



# 2021

BurdaPrincipal  
Investments

# ESG REPORT

# Good ESG practices means responsible, competitive and successful companies

Looking at the year in review, we continue to be **impressed by the initiatives** taken by our portfolio companies to go above and beyond in various areas of ESG. At the same time, we will **keep advocating for continuous improvement**, especially in areas such as data security, responsible product design and sustainable supply chains which we now also focus on in this years review.

At BPI, we believe in **walking the talk** which is why we are closely examining and reviewing the way we do business internally to **incorporate ESG into the DNA of our investment processes & operations**.

This is an ongoing journey and we strive **to share knowledge across our portfolio**, amalgamate useful tools and focus on how we can **collectively raise the bar** on these very important Environmental, Social and Governance topics.

**Clare McCartney Beer**  
COO Burda Principal Investments

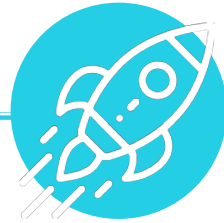
**At BPI, we tackle ESG from three perspectives: in our due diligence process, through portfolio management, and internally in the way we operate.**



### The Due Diligence Process

We defined **ESG factor considerations & red flags**, as well as sector exclusions list for investing.

We included an **ESG term sheet clause** aligning portfolio companies with good ESG policies



### Portfolio Management

We set **ESG KPIs, monitor** progress, and **support** portfolio companies to achieve them.

We **revisit our criteria and assess secondary holders** (KYC & AML) to ensure longevity for our portfolio companies.



### Inside BPI

We have set up **internal policies and monitoring** for Diversity & Inclusion, the team and working environment, our environmental impact, as well as legal, regulatory, and governance topics.

Thereby, we aim to **lead by example**.

## The ESG Questionnaire\*

ESG focus area	Indicators & Metrics
Diversity & inclusion	<ul style="list-style-type: none"> <li><input type="checkbox"/> Policies relating to anti-discrimination, diversity and equal opportunity</li> <li><input type="checkbox"/> Gender diversity split of employee base, C-Suite, Advisory Committee and/or Board?</li> <li><input type="checkbox"/> Training or support tools for employees or leadership relating to D&amp;I</li> </ul>
Team & working environment	<ul style="list-style-type: none"> <li><input type="checkbox"/> Adherence to the labour laws of the region (e.g. minimum wage, equal pay, working hours, pension, health &amp; safety etc.)</li> <li><input type="checkbox"/> Offering of employee benefits (e.g. equal parental leave, private healthcare, dental insurance, cycle to work schemes, mental health support, flexible hours, working from home etc.)</li> <li><input type="checkbox"/> Performance management processes and reviews</li> <li><input type="checkbox"/> Team code of conduct &amp;/or Employee handbook</li> <li><input type="checkbox"/> What is the process for team member complaints, grievance and whistle-blowing? Is it anonymous?</li> </ul>
Environmental impact	<ul style="list-style-type: none"> <li><input type="checkbox"/> Environmental footprint (Water, Waste, Air, Energy etc.)</li> <li><input type="checkbox"/> Carbon footprint (scopes 1-3)</li> <li><input type="checkbox"/> Sustainability Frameworks &amp; methodologies/ certifications (i.e. B-Corp)</li> <li><input type="checkbox"/> Initiatives to improve environmental performance</li> </ul>
Supply chain	<ul style="list-style-type: none"> <li><input type="checkbox"/> Geographic footprint of suppliers, team, customers</li> <li><input type="checkbox"/> Initiatives to monitor &amp; improve supply chain (supply chain body, audit, code of conduct.</li> <li><input type="checkbox"/> Supply chain disruption risks</li> </ul>
Data privacy & security	<ul style="list-style-type: none"> <li><input type="checkbox"/> Compliance with legal obligations around data collection &amp; storage</li> <li><input type="checkbox"/> Transparency with users on how use their data</li> <li><input type="checkbox"/> Data management policy (collection, storage, breaches)</li> <li><input type="checkbox"/> Someone in charge of data security/ privacy</li> </ul>
Responsible product design	<ul style="list-style-type: none"> <li><input type="checkbox"/> Considered factors impacting the inclusivity, accessibility and integrity of product</li> <li><input type="checkbox"/> Thought about unintended consequences of product/ service &amp; processes in place to mitigate.</li> <li><input type="checkbox"/> Someone responsible for tech failures</li> </ul>
Legal & regulatory	<ul style="list-style-type: none"> <li><input type="checkbox"/> Reliance on specific laws and regulations/ policies in the region</li> <li><input type="checkbox"/> Monitor regulation &amp; legislation to ensure comply with latest laws</li> </ul>
Governance	<ul style="list-style-type: none"> <li><input type="checkbox"/> Corporate governance practices (internal financial controls, code of ethics etc.)</li> <li><input type="checkbox"/> Independent members of governing bodies?</li> <li><input type="checkbox"/> Update Advisory board? ESG matters also?</li> <li><input type="checkbox"/> Responsibility for stakeholders &amp; communities of operation</li> </ul>

