scope 2, Scope 3 excluding investments) using third party software. We have been working with pioneers in this space PlanA since 2021.
- Annually we introduce practices to reduce carbon emissions
- We offset our annual carbon footprint with carbon removal offsets. Why?

Carbon removal offsets remove our share of carbon emissions from the atmosphere

Since 2021, we have purchased Biochar carbon removal offsets from SuperCritical, a carbon removal market place

We strive to reduce carbon emissions year on year

The increase from 2021-2022 reflects a lower-than-typical carbon footprint in 2021 due to the Covid-19 lockdown

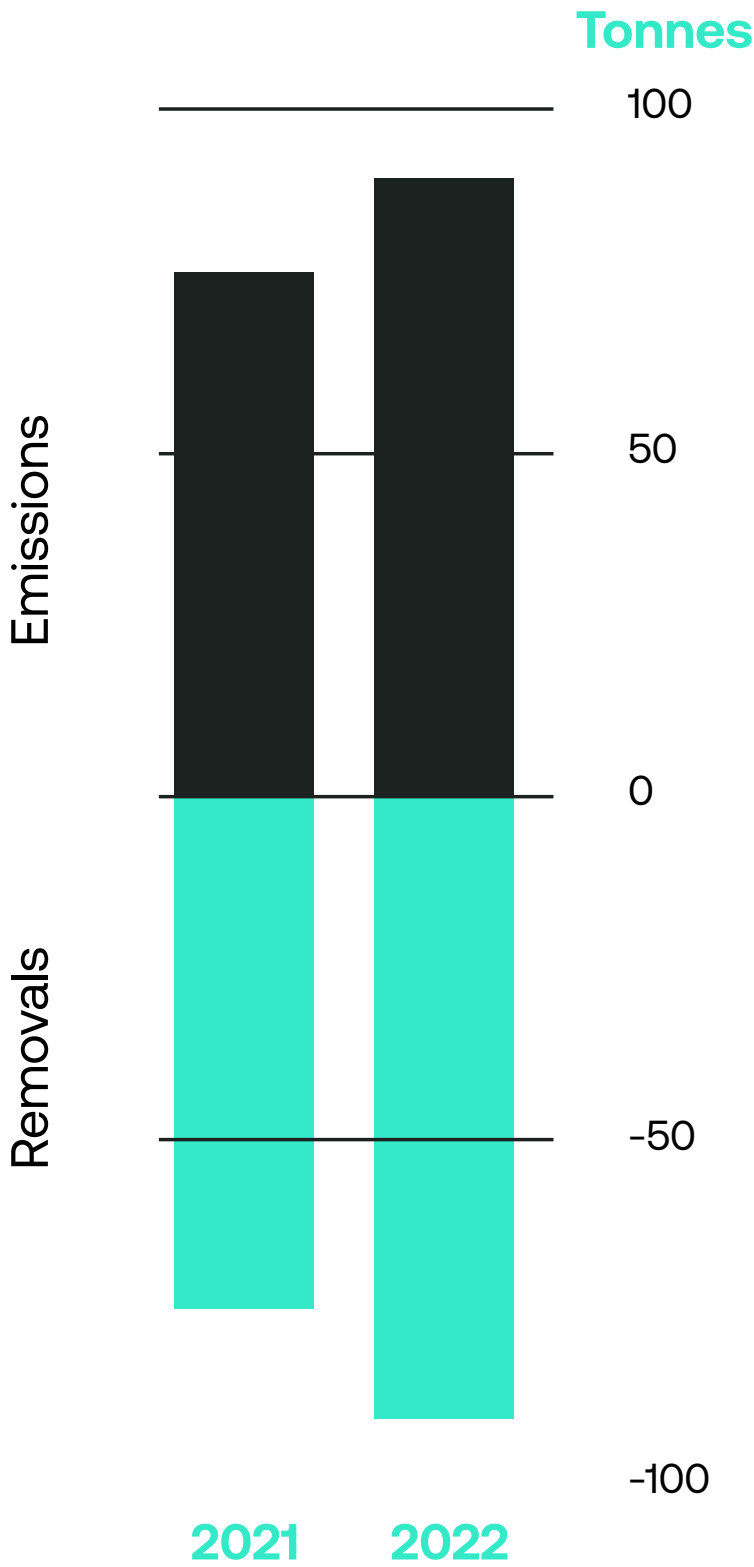
Carbon removals

“Since measuring their baseline year Albion VC has removed 100% of their emissions through permanent carbon removal. We believe this is the most impactful thing that AlbionVC can do to positively effect the climate today whilst also helping scale the nascent carbon removal market.”



In 2021 AlbionVC purchased **70 tonnes** of carbon biochar from Freres

In 2022 AlbionVC has purchased **89 tonnes** of biochar from Douglas County



Meet our team.



Adam Chirkowski
Investment Director



Agnese Palermo
Marketing Associate



Andrew Elder
Deputy Managing Partner



Cat McDonald
Investment Director



Christoph Ruedig
Partner



David Grimm
Investment Director



Ed Lascelles
Partner



Emil Gigov
Partner



Gita Kler
Analyst



Jay Wilson
Investment Director



Jane Reddin
Partner, Platform and Talent



Katya Pogudina
Head of Marketing



Kibriya Rahman
Investment Associate



Lauren Apostolidis
Platform Director



Leigh Brody
Investment Manager



Molly Gilmartin
Investment Manager



Nadine Torbey
Investment Director



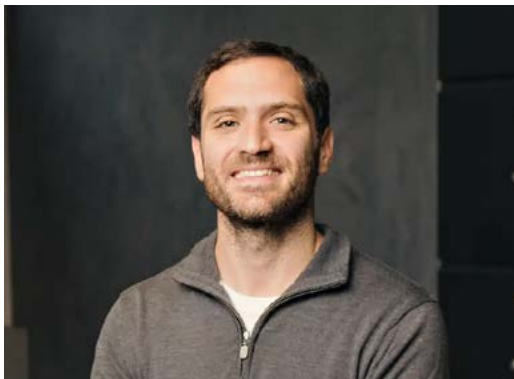
Paul Lehair
Investment Director



Sebastian Hunte
Investment Associate



Simon Goldman
Investment Director



Tanel Ozdemir
Investment Manager



Robert Whitby-Smith
Partner



Valerie Aelbrecht
Investment Associate



Will Fraser-Allen
Managing Partner

Commitment



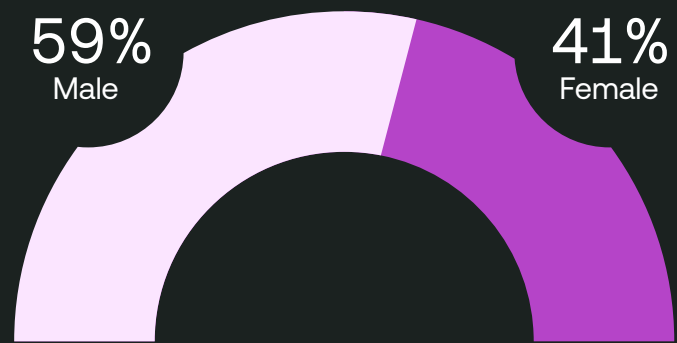
Growth



Diversity



Gender



Work experience

Prior to joining Albion VC



We believe that teams perform best when individual team members feel safe to bring their whole selves to work.

