

AlbionVC

Appendix to
Sustainability Report:
ESG Data & Benchmarks

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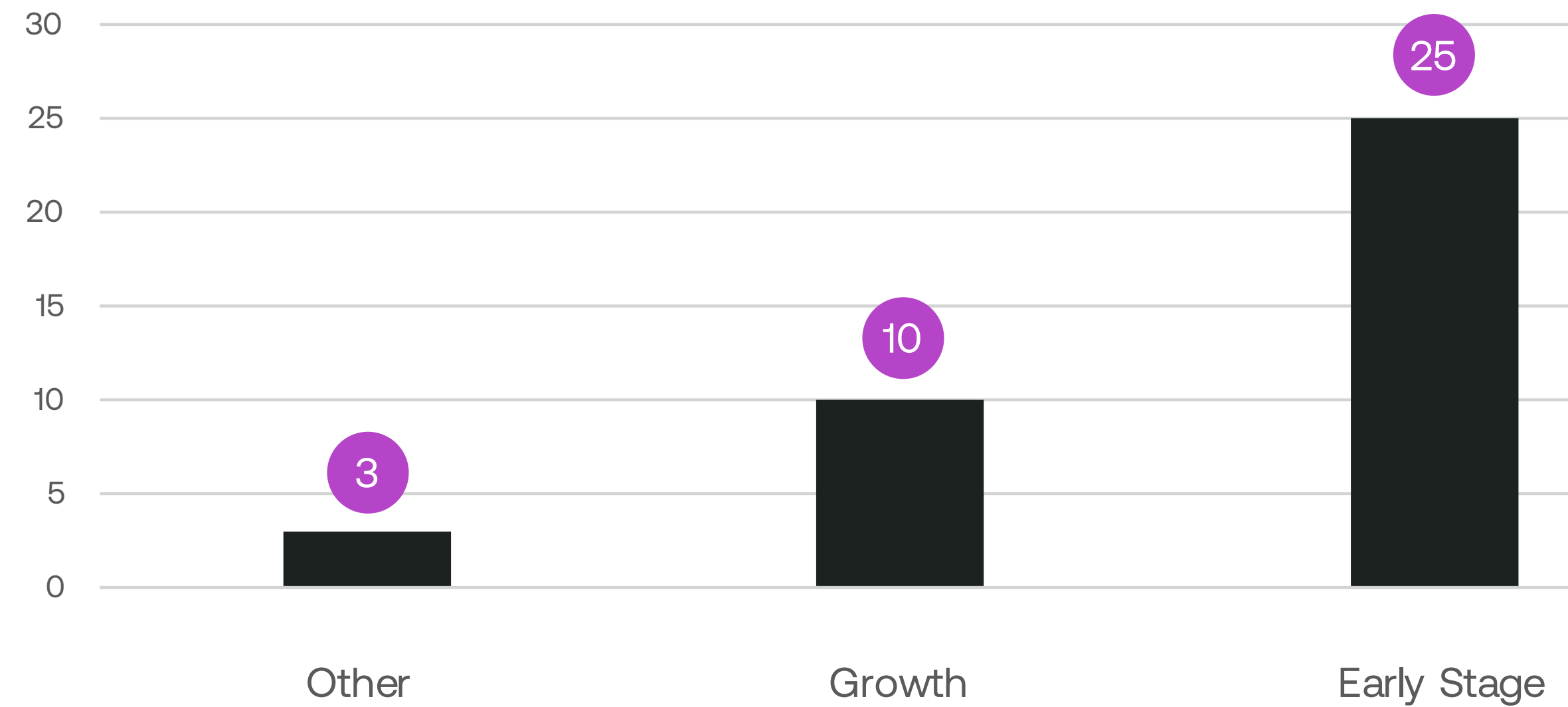
Why we are sharing the data.

It is still early days for establishing what good ESG metrics look like for private, venture backed technology companies.

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

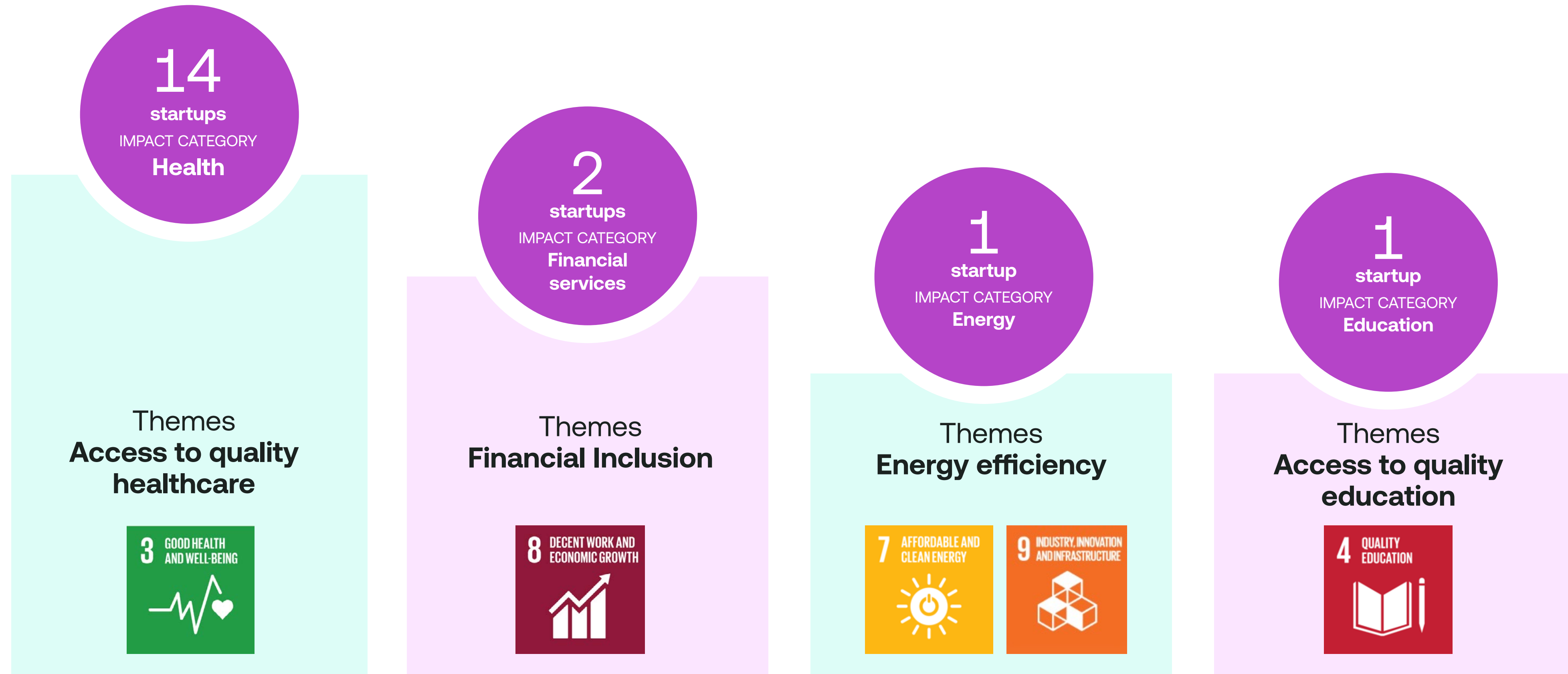
38 companies (84% all companies) completed ESG assessment for 2022. Where available we compare the data to 2021 findings and included an industry comparison.

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.