## The Assessment Process

1

### Questionnaire

We shared an **ESG survey** (31 questions) with our portfolio companies to respond across 8 key areas of ESG outlined by the VentureESG community

2

### ESG Sessions

We held **two separate ESG sessions online with our portfolio companies** to update them on our ESG process and allow space to ask questions and share ideas and learnings with each other.

3

### Evaluation

Based on the information provided from the survey we **ranked each question** from 1 (no action), 2 (fulfils basic requirements) to 3 (implemented additional measures) and then **derived an average category score** per company.

4

### Scorecards

We **created a scorecard** (next slide) to evaluate how our overall portfolio is performing on average as well as scorecards for each company (shared privately with each).

# On average, our portfolio companies perform well across all eight ESG dimensions



## Portfolio Highlights

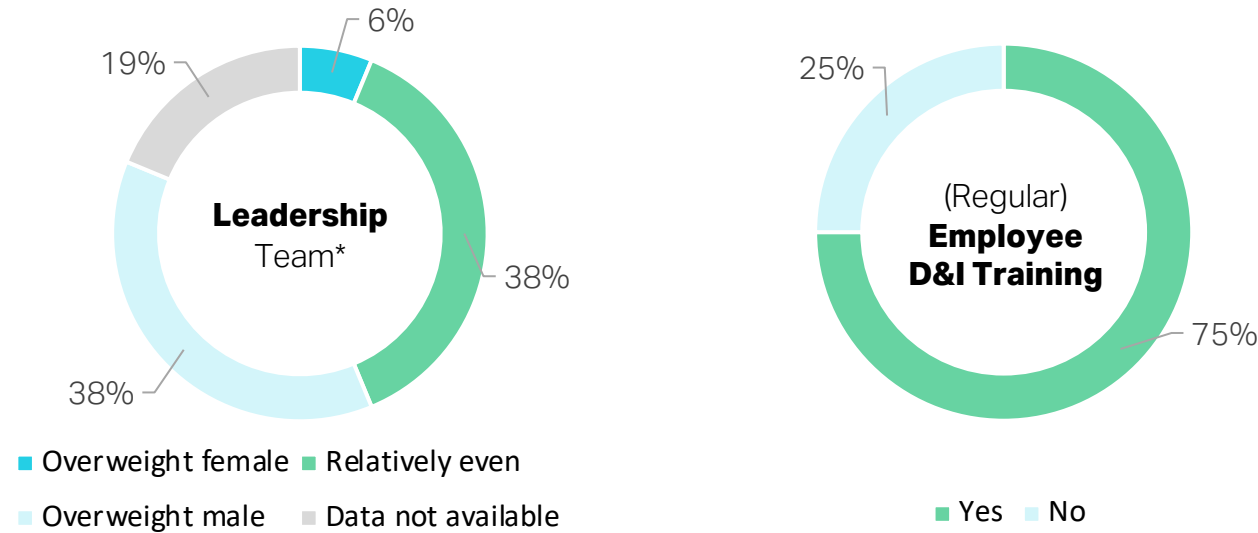
**75%** of BPI's portfolio companies offer **regular D&I training** to their employees.

**44%** of BPI's portfolio companies are tracking their **environmental/ carbon footprint**.

**87%** of BPI's portfolio companies have implemented or plan on implementing an **employee code of conduct**.

**69%** of BPI's portfolio companies actively ensure and test that their **product is universally accessible**.

# 88% of BPI's portfolio companies actively monitor Diversity and Inclusion



The **Diversity and Inclusion** metric measures initiatives and policies regarding (gender) diversity, anti-discrimination, equal opportunities, as well as trainings on these matters and hiring processes.