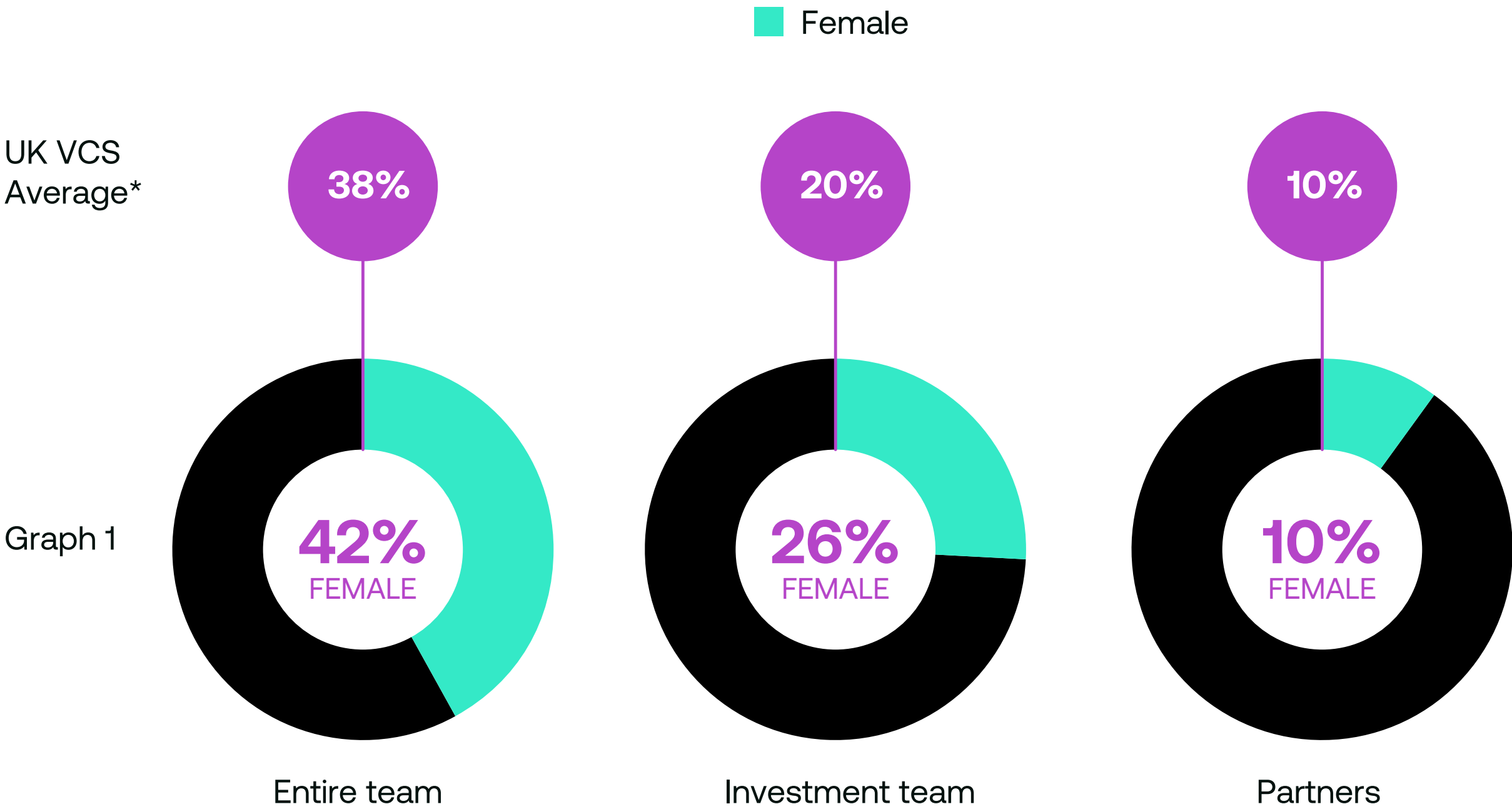
We strive to work in a socially responsible manner, to contribute to the communities in which we operate and respect the needs of our team and all other stakeholders.

When we founded AlbionVC in 1996, we fostered a culture that welcomes everyone, where everyone can succeed regardless of race, gender, religion, sexual orientation, age, disability, or socio-economic background. At AlbionVC we achieve success by working as one team, where all employees feel valued, respected, and engaged.

We believe that teams perform best when individual team members feel safe to bring their whole selves to work.



Gender diversity within AlbionVC



*Source: BVCA , Diversity & inclusion Report 2021

Diversity, equity and inclusion at AlbionVC.

Intentionally building new processes.

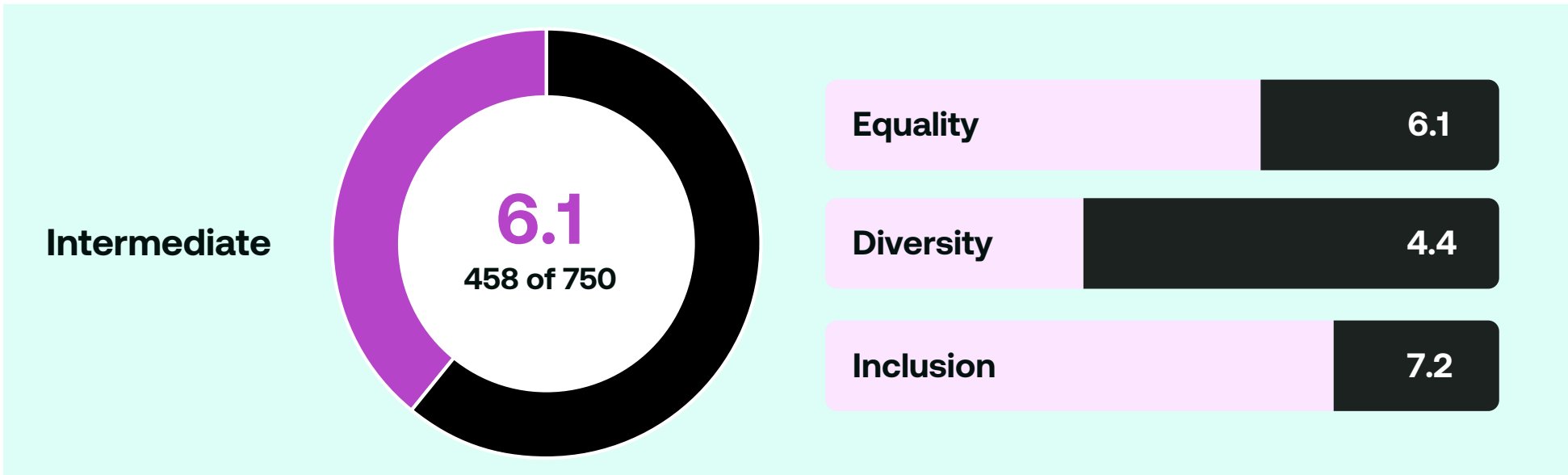
We have partnered with Fair HQ, a diversity and inclusion partner, to establish diversity and inclusion practices and policies. Part of the process includes an annual employee “belonging survey” and a review of all company processes and policies.

Since 2021 we’ve implemented a number of new initiatives: on recruitment, diversity in the hiring funnel is closely monitored and our process was revamped to incorporate blind CVs, standard interview questions and case studies for all candidates. We also work with recruitment consultants and a variety of job boards to improve the diversity of our candidate pool. Our commitment to diversity is made public via a Diversity Statement on our website.

Encouragingly our Fair HQ score has jumped from **3.8 (in 2021) out of 10** to **6.1 for 2022**. In 2023 we are focusing on new initiatives to improve across all aspects of diversity, equity and inclusion.

AlbionVC Fair HQ score continues to improve in 2022

Graph 2



We conduct our business in an honest, ethical and socially responsible manner.

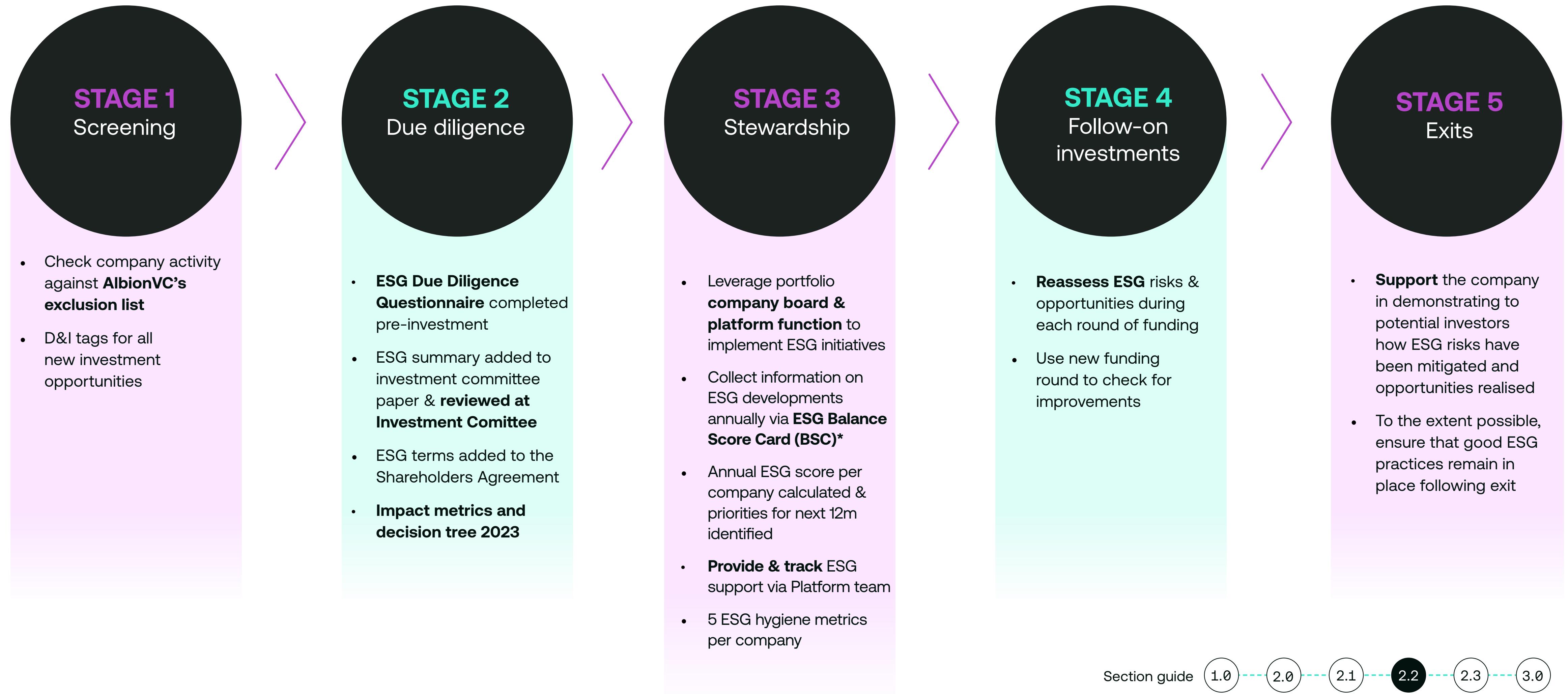
These values underpin our business model and strategy. We have policies and procedures relating to governance matters such as the operation of the Board and its various committees for risk management, investments, valuations and remuneration.