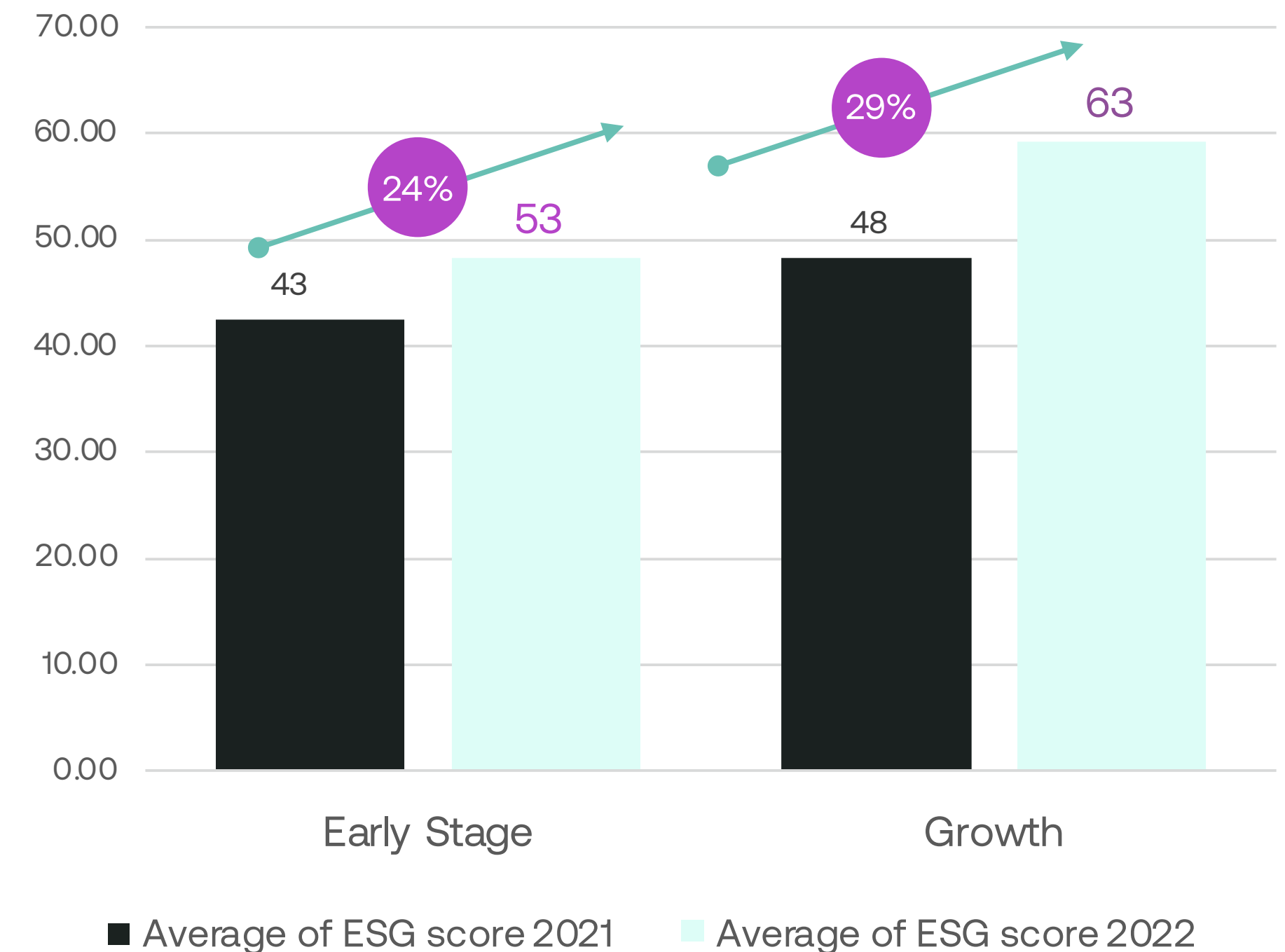
63

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.

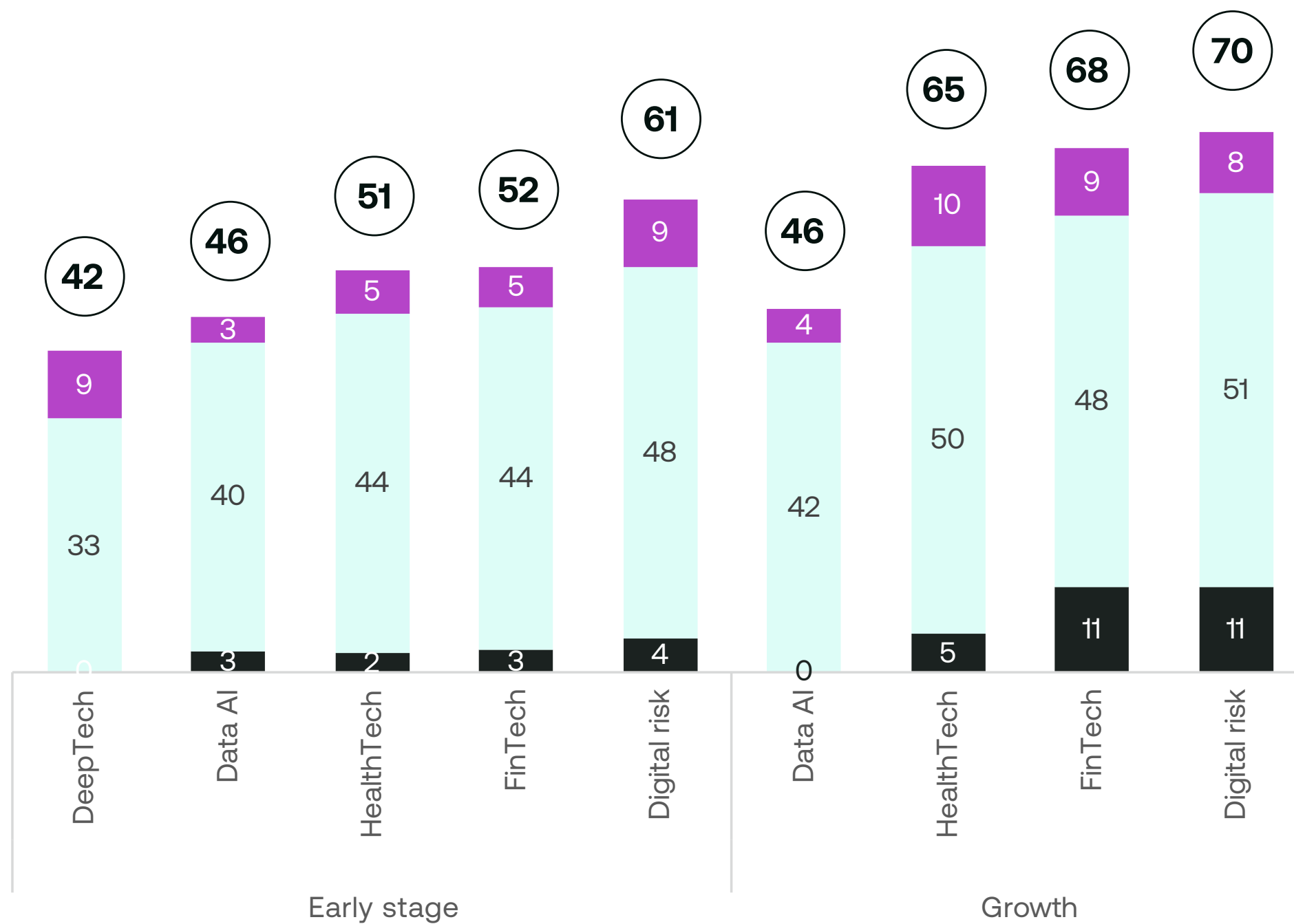
Average ESG score YoY by stage



Varied ESG performance across sectors and stages.

Average ESG score by Sector

■ Average of Environmental score
 ■ Average of Social Score
■ Average of Governance Score
 ○ Total ESG Score



Fintech & Digital risk

Stronger performance across early and growth stages across E, S, G parameters

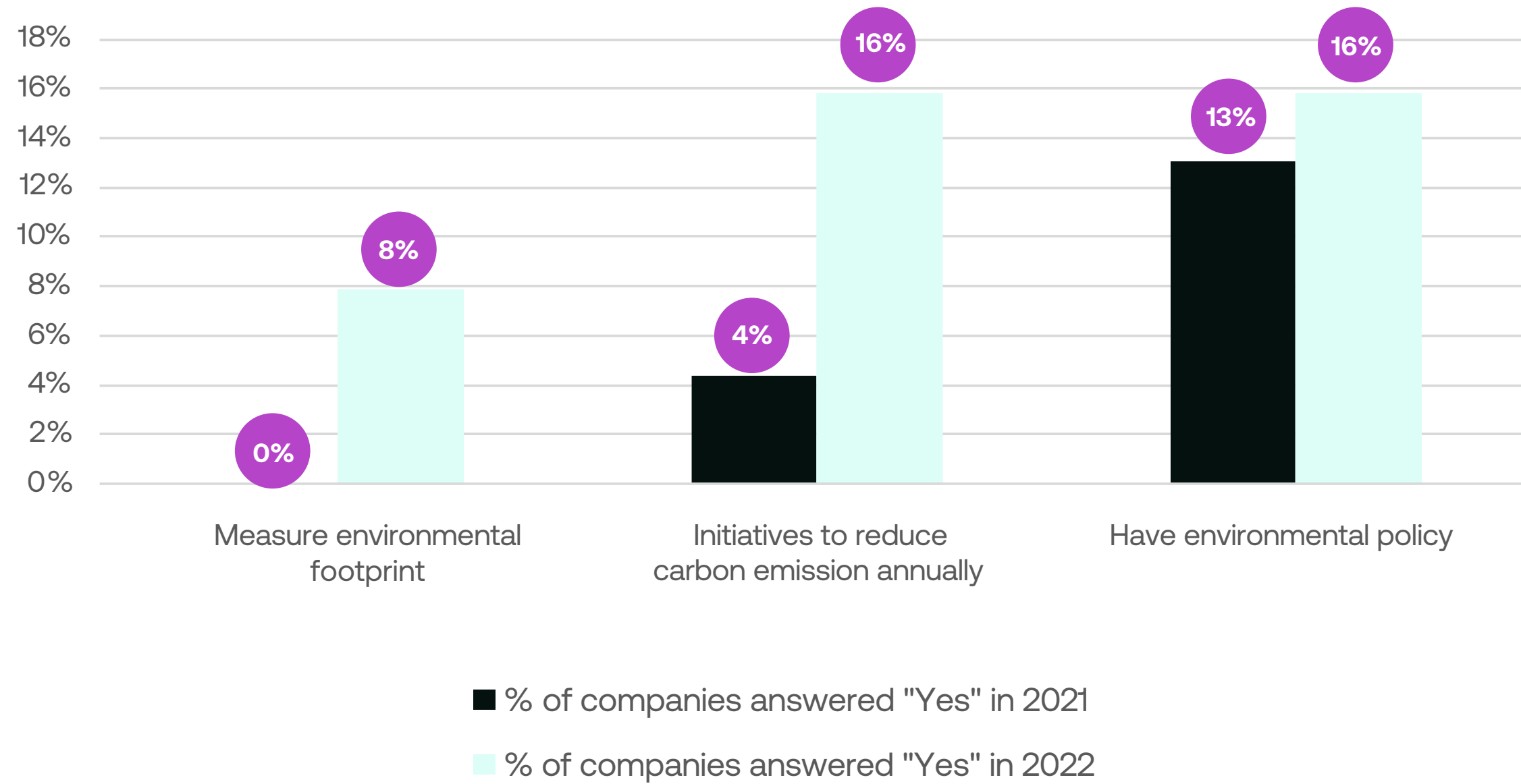
Deep tech

ESG score is lower than other sectors in the early stage, however sample size is small

Data AI

ESG score is lower than other sectors in the growth stage

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.