- | **88%** of BPI's portfolio companies are **fulfilling basic requirements** regarding D&I (i.e. monitoring gender split, anti-discrimination policies).
- | **50%** of BPI's portfolio companies have **implemented additional measures** that go beyond requirements (i.e. internal D&I reps).

## Leading by example



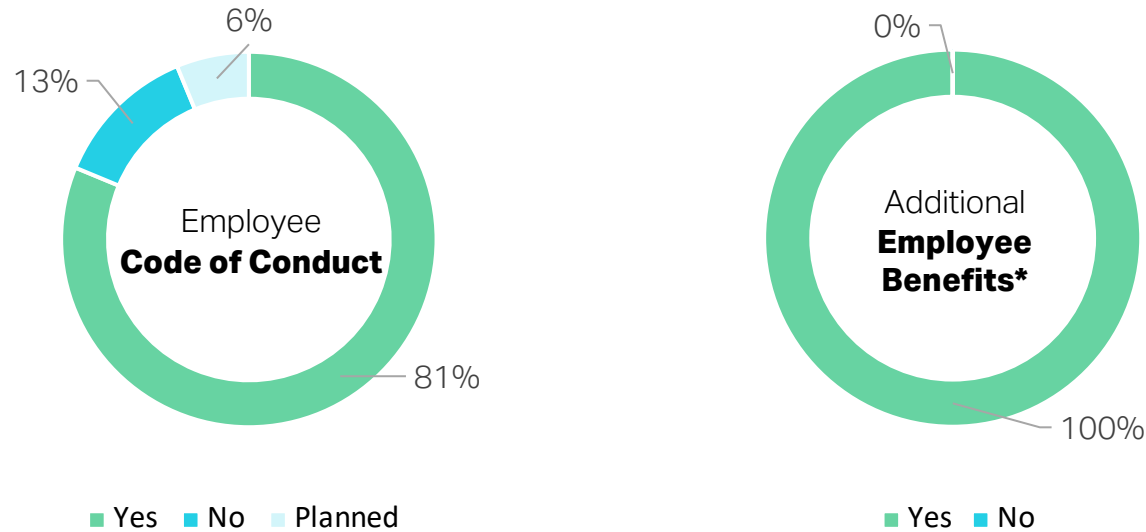
"D&I is core for Zapp: It was also the highest ranked category in the engagement survey."

– Steve O'Hear,  
VP of Strategy at Zapp

### Zapp's D&I Champions

Apart from various activities across all ESG sectors, **D&I is a key component of Zapp's strategy**. Zapp runs a **D&I champions programme** where 20+ dedicated employees receive a full training incl. certificate to **represent the company in daily activities and decisions**. Zapp also has team members dedicated to employee engagement and D&I, delivers company-wide D&I training, and has developed D&I tenets to guide the company's work in this area.

# 100% of BPI's portfolio companies strive for a supportive team and working environment



**Team and Working Environment** measures initiatives surrounding labor laws, employee benefits, performance management, and team code of conduct.

- | **100%** of BPI's portfolio companies are **fulfilling basic requirements** regarding Team and Working Environments (i.e. adhering to local labor laws, implementing a team code of conduct, anonymous complaints).
- | **38%** of BPI's portfolio companies have **implemented additional measures** that go beyond requirements (i.e. workation offers, full employee handbook).

\*example benefits include work-from-home, flexible hours, (private) health insurance, additional paid-time-off, beyond what is required by local laws.