Recent Governance initiative.



2.2 ESG in our investment process.

How ESG is embedded into our investment process.



2.3 ESG in our companies in 2022.

Stewardship - growing companies through active engagement.

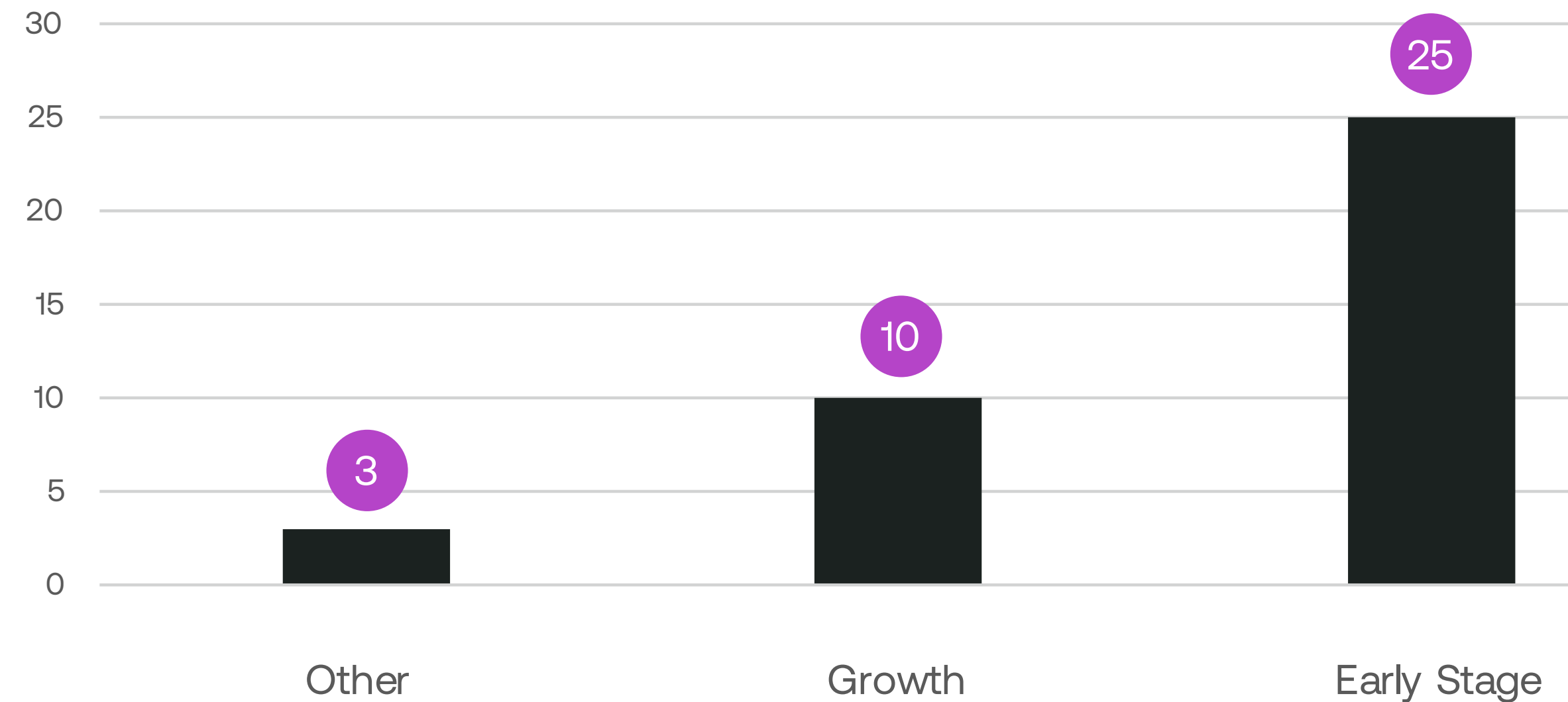
Why we are sharing the data.

It is still early days for establishing what good ESG metrics look like for private, venture backed technology companies. In the early stage (pre-seed and seed) the founding teams’ mindset is key to building sustainable business practices, while balancing the tension of a fast growing company. However, as the companies scale the need for established robust processes and policies emerges. At the growth stage, operational excellence with sustainable business practices is the norm for outlier companies. At IPO stage it becomes a legal requirement.

To bring transparency to the ecosystem, to support our founders and their teams and to keep ourselves accountable we publish aggregated, anonymised data across Environmental, Social and Governance metrics for AlbionVC backed companies.

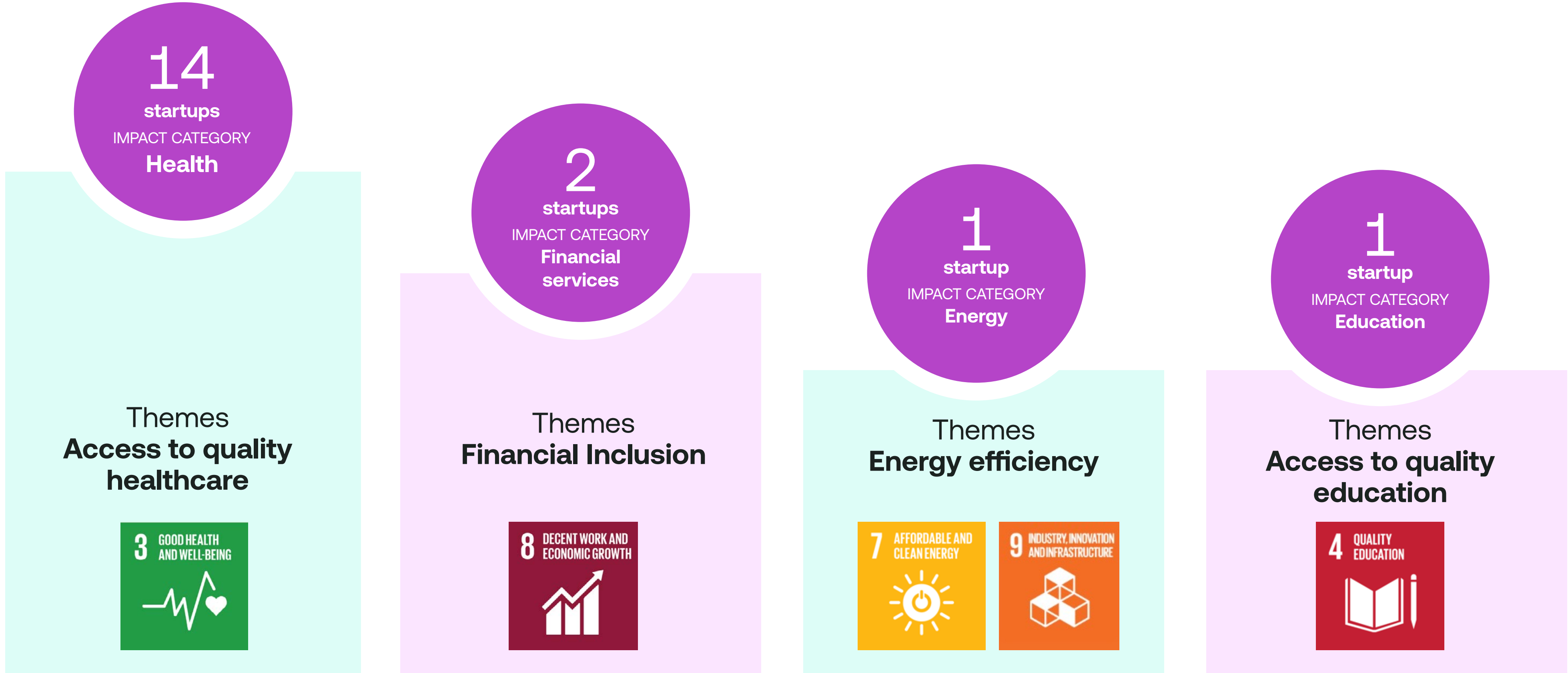
38 companies (84% all companies) completed an ESG assessment for 2022. Where available we compare the data to 2021 findings and include an industry comparison. For a more detailed breakdown for all company metrics please see **ESG data appendix document**.