All positive feedback...

50%+

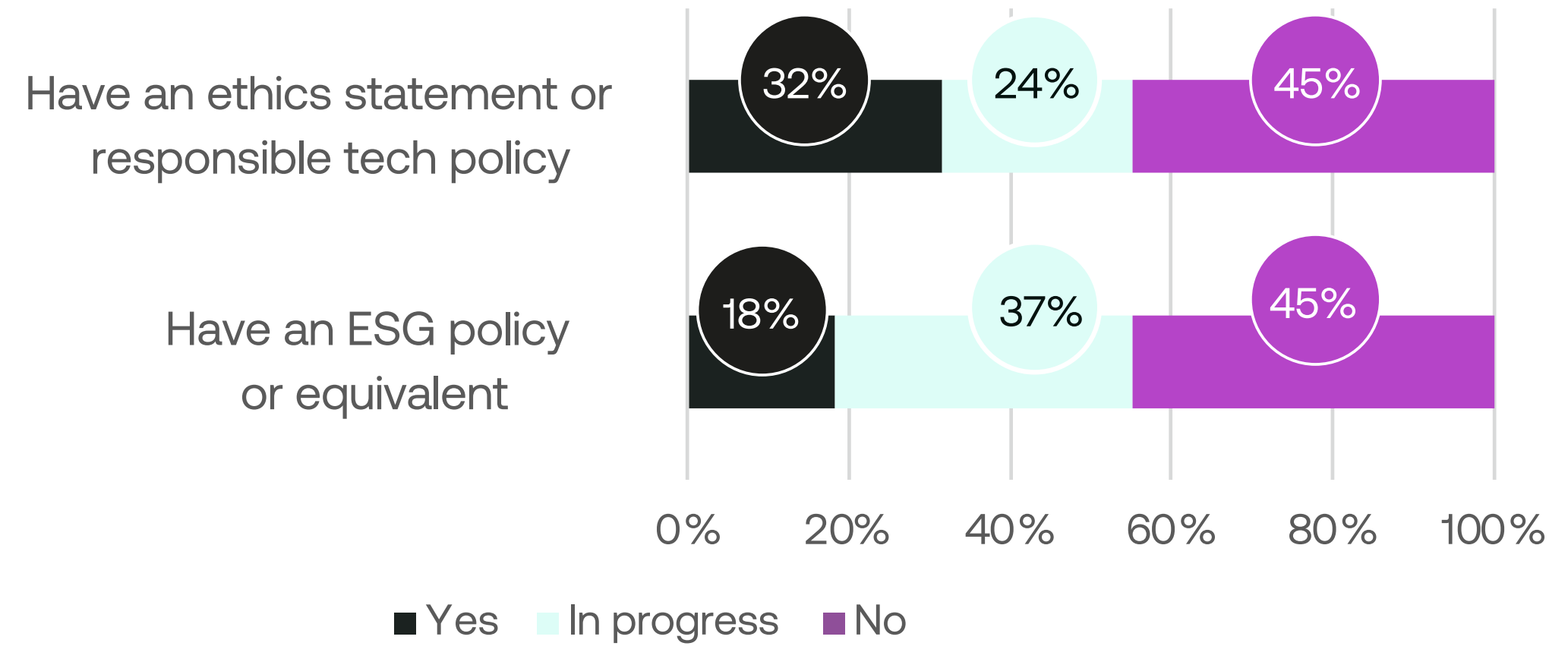
companies said “yes” to questions regarding:

Wellbeing

Data security

Responsible product design

...except under Corporate policy & processes.

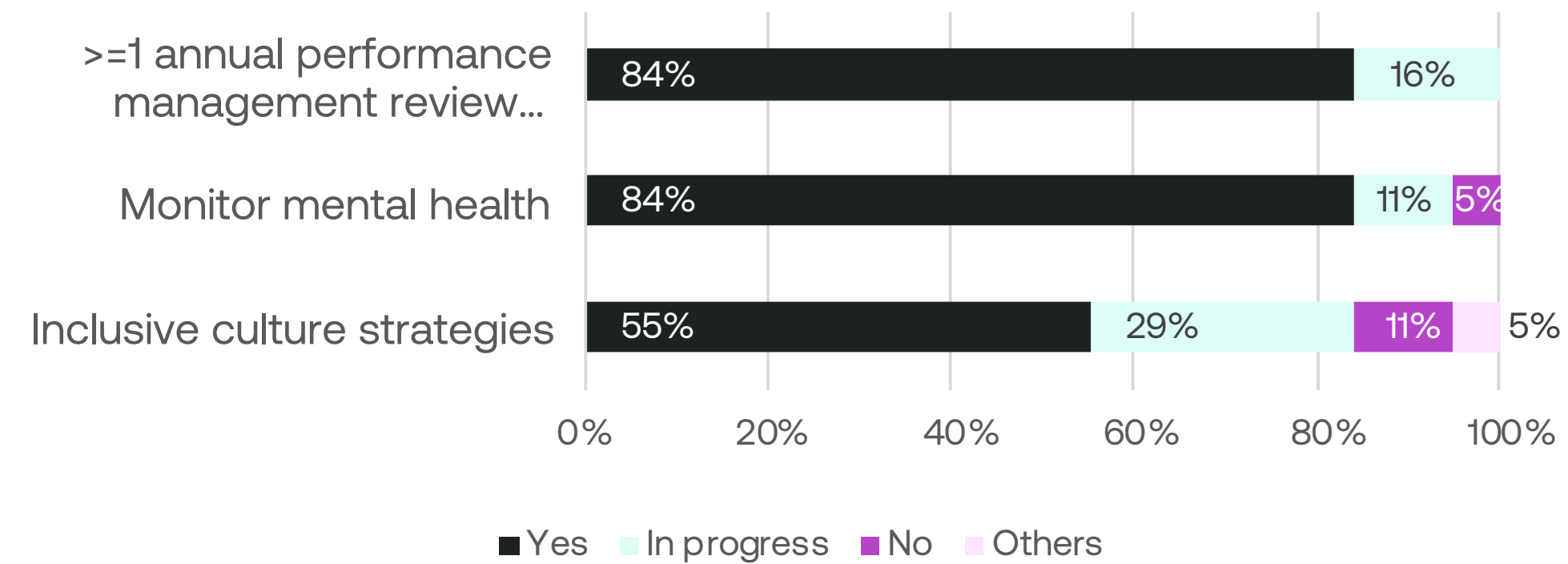


45%

companies don't have ESG policy nor ethics statement/responsible tech policy in place.

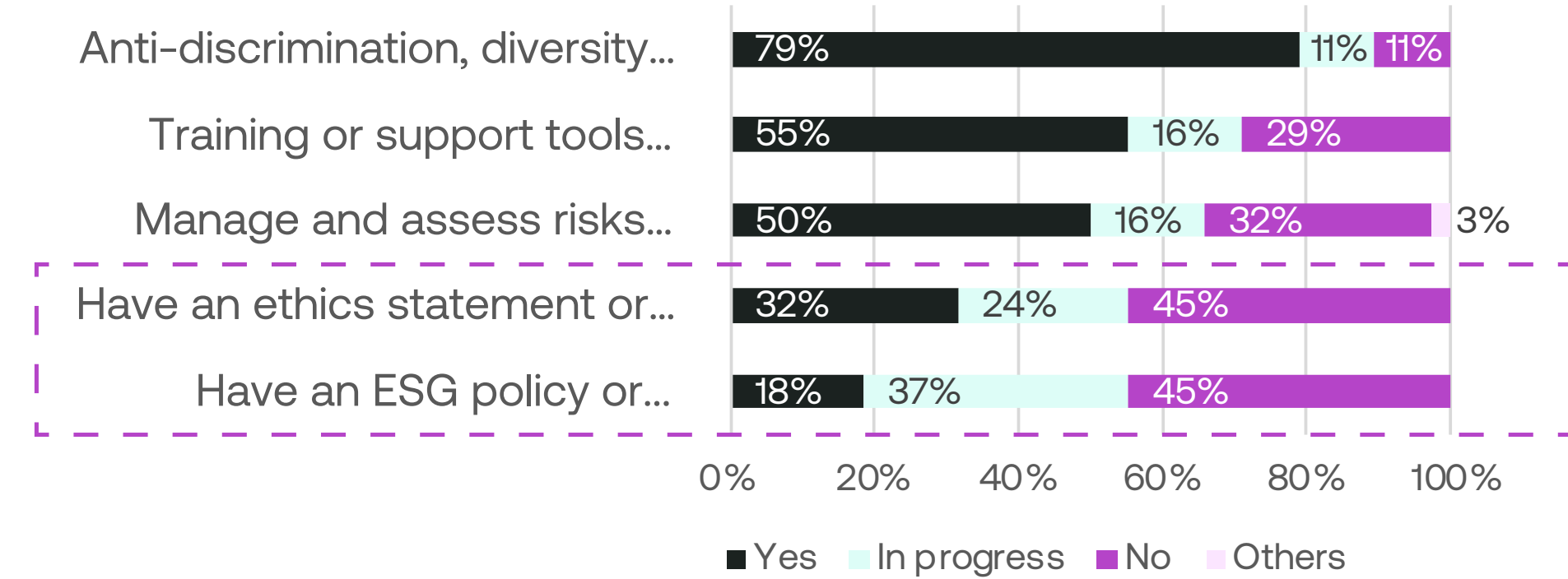
Zooming in on social policies and practices.