## Leading by example

# Vinted

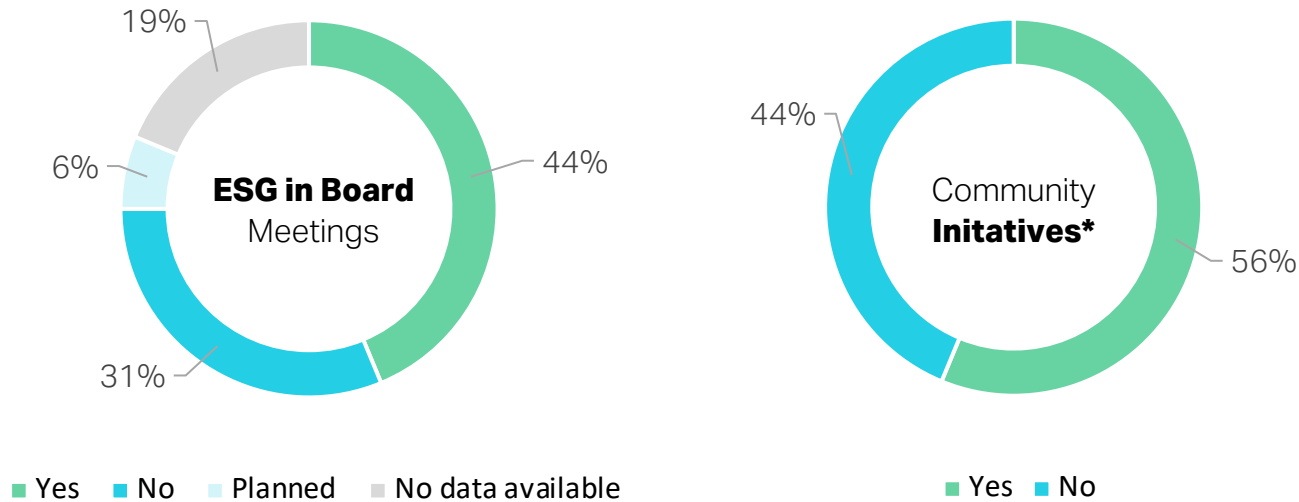
"At Vinted, we try to take a **holistic view of sustainability**. To us this means not only focusing on our aim to reduce the climate impact of fashion by increasing engagement with the **circular economy** and second hand, but also **through governance and social factors**. This of course includes taking care of our colleagues, which is reinforced through our company values."

– Sigita Zvirblyte, *Sustainability Manager at Vinted*

### Vinted's employee benefits

Over the course of 2021 and into 2022 Vinted, Europe's largest online C2C marketplace for pre-loved fashion, has pursued a number of ESG initiatives internally as well as externally. A particular focus is on fostering the **best working environment for its employees**. Supporting initiatives include an extensive **employee code of conduct**, as well as **flexible working and workation** policies. Other extra benefits, such as a budget for home work station equipment, wellbeing training as well as access to mental health support, is intended to **encourage Vinted people to nurture their emotional wellbeing**.

# 100% of BPI's portfolio companies work on strong corporate governance



**Governance** refers to the internal governing bodies such as the board, and audit committees, as well as external governance regarding stakeholder management and community engagement.

- | **100%** of BPI's portfolio companies are **fulfilling basic requirements** regarding governance (i.e. regular staff and board meetings).
- | **31%** of BPI's portfolio companies have **implemented additional measures** that go beyond requirements (i.e. including ESG in board meetings, supporting community initiatives).

\*Initiatives include charity or other partnerships with (local) groups.

## Leading by example

### Bloom & Wild Group

"B&W proudly supports multiple organizations to demonstrate our responsibility to the community."

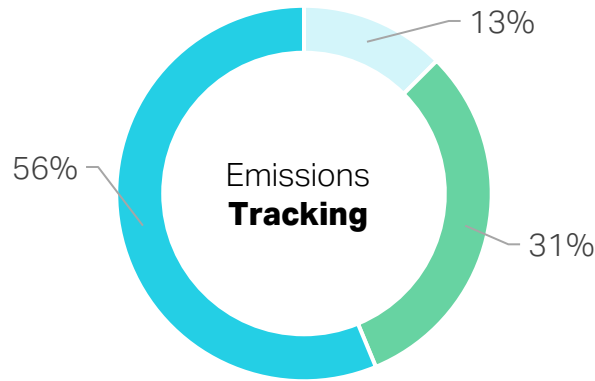
– Sibbe Krol,  
*Head of Sustainability at Bloom & Wild*

#### Bloom & Wild's governance initiatives

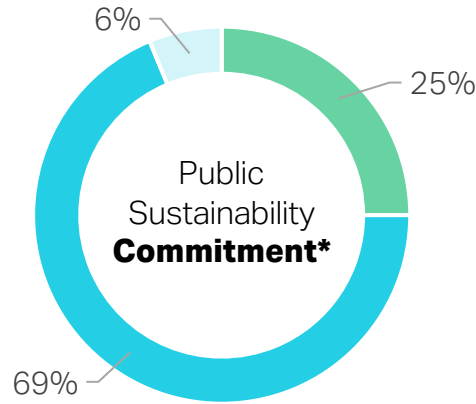
Bloom & Wild Group, Europe's leading online florist using technology to reinvent flower delivery, not only goes **above and beyond with regards to sustainability**, they also keep **corporate governance** in mind: **holding 6 board meetings a year** covering a variety of subjects including relevant ESG topics as well as using multiple sub-committees. Moreover, they have close contact with community stakeholders and **partner with / support charitable organizations** across their markets, focused on topics such as unpaid carers, the elderly, diversity and inclusion, and the environment..