Number of Companies by stage



Note: Early stage includes seed and series A, Growth stage includes series B+

40% of startups are creating positive impact across healthcare, financial services, education and climate.



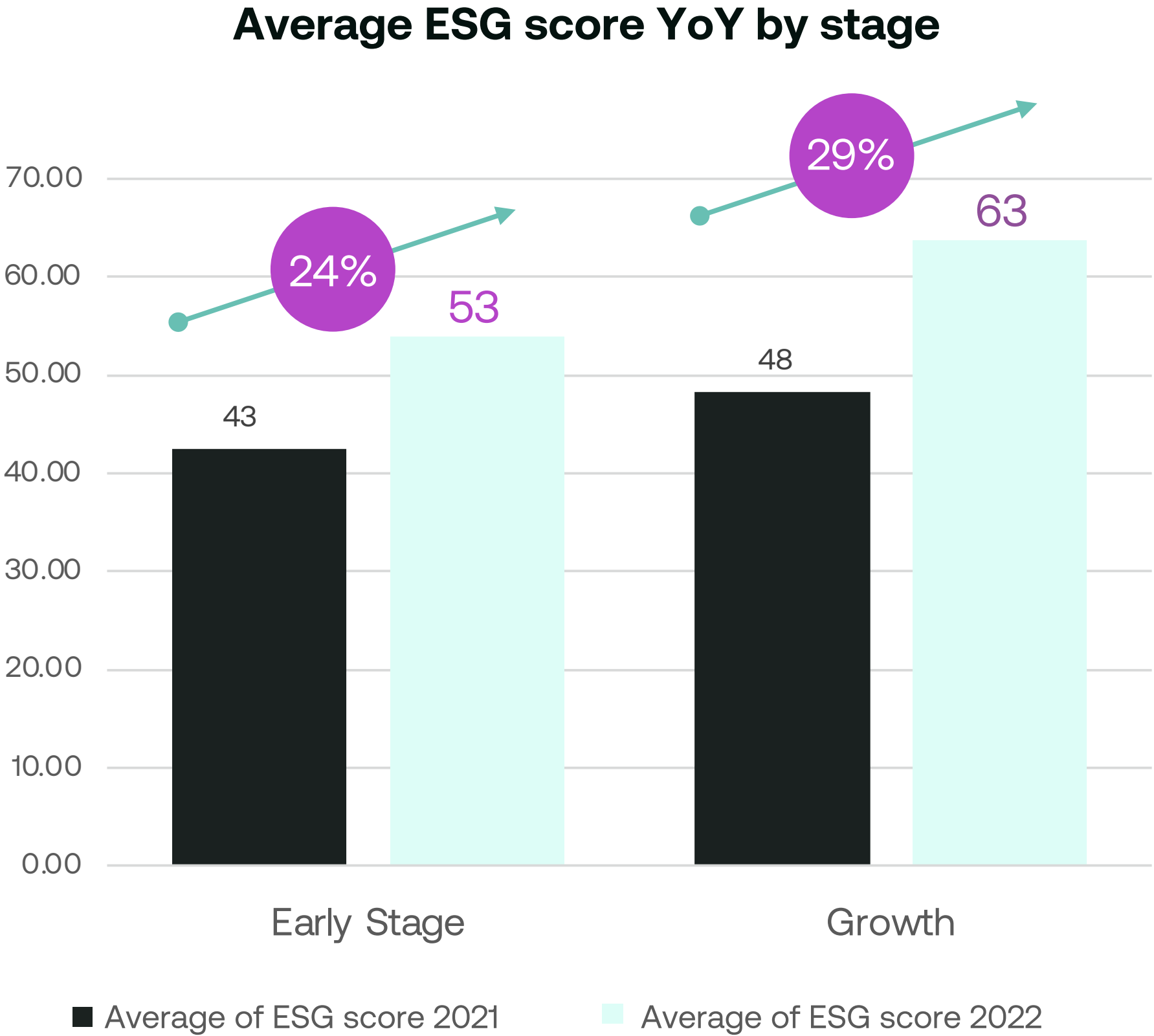
Growth stage companies have a higher absolute ESG score and are improving more quickly.

53
average ESG scores (2022) out of 100 for early stage companies.

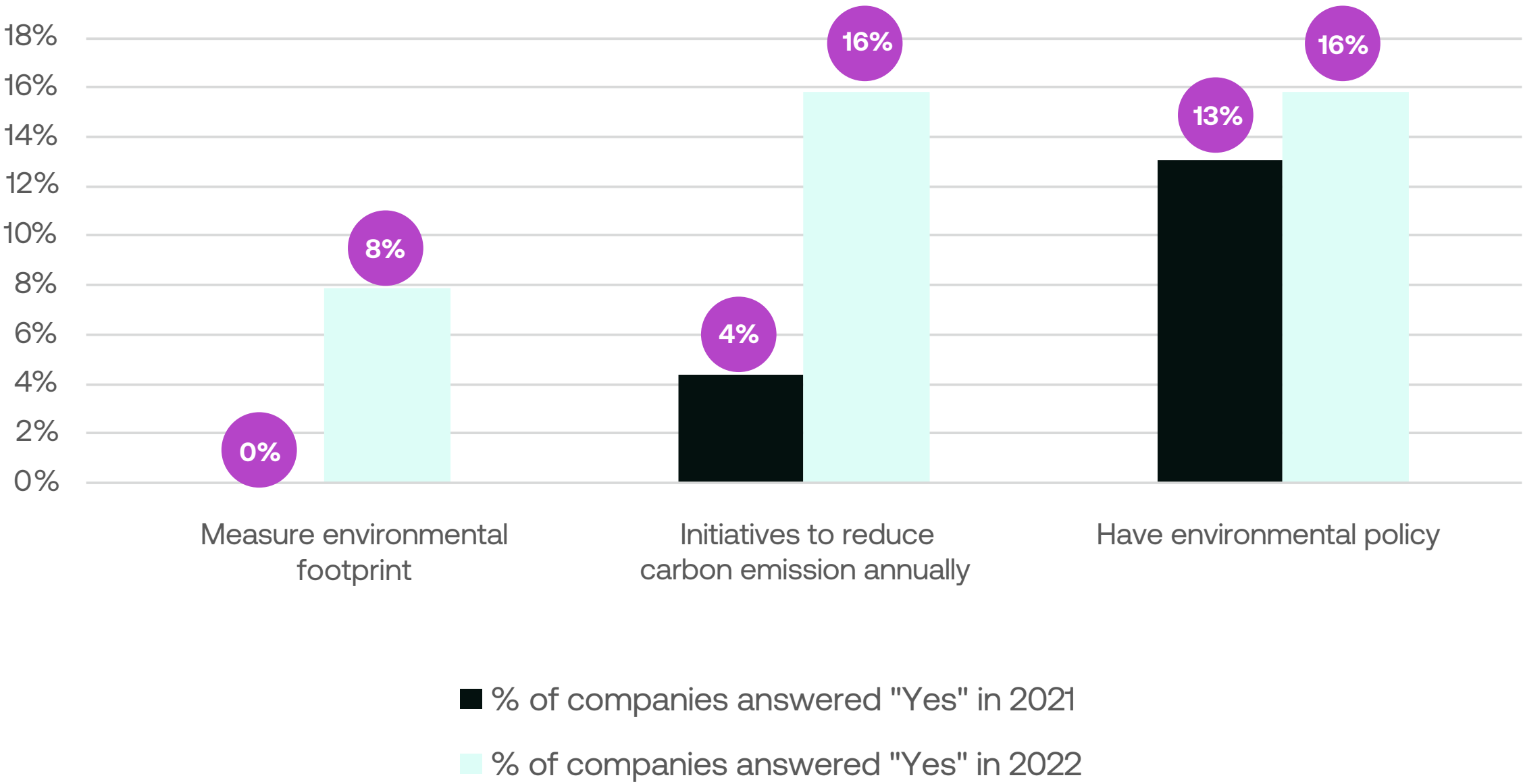
63
average ESG scores (2022) out of 100 for growth stage companies.

On methodology:

The ESG score is calculated annually based on the self-reported answers provided by each company's leadership. Each question in the BSC is weighted equally as we consider every facet of ESG of equal significance. All positive responses are aggregated and divided by the total number of questions, resulting in an ESG score that is scaled to a maximum of 100.



Environmental - companies showing positive trend in environmental initiatives though from a low base.