Team & well being



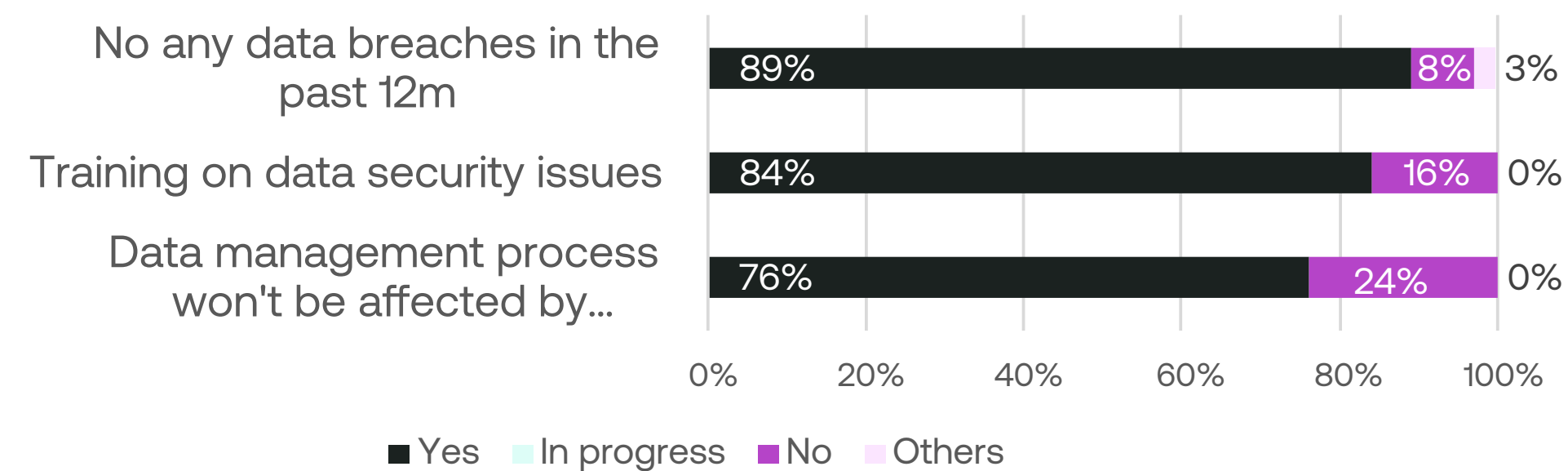
Positive feedback from wellbeing related questions

Corporate policy & processes

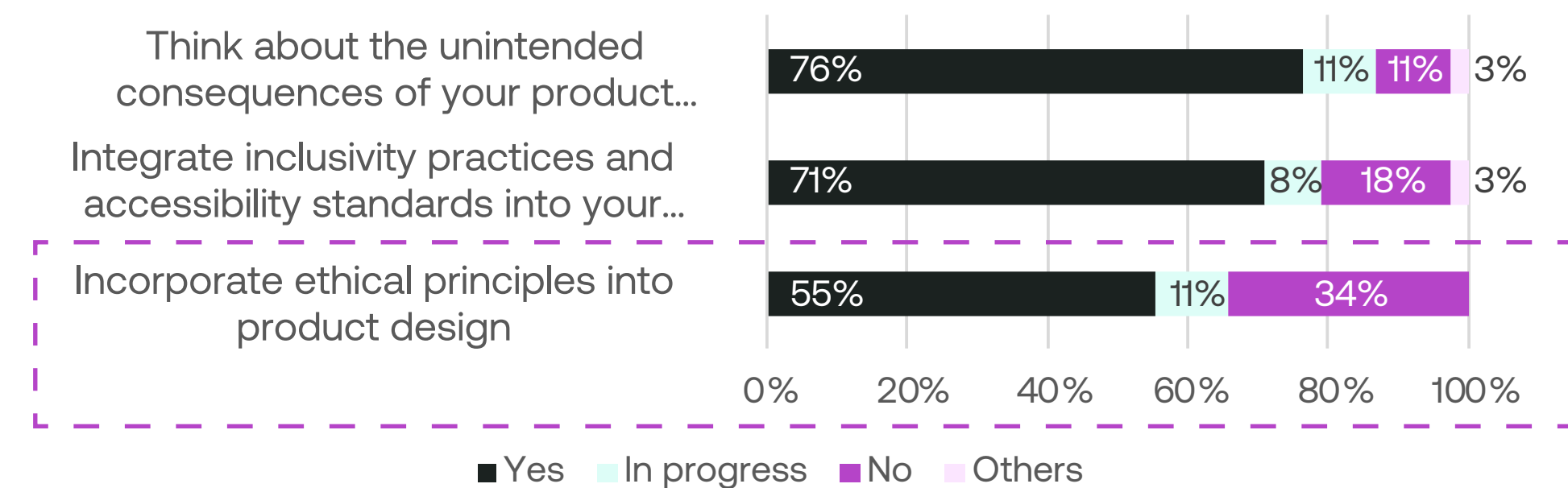


79% companies have an anti - discrimination and diversity policy

Data security & privacy

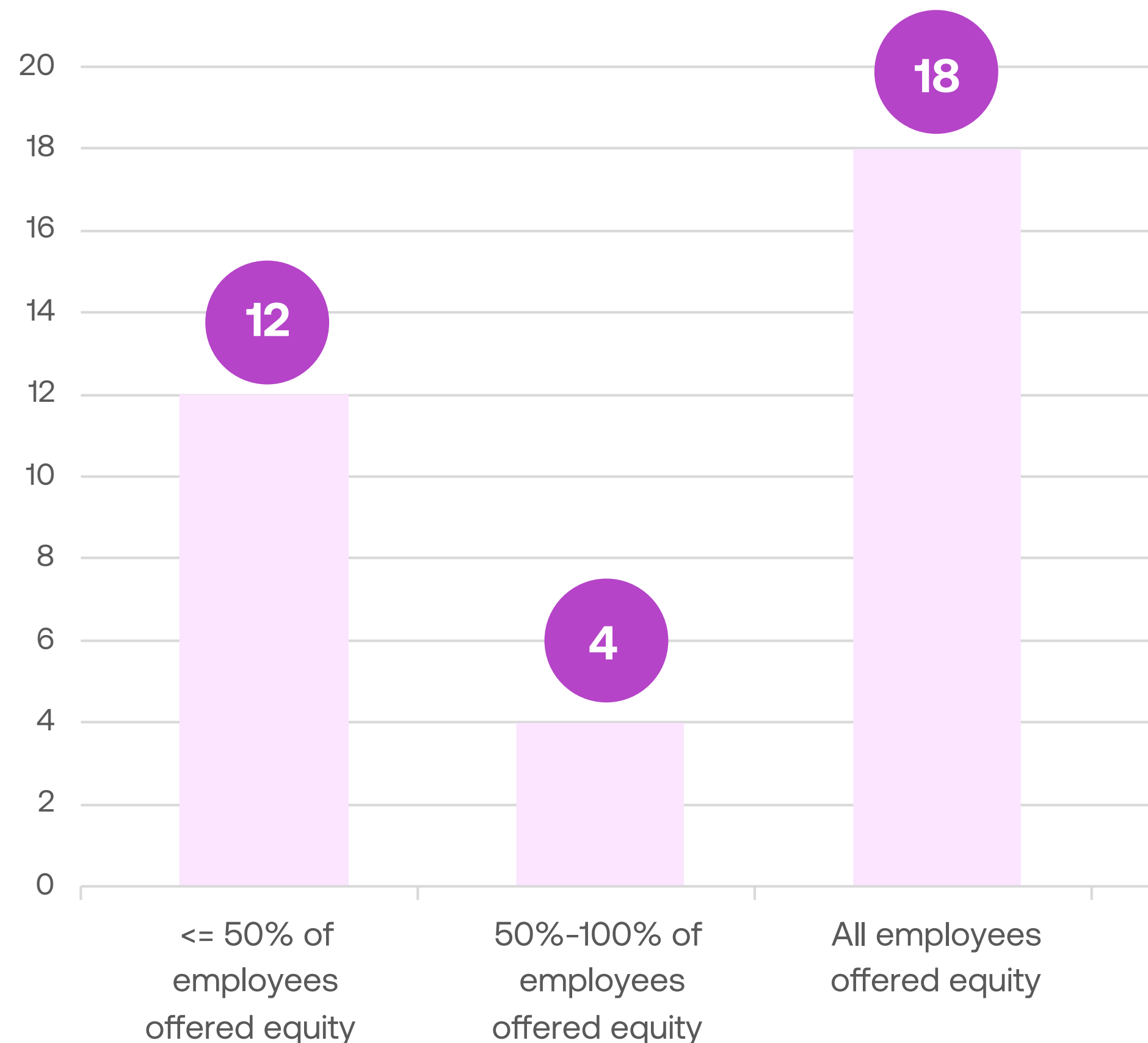


Responsible product design



Offering equity to non-founding members is a common practice among companies.