# 50% of BPI's portfolio companies strive to improve their environmental footprint



- Track Environmental Footprint (e.g. energy, water, waste)
- Track Carbon Footprint incl. Env. (Scope 1-3)
- No tracking



- Yes
- No
- Planned

## Leading by example



"Being accountable for our actions is central to the culture at Moneybox, and that extends to the impact we have on the world around us, including the environment."

– Jack Johnstone,  
Head of People at Moneybox

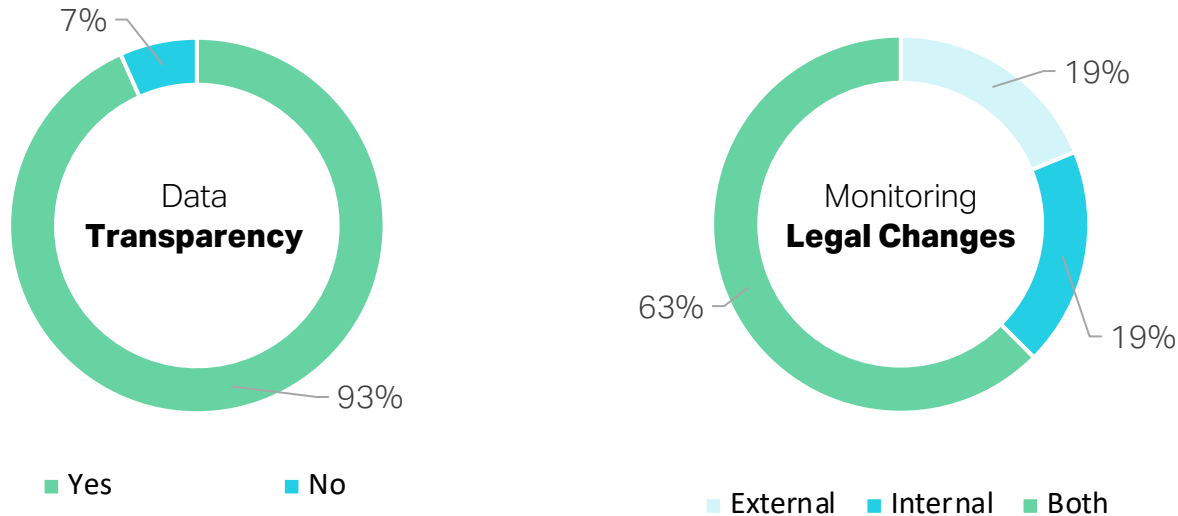
### Moneybox' Carbon Zero Analysis

Moneybox, an award-winning digital wealth manager on a mission to help people build wealth with confidence throughout life, achieved carbon-neutral status and became the first UK fintech company to sign the UN Climate Neutral Now Initiative in 2020. This past year it further reduced its carbon footprint per employee by 17%, despite the team growing fourfold since the first analysis in 2019. To offset its total company emissions each year, Moneybox supports a number of Gold Standard projects that sit within the United Nations Sustainable Development Goals.

**Environmental management and impact** refers to the tracking, and management of waste, water, energy etc. and includes reduction & offsetting of carbon emissions (direct and indirect), and public sustainability commitments.

- | **50%** of BPI's portfolio companies are **fulfilling basic requirements** regarding Environmental Management and Impact (i.e. by tracking carbon emissions or reducing environmental footprint).
- | **31%** of BPI's portfolio companies have **implemented additional measures** that go beyond requirements (i.e. net-zero pledge, tracking scope 4 emissions, B.Corp certification).

# 94% of BPI's portfolio companies adhere follow data security and privacy practices



**Data security and privacy** refers to data collection transparency and management. **Legal and regulatory** reflects special laws relevant to the respective business, as well as the monitoring of regulatory changes.

- | **94%** of BPI's portfolio companies are **fulfilling basic requirements** regarding data security, privacy, and legal changes (i.e. compliance with legal obligations such as GDPR, comprehensive data management).
- | **20%** of BPI's portfolio companies have **implemented additional measures** that go beyond requirements (i.e. full data protection team).