Environmental initiatives are low in general across our companies, but are increasing year on year

The amount of carbon emissions varies, mostly driven by Scope 3: ranging from an estimated 13 tons to 2294 tons CO₂e

All companies actively engage in social initiatives.

50%+ companies said “**yes**” to questions regarding:

- Wellbeing
- Data security
- Responsible product design

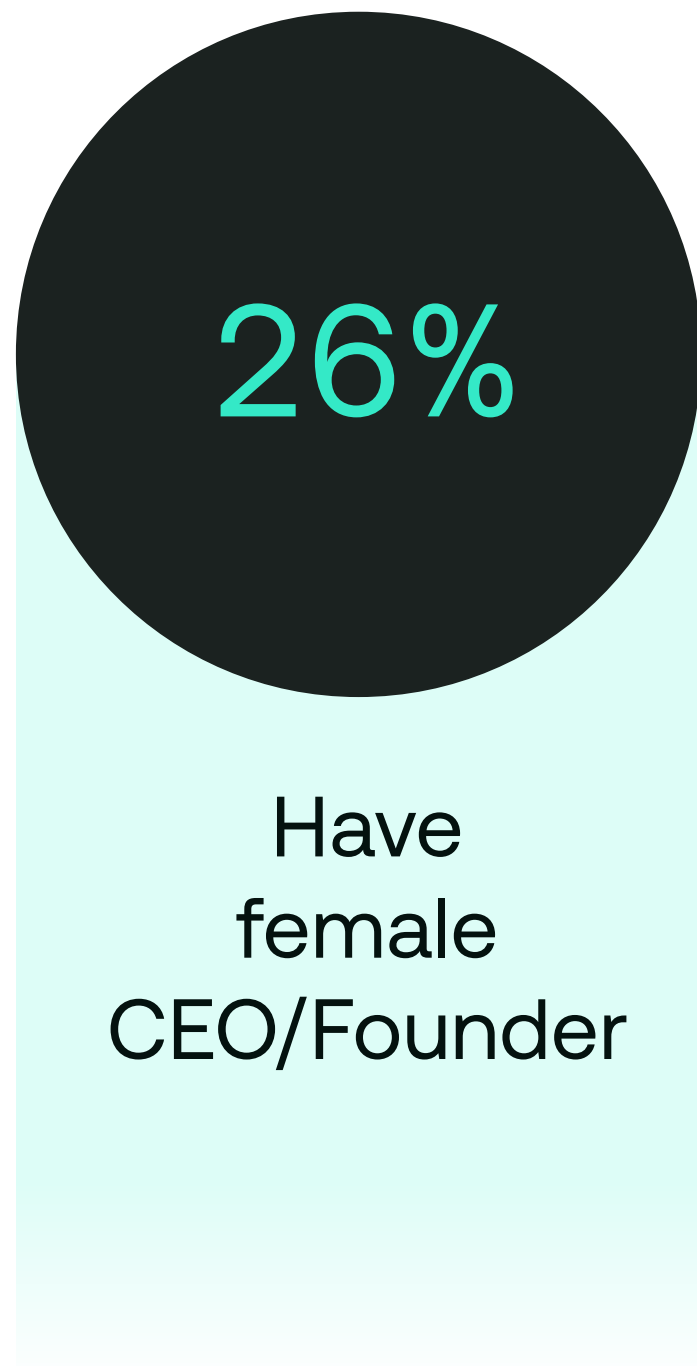
All companies offer at least one employee benefits out of five mentioned in the BSC.

50% of the companies offer more than two benefits.

Standard benefits offered:	Other benefits offered:
<ul style="list-style-type: none">• Dental insurance• Equal parental leave• Cycle to work• Therapy or similar mental health support• Private healthcare.	<ul style="list-style-type: none">• Pension• Flexible working• Gym Discount• Flexible bank holiday• Paid time off• Train ticket• Electric Car Scheme..

Gender diversity across our companies.

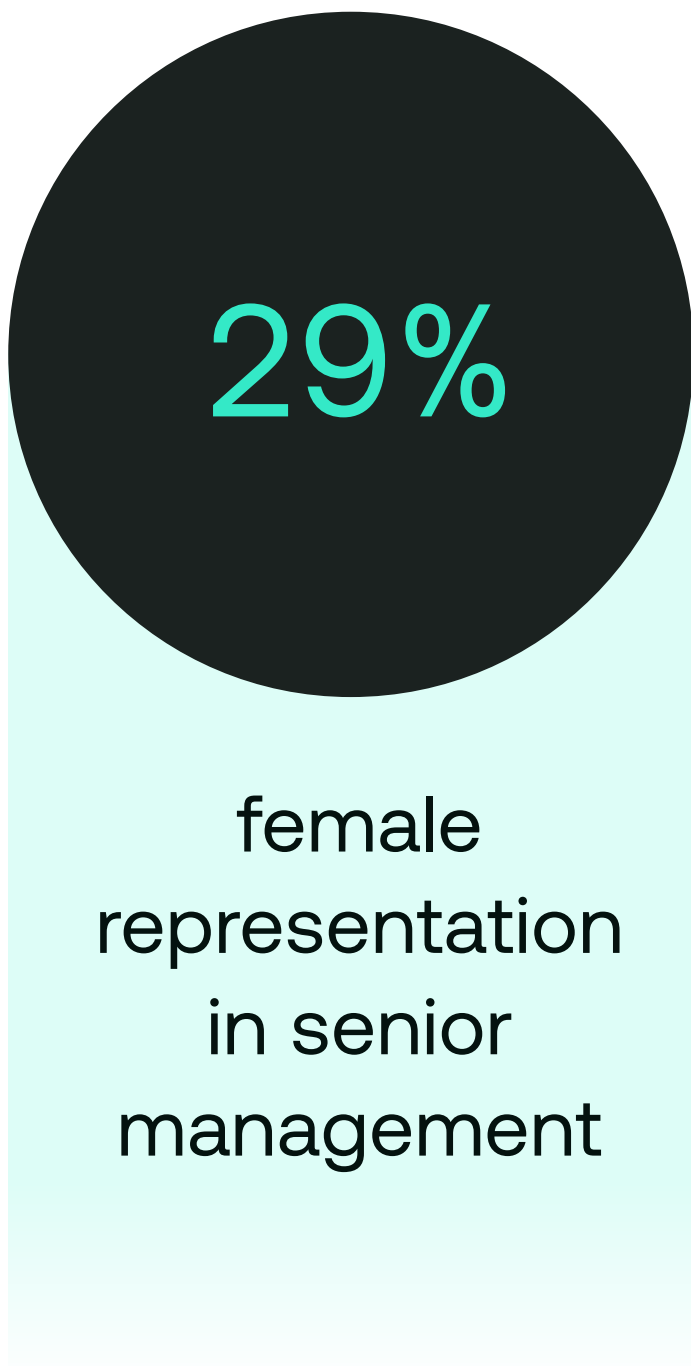
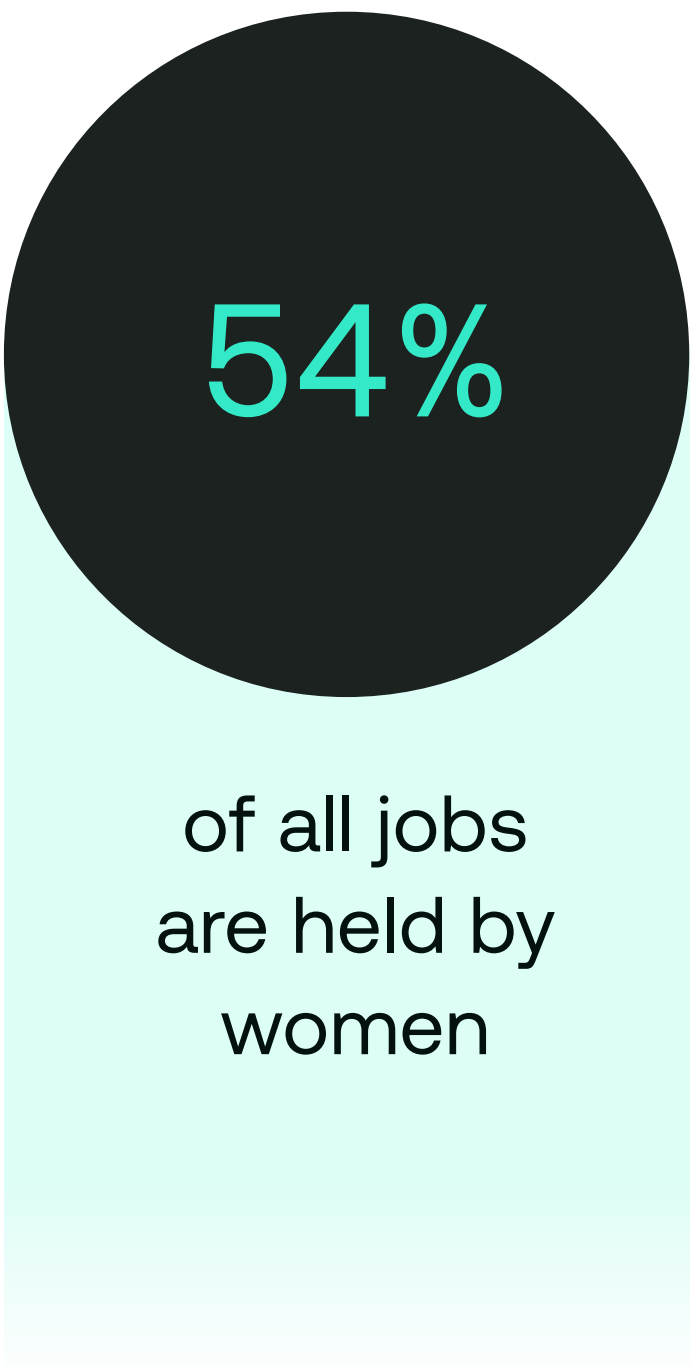
Out of existing 42 companies,
26% have a female CEO/co-founder.