No. of companies offering equity to employees outside of the founding team



18

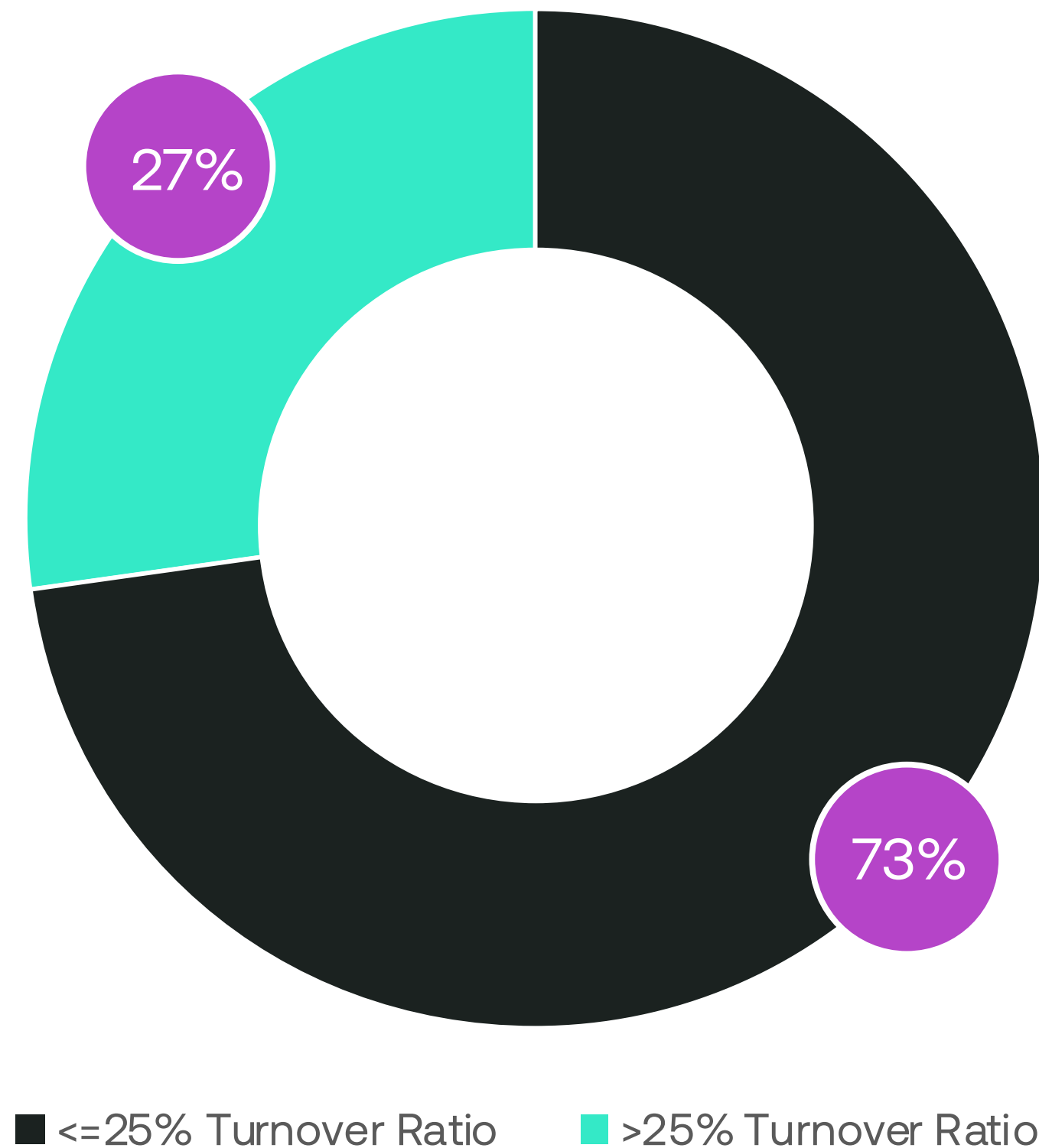
companies (47% companies) offer equity to all of the non-founding members.

Whom and how much

of the equity to offer depends on the stage and industry of the startups, and level of contribution and experience of the employees.

Despite downsizing environment, over 70% companies churn is in line or better than industry average.

% Companies by Staff Turnover Ratio, 2022



25%

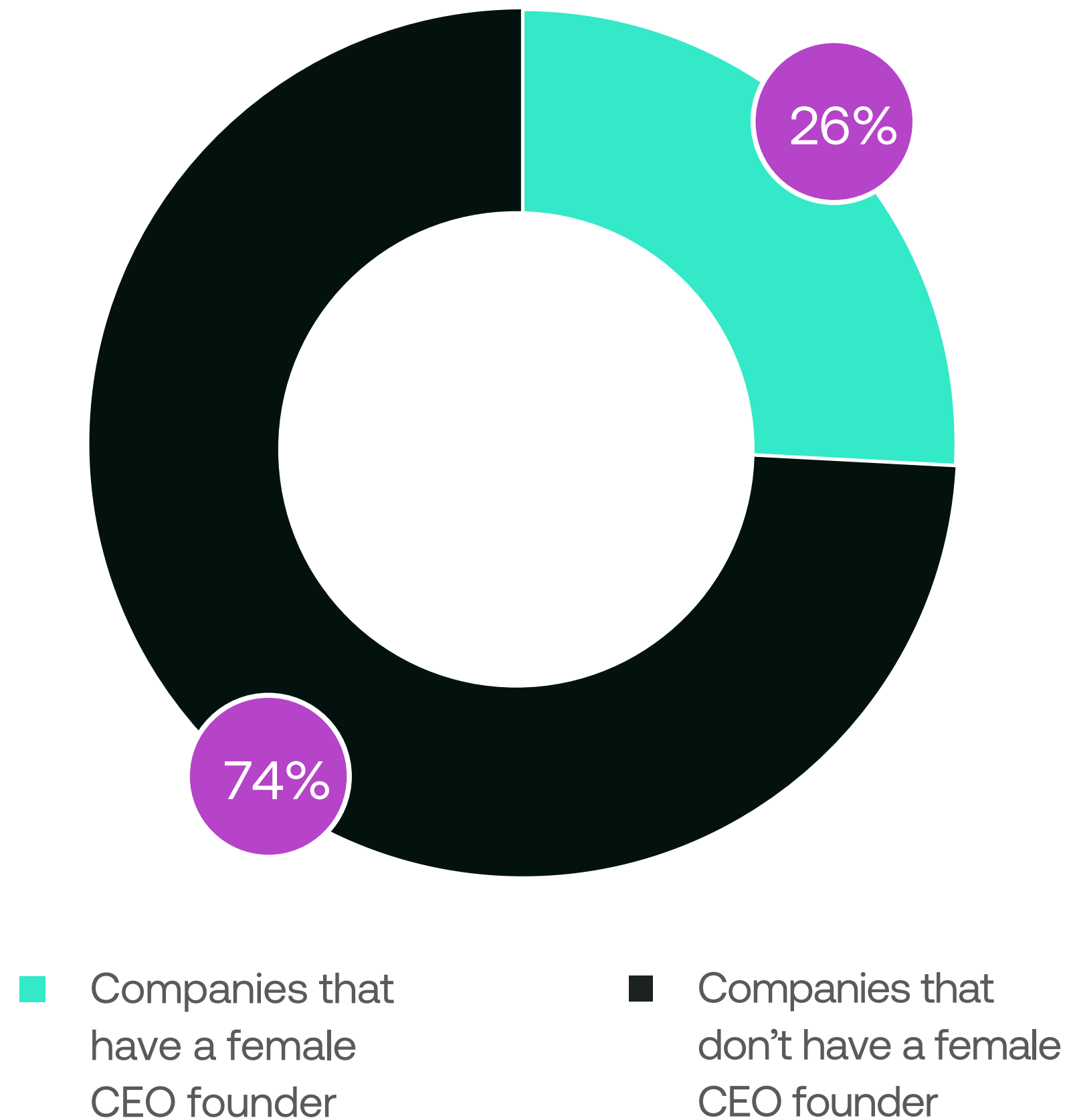
The average turnover rate for startups is ~ 25% (US Bureau of Labor Statistics data).

70%+

Over 70% of companies have a staff turnover ratio of either on par with or better than industry (equal to or less than 25%) in 2022.