## Leading by example



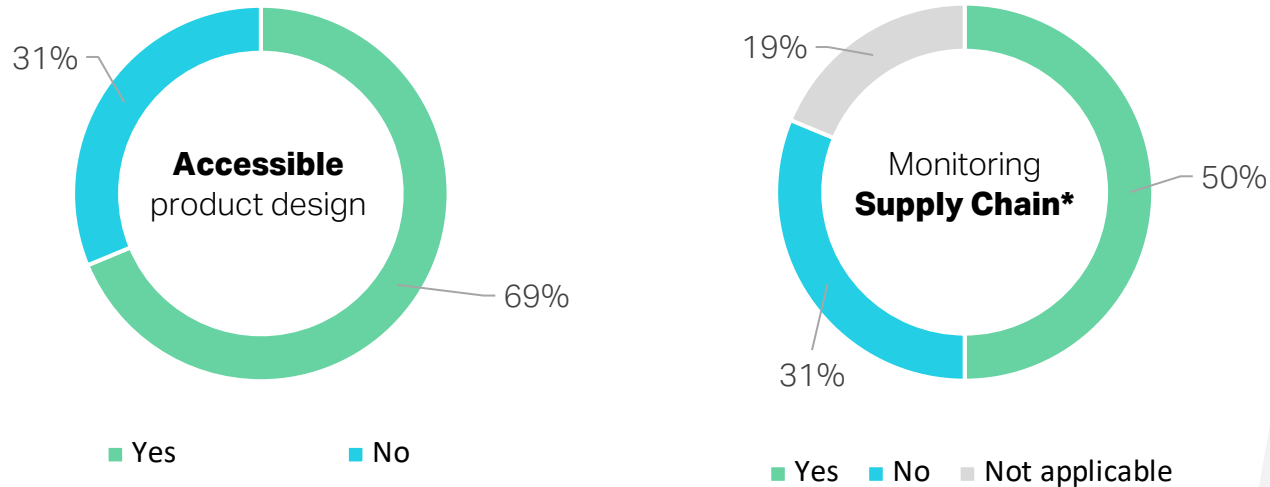
"Oddbox's **employee handbook** touches upon various ESG topics, including **data security, diversity, and conduct**, but we are also **B Corp certified** and use **Google Lighthouse** to ensure accessibility.

– Heather Lynch,  
Head of Impact and Sustainability at Oddbox

### Oddbox' Customer Happiness

Oddbox, a fruit and veggie subscription service with the goal of reducing food waste (thereby building a more sustainable future), has a Customer Happiness team that follows a **strict process to ensure customer privacy and any breaches are flagged**. Among other measures, the customer happiness contact platform will even **automatically redact card details if sent in an email** by the customer to ensure customer card details remain secure.

# 69% of BPI's portfolio companies work on inclusive product design and sustainable supply chains



**Responsible product design** refers to the inclusivity, accessibility, and integrity of the products. **The supply chain metrics** reflect supply chain risks, as well as the monitoring of suppliers regarding ESG topics.

- | **69%** of BPI's portfolio companies are **fulfilling basic requirements** regarding responsible product design and sustainable supply chains (i.e. supplier tracking and monitoring, product accessibility testing).
- | **19%** of BPI's portfolio companies have **implemented additional measures** that go beyond requirements (i.e. supplier code of conduct).

\*for example through screening / due diligence processes or regular audits.

## Leading by example



The Female Company

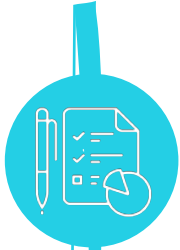
"Supply chains are integral to our products sustainability, as we only use natural and sustainable fabrics. Major parts of our product are biodegradable and we are working on a fully circular product."

– Jennifer Wallace,  
Senior Productmanager at The Female Company

### The Female Companies' Supplier Handbook

The Female Company, a FemHealth startup offering organic female products, is **working on making its products even more sustainable**. This is why, apart from having their suppliers follow certain standards such as Oeko-tex, they are currently **developing a supplier handbook as well as scorecards** to be able to evaluate potential and current suppliers on a standardized base.

# In 2022, for ESG its about building things differently from the ground up



Expand & deepen our governance practices and the way we go about team & company due diligence



Explore how we can choose **more sustainable providers** from energy to basic office supplies etc.



Review and align internal policies as well as streamlining & digitising operations

## INTERNAL - BPI EXTERNAL - PORTFOLIO



Incorporating **working groups, staff committees and department champions** across specific ESG areas



**Alignment of policies & approaches** across different locations/ offices



Reviewing and making improvements to **performance management processes**.