Industry benchmark
34%
female or mixed founding team received funding (Investing in Women Code signatories report).

Peer
31%
companies have at least one female founder (500 startups).

Over 50% of jobs are held by women, but men still occupy the majority of senior positions.

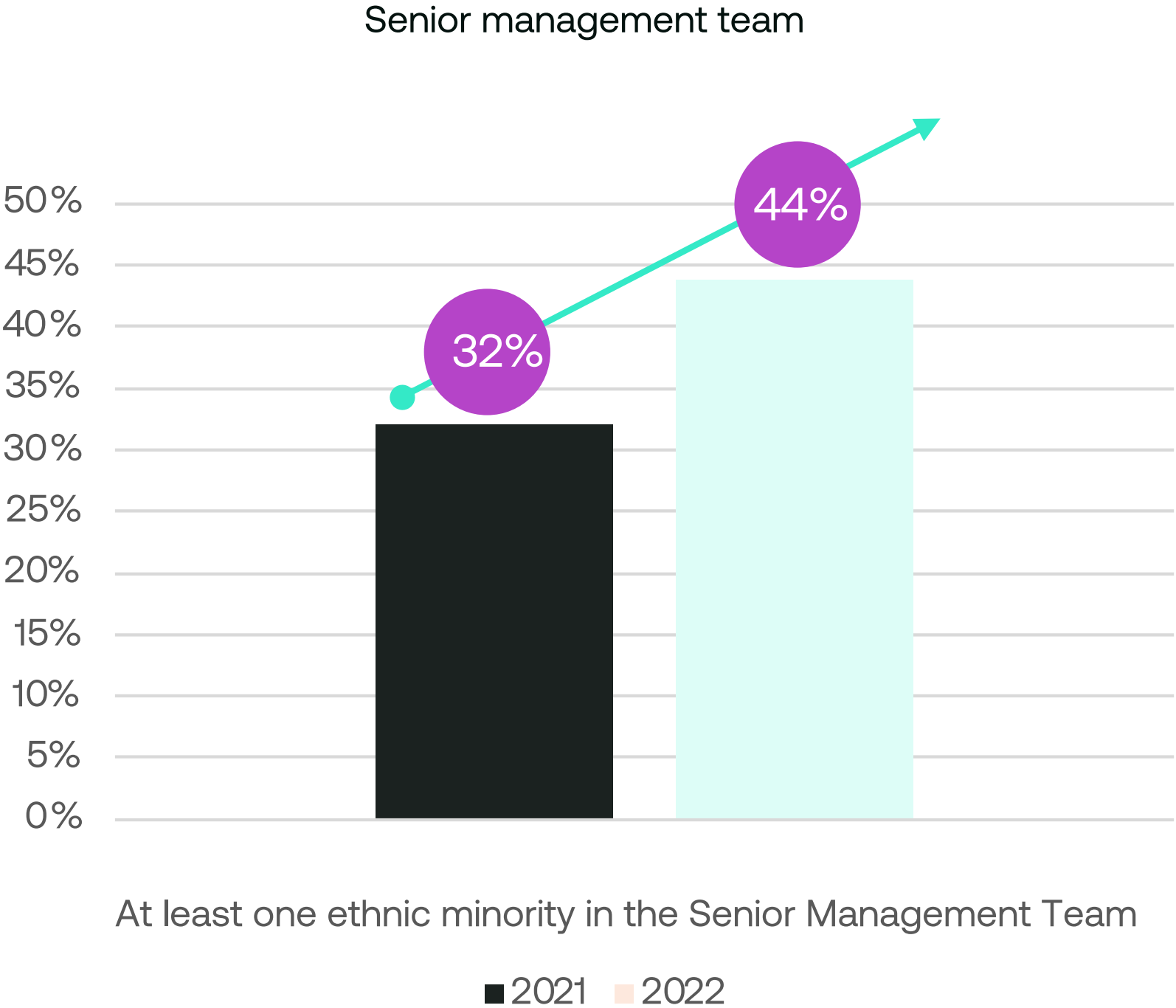


Industry benchmark
34%
female in SMT in EU.

Ethnic diversity across our companies.

Ethnic minorities are under represented in senior management, however showing improvement trend year on year.

% of companies that have at least one person from ethnic minority groups in the Senior Management Team year on year



44% of companies have at least one ethnic minority in senior roles and show a positive improvement year on year.

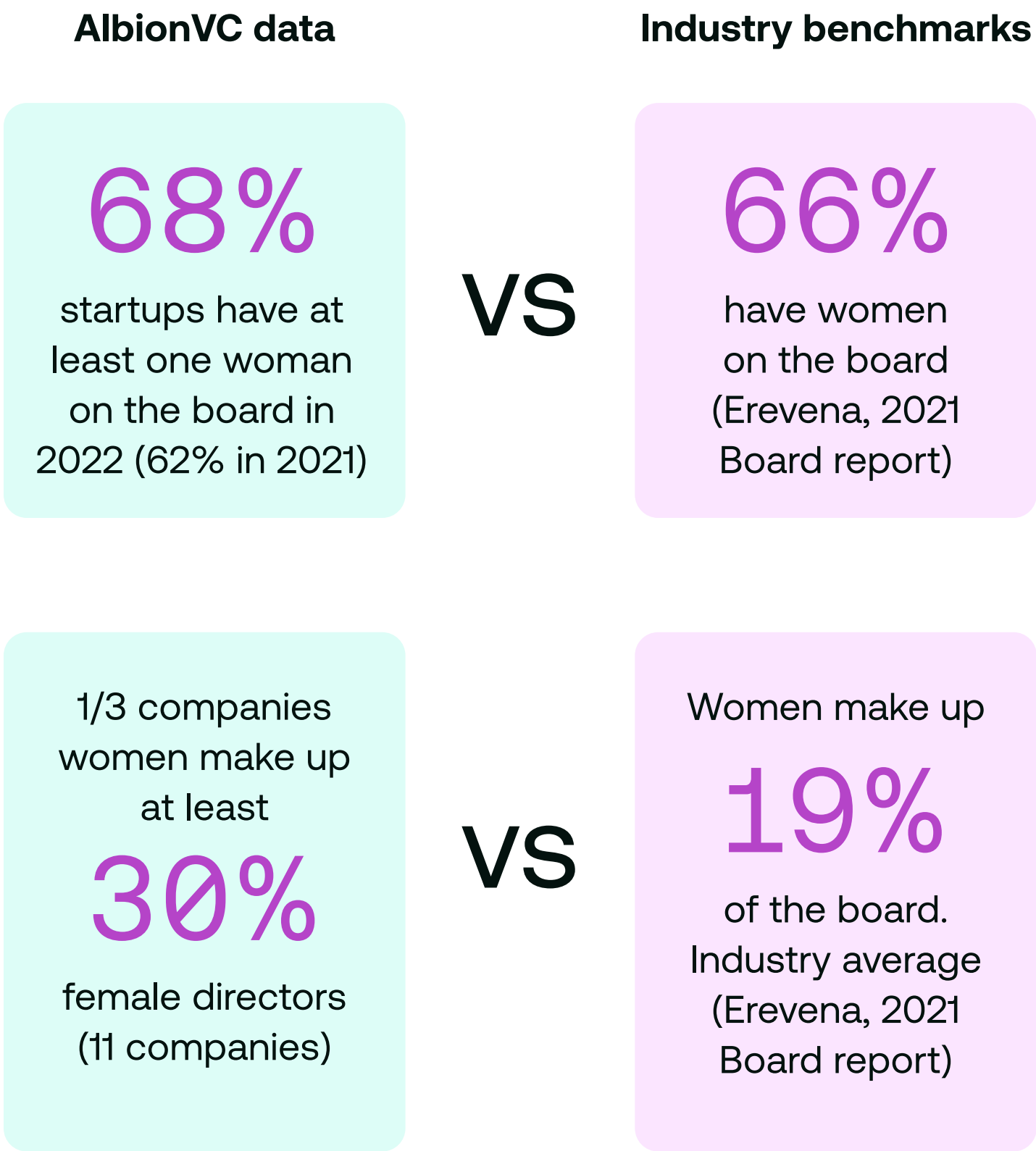
Peer comparison

42%

of founders are from ethnic minority backgrounds (Bethnal Green Ventures, 2021)