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

% of companies have female co-founder or CEO



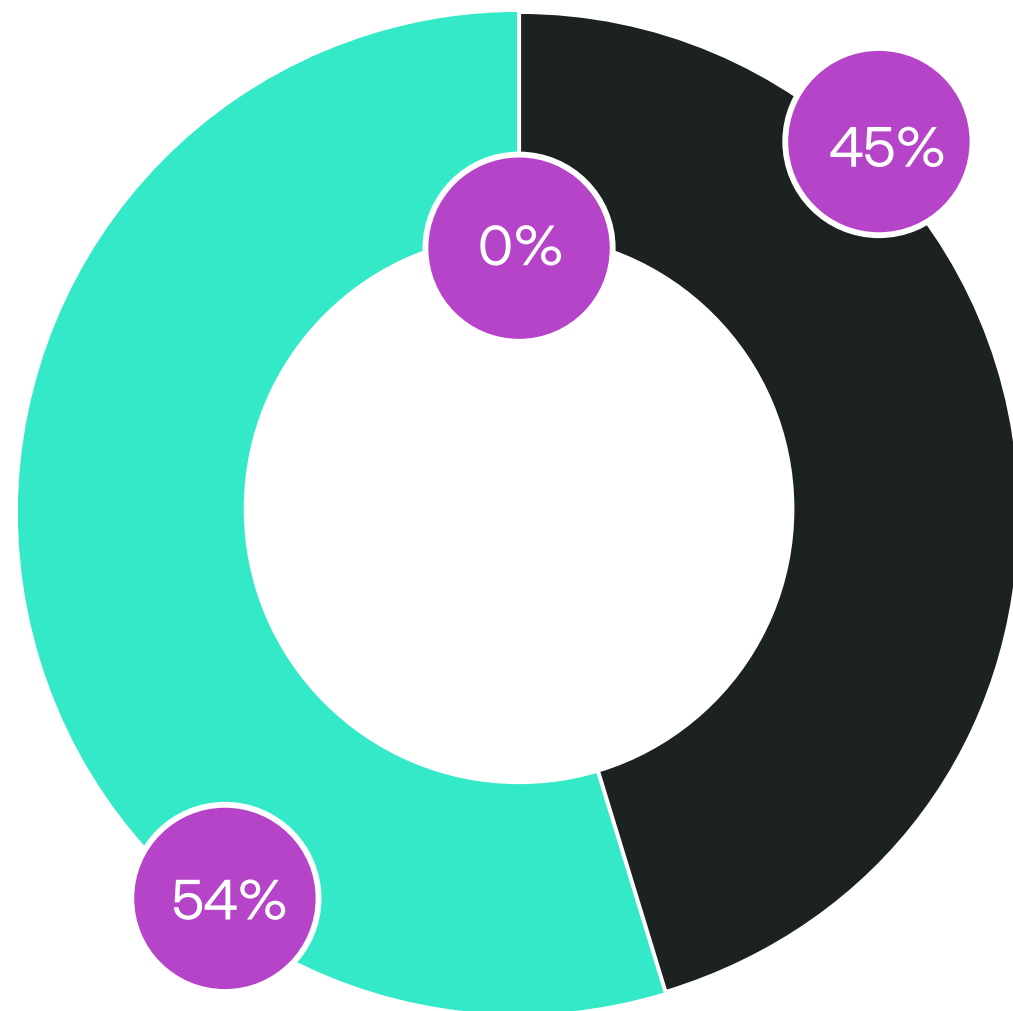
34%

Industry benchmark

female or mixed founding team received funding (Investing in Women Code).

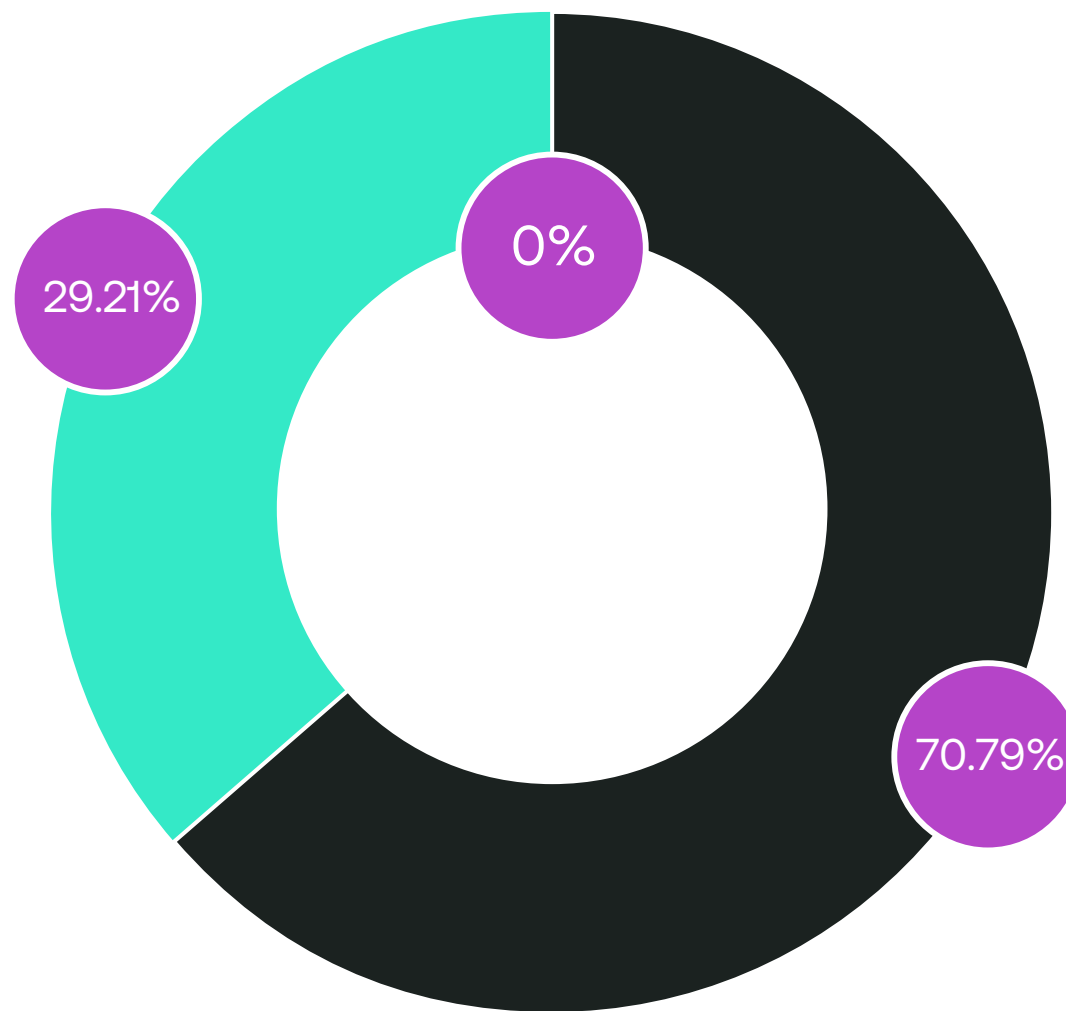
Diversity - Over 50% of jobs are held by women, but men still occupy the majority of senior positions.

Total company. gender split



■ Male ■ Female ■ Non binary

Gender split in Senior Management Team (SMT)



■ Male ■ Female ■ Non binary

Industry benchmark

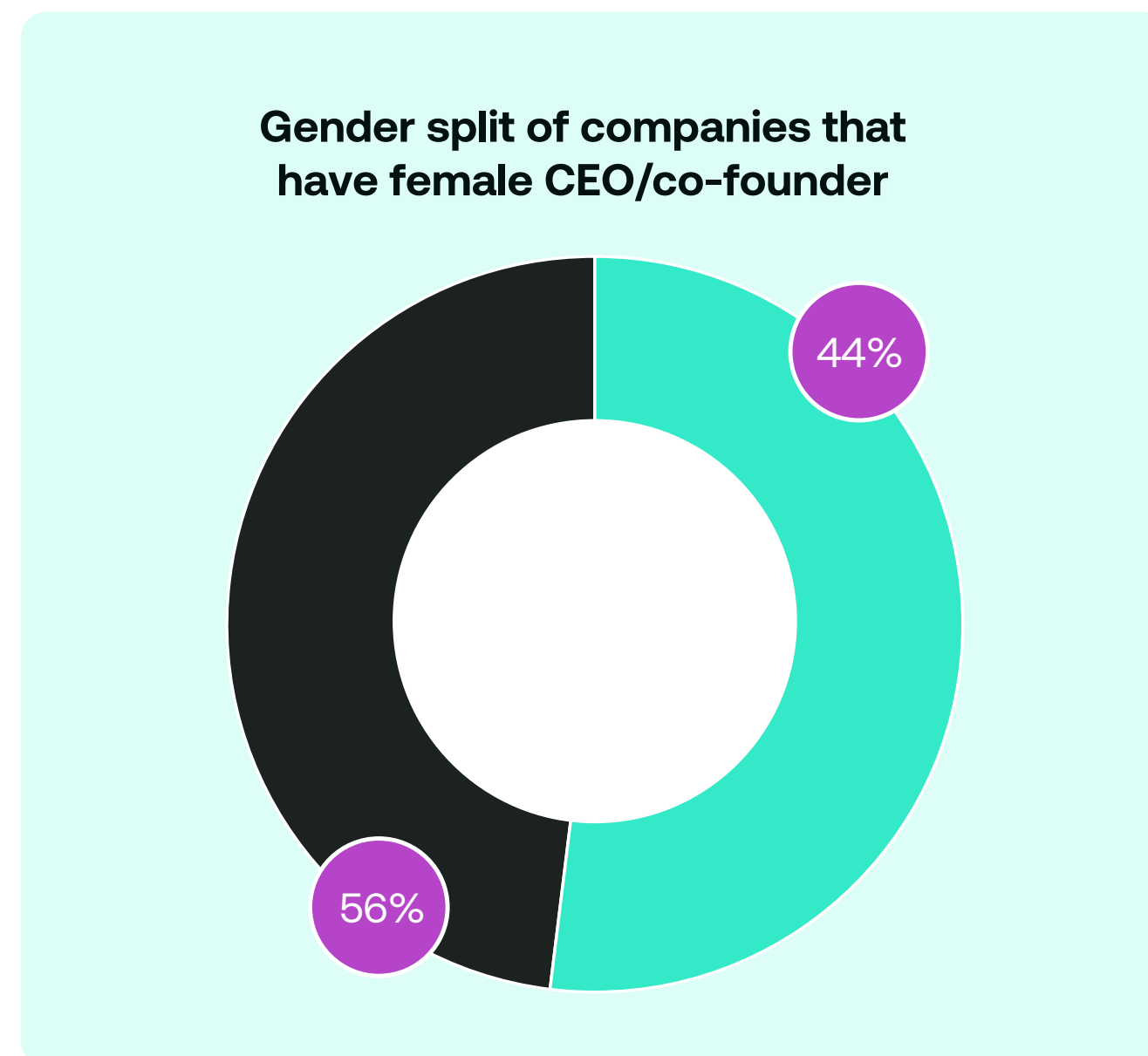
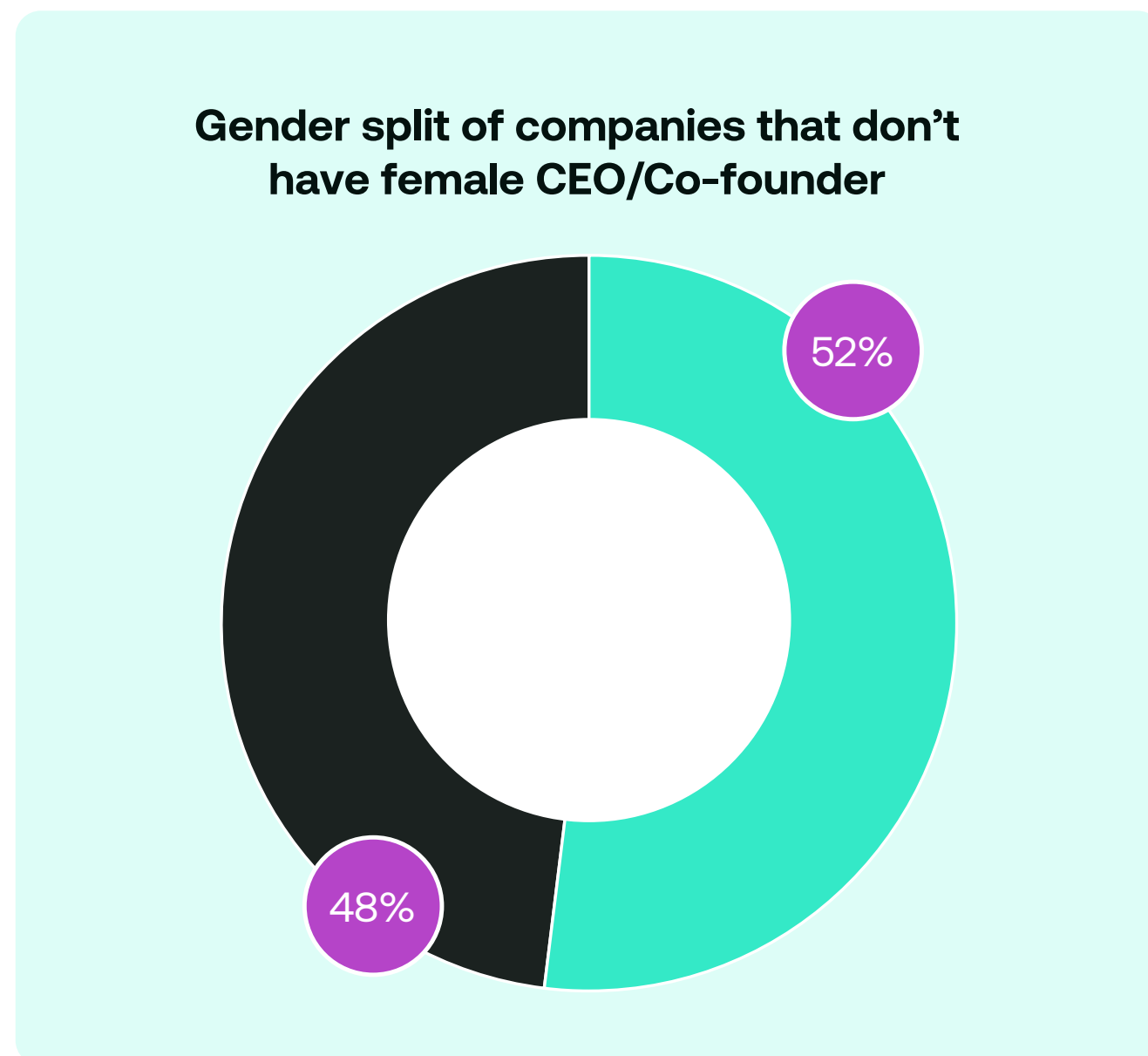
34% female in SMT in EU.

Company level

24 out of 38 companies' female representation in SMT is below average (30%).

Diversity- No clear evidence that having female co-founder or CEO leads to hiring more females.

NO
female CEO
or Cofounder



HAVE
female CEO
or Cofounder

■ Male ■ Female

■ Male ■ Female

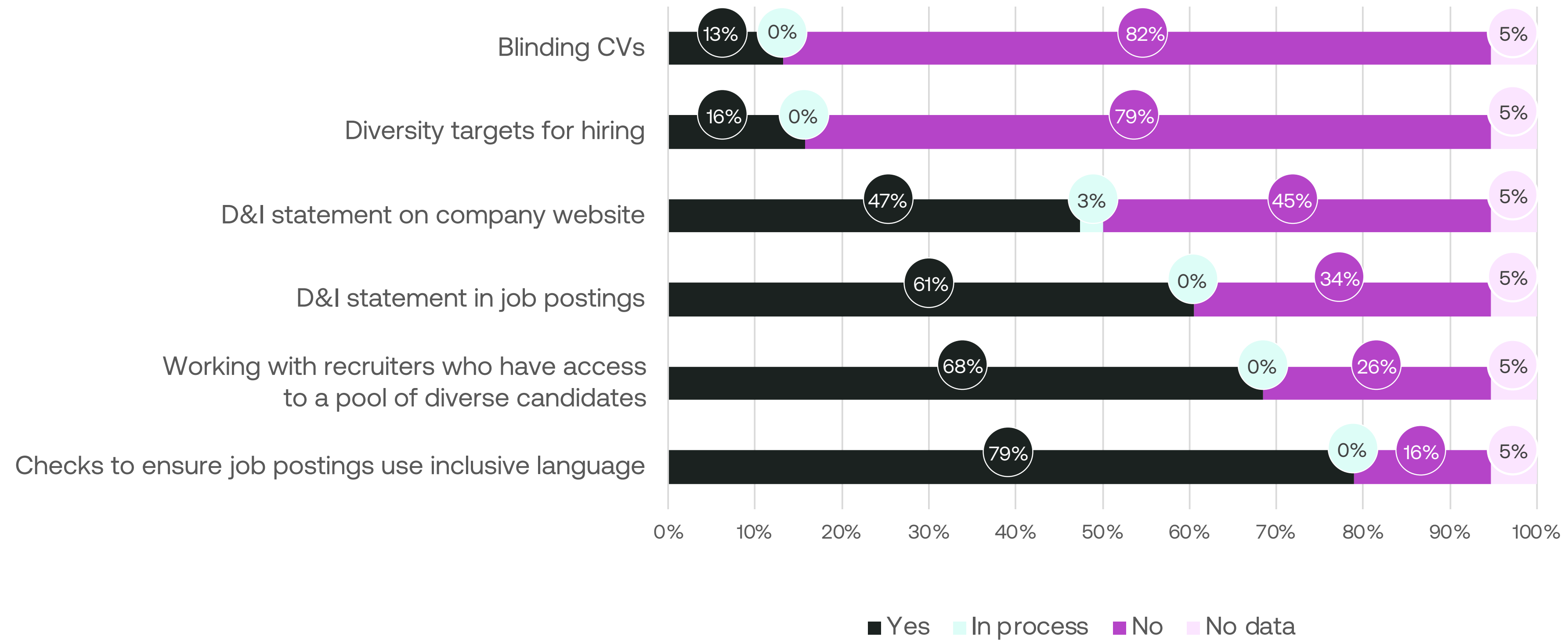
Companies with no female CEO/founder hire more female staff

The percentage of women per company varies from 10%-83% in both female led companies and non-female-led companies.

According to Kauffman Fellows, female founded companies hire 2.5x more women than all male founded companies, but we haven't seen that evidence from our companies (potentially due to small sample size).

Diversity for hiring – actions taken by companies.