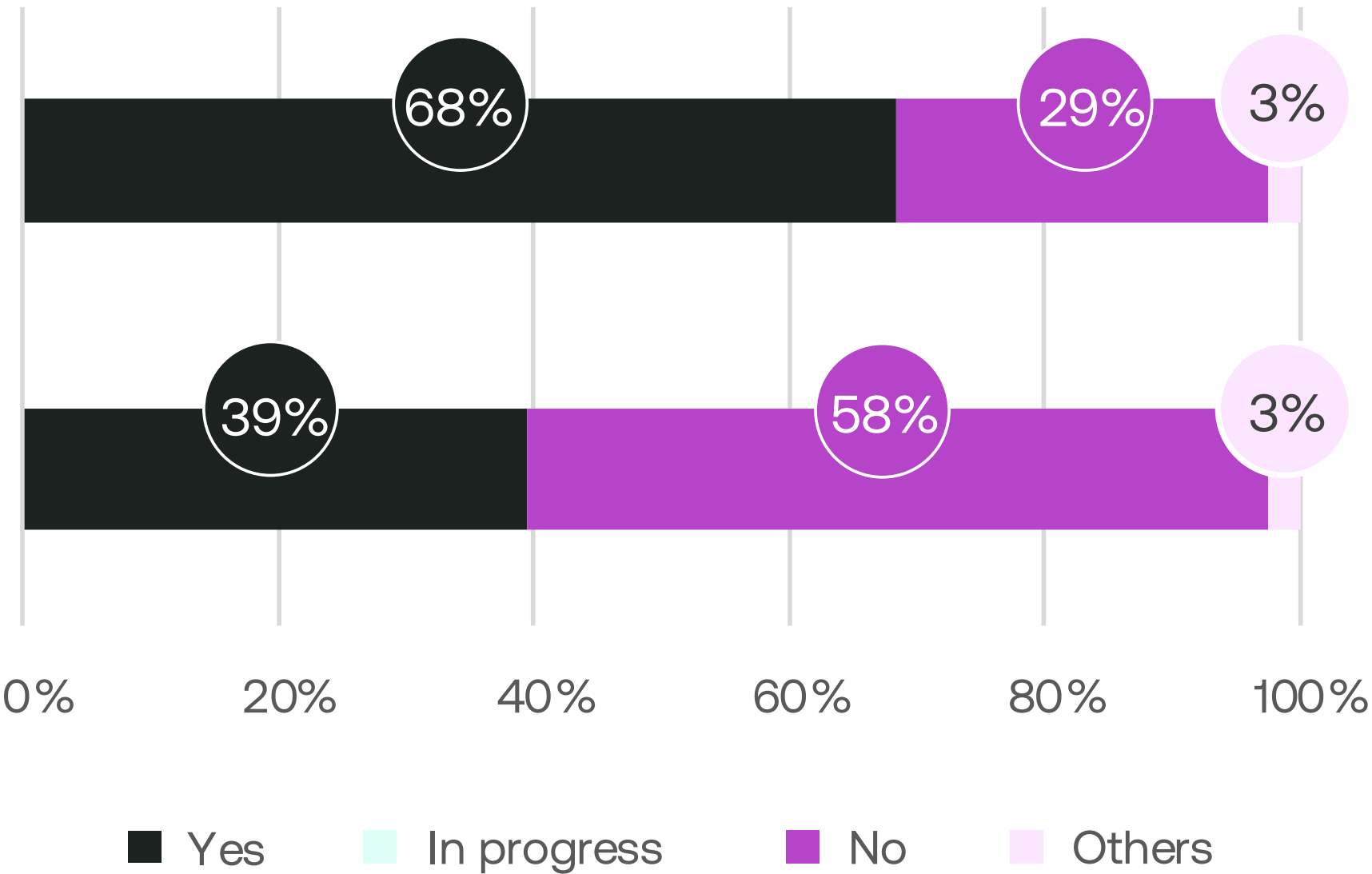
Governance.

Woman on the board – a mixed picture.



Independent Chair

ESG raised on the board' agenda at least once a year



Case study | Quantexa - Growth Stage Company.

ESG Score

85

digital risk,
growth stage

Series E

Team 650+

Quantexa is a global leader in Decision Intelligence (DI) solutions for the public and private sectors, empowering organizations to establish confidence in their data, reach new levels of organizational efficiency and build business resiliency. Using the latest advancements in AI, Machine Learning and advanced analytics, Quantexa’s Decision Intelligence Platform gives customers the ability to understand their data by connecting siloed systems and visualizing complex relationships. The result is a single view of data that becomes their most trusted and reusable resource across the organization.

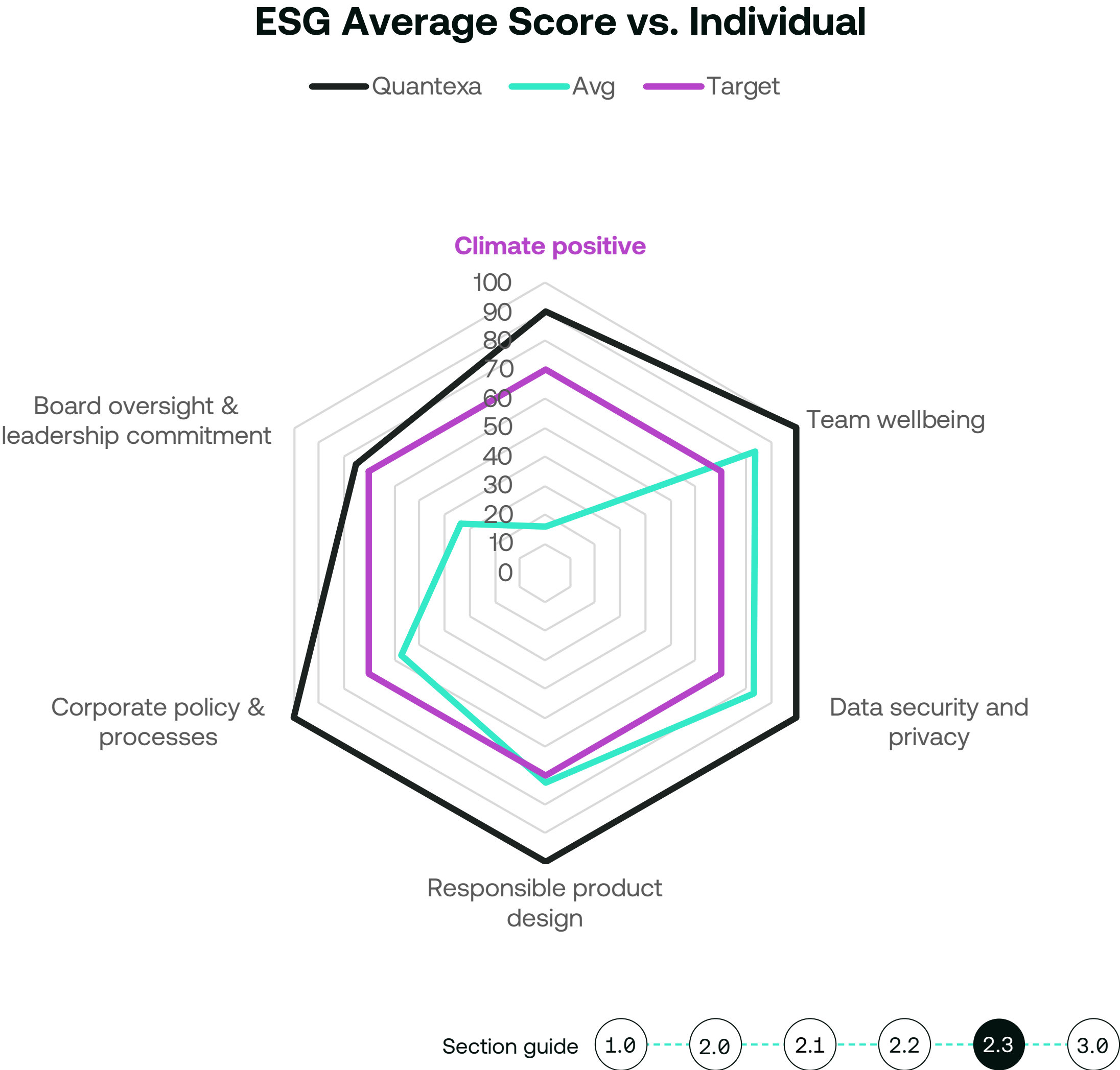
Deployed in more than 70 countries, thousands of users across banking, insurance, telecoms industries, and within public sector, rely on Quantexa’s outcome-driven solutions to protect, optimize, and grow their organizations. Quantexa’s growing customer-base includes BNY Mellon, HSBC, Standard Chartered, Danske Bank, Vodafone, and The Public Sector Fraud Authority in the UK Cabinet Office.