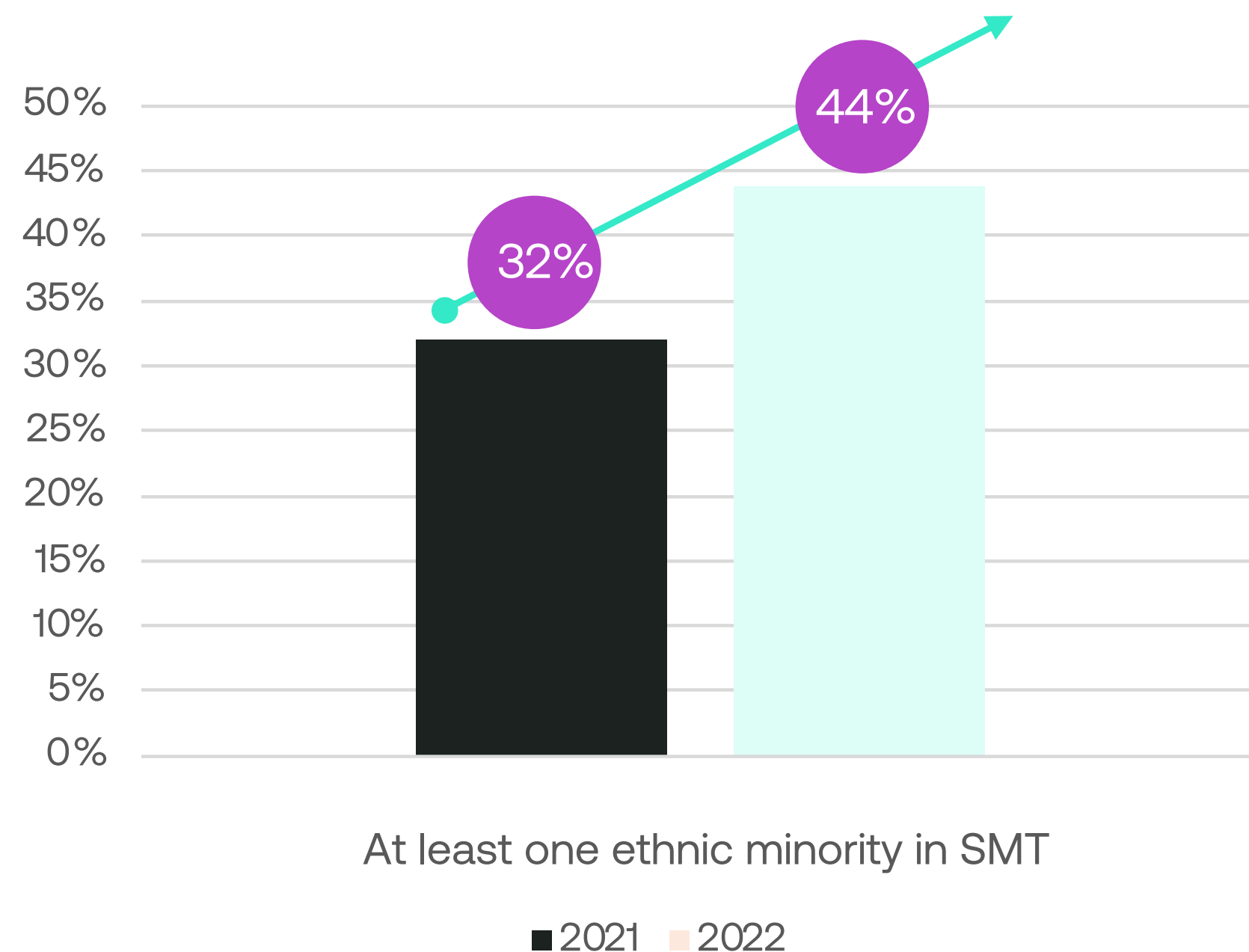
How does the company ensure diversity in hiring practices?



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 ethnic minority in SMT YoY



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)

Blinding CV could be an effective measure to create a more diverse and inclusive hiring process.

How blinding CV is used in DEI underperformed companies.

Out of all 10 companies that females are under represented (less than 30%) and have no ethnic minority in SMT, 90% (9) don't blind CV, and don't have diversity target.

How blinding CV is used in DEI underperformed companies.

Out of all 5 companies that females are well represented (higher than 30%) and have at least one ethnic minority in SMT, 60% (3) blind CV and one company has a diversity target.

Blinded application and task-based questions yields up to 4x the amount of under-represented candidates

Governance.

Woman on the board – a mixed picture.

AlbionVC data

Industry benchmarks

68%
startups have at least one woman on the board in 2022 (62% in 2021)

VS

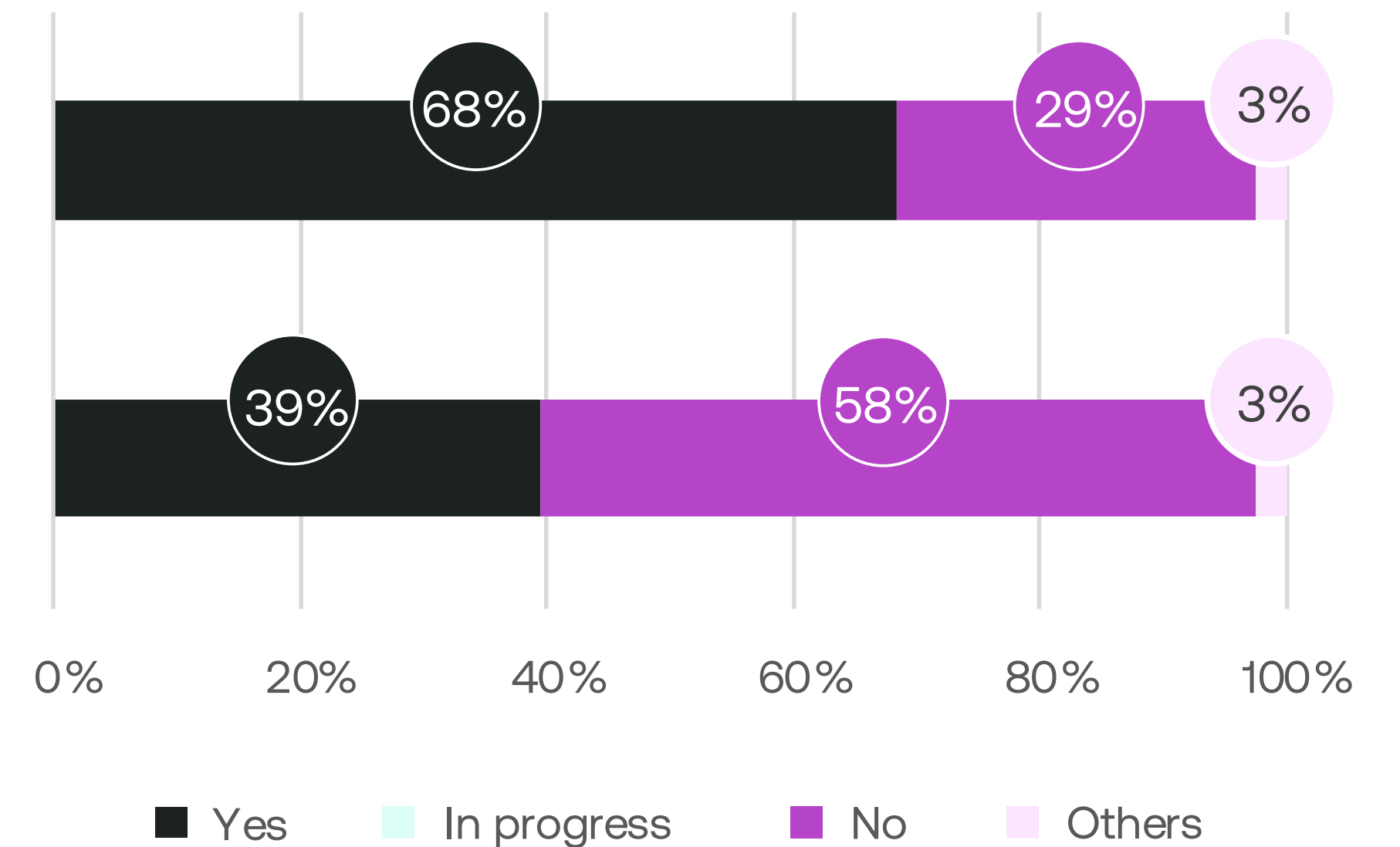
66%
have women on the board (Erevena, 2021 Board report)

1/3 companies women make up at least
30%
female directors (11 companies)

VS

Women make up
19%
of the board. Industry average (Erevena, 2021 Board report)

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



Executive summary.

Full picture

- Average **ESG score is improving year on year**
- **Fintech and digital risk have stronger ESG scores**
- Growth stage companies have stronger ESG scores and showing faster improvements each year
- **~40%** of companies create **positive impact** in healthcare, education, financial inclusion, and climate

Environmental

- Companies showing positive trends in environmental initiatives though from a low base
- The amount of carbon emissions varies, mostly driven by scope 3

Social

- All companies offer at least one company benefit;
- - It is standard practice to offer equity to non-founding employees.
- **D&I:**
 - Women held more jobs across companies, but the **majority of men occupy more senior positions**
 - **Companies with female CEO** or co-founder is **lower** than industry benchmark.
 - **Ethnic minorities are under represented** in senior management, however showing improvement trend year on year.
 - **Blinding VCs** is an **effective** measure to improve diversity.

Governance

- **18%** companies align themselves with external sustainability frameworks and initiatives
- **68%** have independent chairs
- Mixed representation on women at the board:
- **11 (over 30%)** companies have more than 30% female directors, above industry average
- **12 (32%)** companies have no female directors in 2022, an improvement from 38% in 2021

AlbionVC

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.

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