Quantexa incorporates the Ten Principles of UN Global Compact into its strategies, policies, and procedures, and has set five ESG objectives to measure and improve its practices.

For 2021/2022, the company recorded 2,268.88 metric tons of Co2e and set clear action plans targeting to reduce one-third carbon emissions from its operations and supply chain by 2030.

The company received Most Loved Workplace® certification and 8.2/10 employee engagement score. It is committed to develop an inclusive and equitable holistic processes by focusing on diverse hiring, launching enhanced benefits and other community engagement.

Please see [Quantexa’s published Sustainability Report](#) for more details.



Case study | Toqio - Early stage company.

ESG Score

65

Fintech

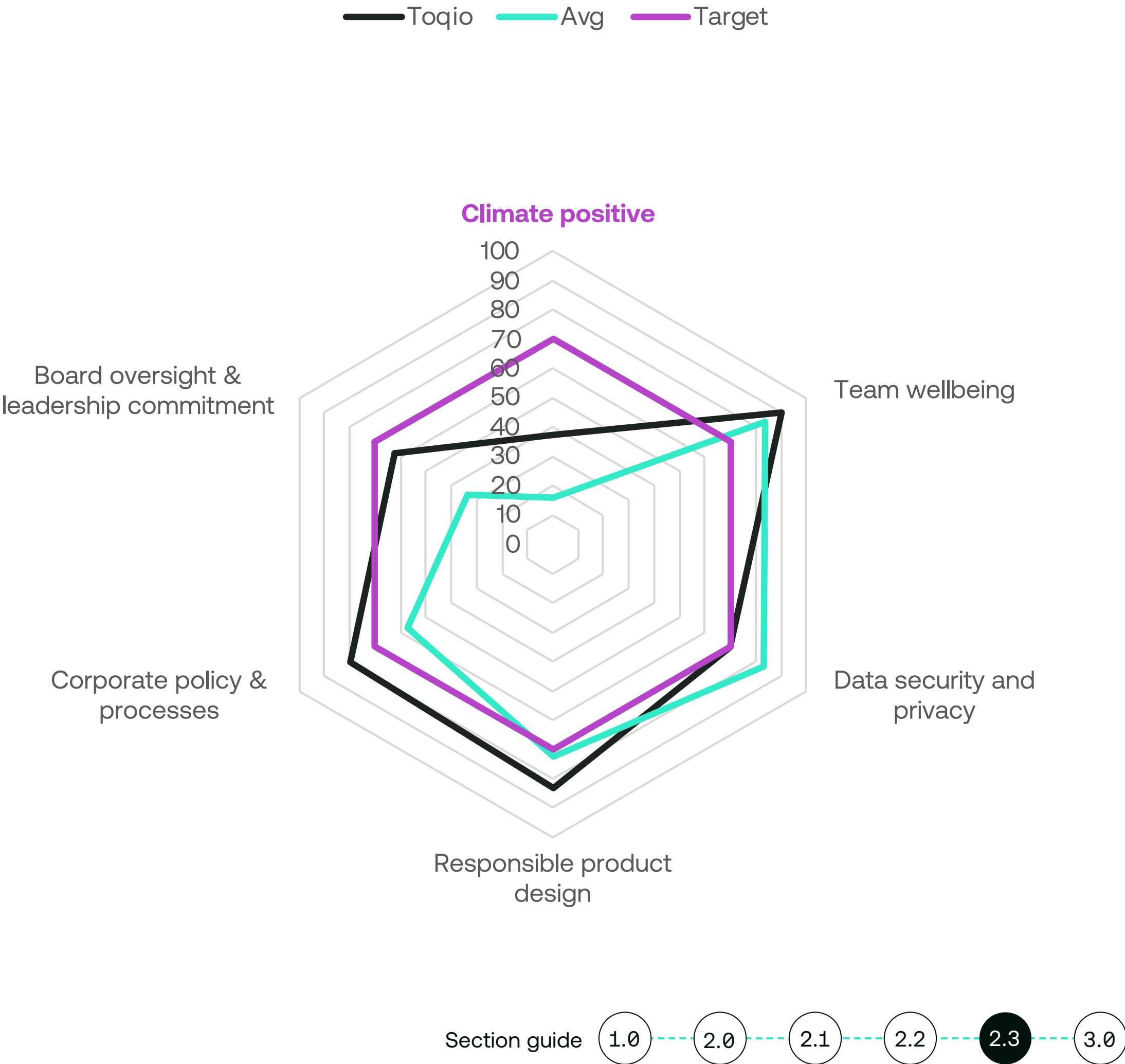
Series A

Early stage

Toqio is a fintech platform that gives companies the ability to create and launch fully branded banking or finance solutions. Founded in 2019 by experienced entrepreneurs Eduardo Martinez and Michael Galvin, Toqio allows businesses to embed financial solutions in a matter of days, without needing to build and manage complex software in-house.

Toqio has presence in UK, Spain, France, and Germany, and in 2022 raised €20 million Series A funding led by AlbionVC with participation from Aldea Ventures, Seaya, Speedinvest, and SIX FinTech Ventures.

Toqio stood out among other early stage companies with its impressive ESG performance. The company has implemented ESG policies and undertaken best practice solutions such as measuring carbon footprint and appointing a dedicated ESG lead among the senior management team. Toqio is intentional about building a high performing and inclusive team; it provides training on unconscious bias and anti-harassment. To incentivise ESG performance, Toqio is one of the few companies backed by us that has linked senior management pay to ESG targets.



3.0 Looking ahead.

Continual improvement on the ESG journey.

AlbionVC's next steps.

In 2023 and beyond we continue to build on the foundations established to date to further cement sustainability principles amongst our team at AlbionVC, our investment process and across the companies backed. We are not looking for quick fix solutions or miracles over time. Rather, we are focused on supporting our team and internal operations, and being best stewards and sounding boards to our company leadership teams.

Our internal goals for 2023:

Improve our D&I (Fair HQ) score from 610 to 680, by March 2024

Reduce carbon emission intensity per employee by 20% by March 2024, on a path of Net Zero by 2030

Social outreach group to host first workshop with the youth groups & build a strategy for long-term partnership

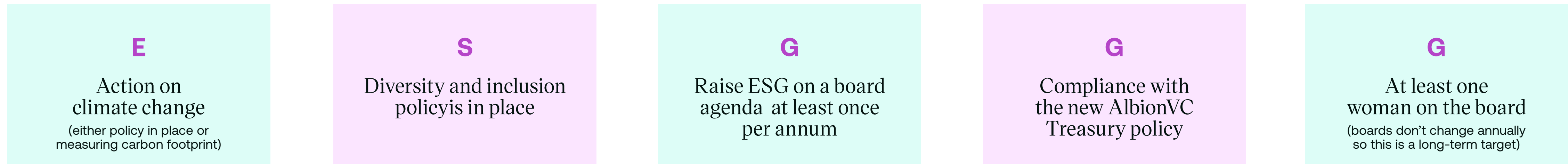
As a firm we continue to focus on all aspects of E, S, and G to make sure we are well prepared to navigate turbulent and unexpected market environment over the long-term.

Company focus areas in 2023 & beyond.

We are committed to supporting our companies to make significant progress across all aspects of ESG.

In 2023 we are introducing the ESG ‘hygiene’ factors, these are baseline measures that every investee company is expected to meet:

5 basics ESG factors.



In 2022 we established these 5 factors as a baseline, and going forward are actively monitoring these 5 ESG baseline factors in partnership with investee company leadership and providing support and resources, where needed, to make sure these are achieved.

In addition, we continue supporting our companies across other sustainability initiatives.

During the 2022 reporting, a number of companies had outlined that they are currently ‘in progress’ working on new Environmental and Social processes and policies. Each individual AlbionVC investor working with a given company, together with our ESG and Platform teams will continue to support our companies by sharing best practices, tools and peer-to-peer learnings.

Finally, we continue to partner and connect our founders and their teams to sustainability champions and to the best in class suppliers providing know-how and practical support.



We continue learning and
collaborating with others to advance our
knowledge and to drive positive impact
within AlbionVC and beyond.

Get in touch if you'd like to connect.

Katya Pogudina, katya@albion.vc

Thank you.

Visit albion.vc