

BurdaPrincipal
Investments

ESG REPORT

2025/26

Berlin

36m

15m

Singapore

520m

Munich

London

23m

ESG & Sustainability at BPI



Since 2020, BPI has published annual ESG reports tracking how our portfolio companies approach Environmental, Social, and Governance topics. Each edition built on the last covering what companies were doing, where gaps existed, and what we were working on together. This edition marks a step change in our approach, and it's worth explaining what changed and why.

ESG at BPI has always been a value and risk lens, not a compliance exercise. This is also the essence of **materiality**, which lies at the center of this report. Materiality means asking which ESG topics are genuinely relevant to a company's ability to create long-term value, to scale, attract capital, build trust, and retain talent. That definition is deliberately different from regulatory checklists or stakeholder pressure mapping. It starts with the business model, not the reporting framework. This is now direction of travel of the wider ESG and sustainability industry, and provides greater value-add for the

For 2025/26 we have completed a structured and scored materiality assessment for each of our invested companies, with input from sector frameworks, our investment team and the company itself, rather than in survey responses alone. The aim was to focus on the most relevant factors for each individual company, specific to stage and sector which could be used for internal strategy, for portfolio company guidance, and for how we continue to develop our ESG program over time.

We engage as investors, not auditors meaning ESG findings feed into board conversations, investment decisions, and how we support companies through specific challenges going forward.



5 years of ESG data, company interviews, & investment overlay

BPI 2025/26 materiality assessment

ESG in the investment team



This report reflects the work of BPI's investment team across Berlin, London, Munich, and Singapore, alongside the founders and management teams who engaged with us throughout the process.

The materiality assessments were led centrally by the investment team, with each portfolio manager playing a key role in shaping the output for their respective companies. Drawing on company materials and direct dialogue with founding teams, the investment team built a shared, informed view of the ESG priorities and value drivers most relevant to each business.

This active involvement of the investment team is a critical component of effective oversight, ensuring a deeper, more holistic understanding of each company's risk and opportunity profile.

A different kind of assessment

What are we looking at in this report and why

A materiality assessment is a structured process for identifying which topics are most relevant to a specific business. We have moved towards this approach to streamline our ESG review and make it the most value-add and relevant for all parties involved. This is also evident across the industry, as materiality now underpins many global standards including the Global Reporting Initiative (GRI) Standards, the International Sustainability Standards Board (ISSB) frameworks, and the European Sustainability Reporting Standards (ESRS) under the EU's Corporate Sustainability Reporting Directive. In each of these frameworks, "material" means genuinely significant for long-term value creation or stakeholder outcomes, not a comprehensive checklist of everything that could theoretically matter.

For venture-backed companies, the global frameworks need some adapting. This is why industry group Reframe Venture (where we are a member), developed a structured approach specifically for Venture Capital groups and their companies to identify and score ESG topics relative to a company's business model, stage, and sector. BPI's 2025/26 assessment draws on this framework as its methodological backbone.

Our assessment combines direct company input with analyst-level interpretation, cross-referenced against board materials, sector benchmarks, and investor conversations with the companies participating in this process.

Each company was assessed on two dimensions for each material topic: relevance to the company in its current state, and relevance to the underlying business model or sector. When a business model is structurally exposed to a topic, but the company is managing it well, that shows up as a higher business model score than company score. When both are high, the topic needs active attention. The relationship between the two scores is more informative than either number alone.

	Previous reports (2020-2024)	This assessment (2025/26)
Input	Founder/team self-reporting via survey & interviews	Analyst-led, validated against reporting and company / board materials / feedback
Scoring	Qualitative (categorical) & quantitative (scorecard)	Mapping risks & opportunities by scores of company relevance & business model relevance
Output	Portfolio snapshot	Portfolio-level pattern recognition

How we applied the methodology in practice

Understanding the scoring framework

Two dimensions

1 Company Relevance

How exposed or capable is this specific company right now?

2 Business Model Relevance

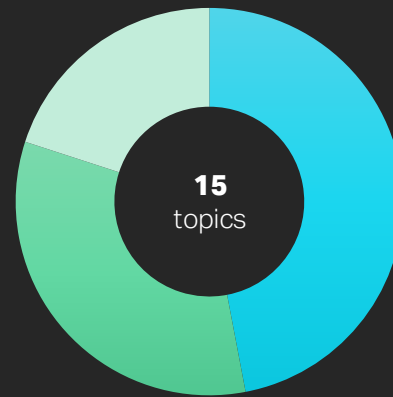
How central is this topic to the underlying model, regardless of current management?

Scoring Scale

- 4-5 High** materiality – strategically critical topics that can significantly shape outcomes and require ongoing board attention.
- 3-3.5 Medium** materiality – important areas to actively manage, especially as the company scales.
- 1-2.5 Low** materiality – limited current impact, mainly hygiene factors unless circumstances change.

The topics

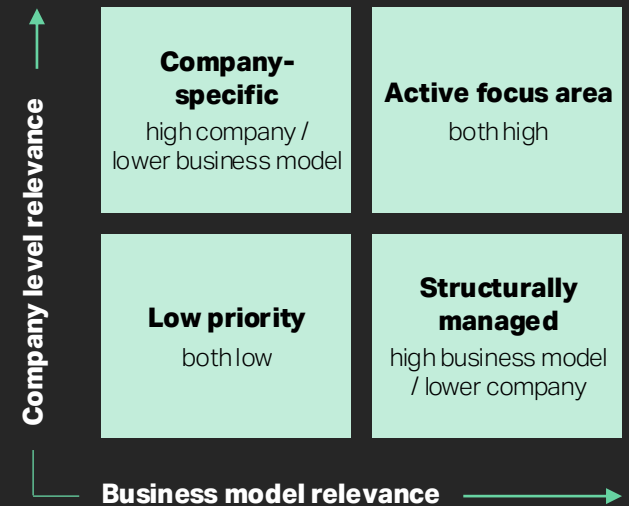
We assessed **15** materiality topics across **3** ESG dimensions, drawn from the Reframe Venture guidelines and calibrated to each company's stage and sector.



- Governance – 7 topics (47%)
- Social – 5 topics (33%)
- Environmental – 3 topics (20%)

The assessment

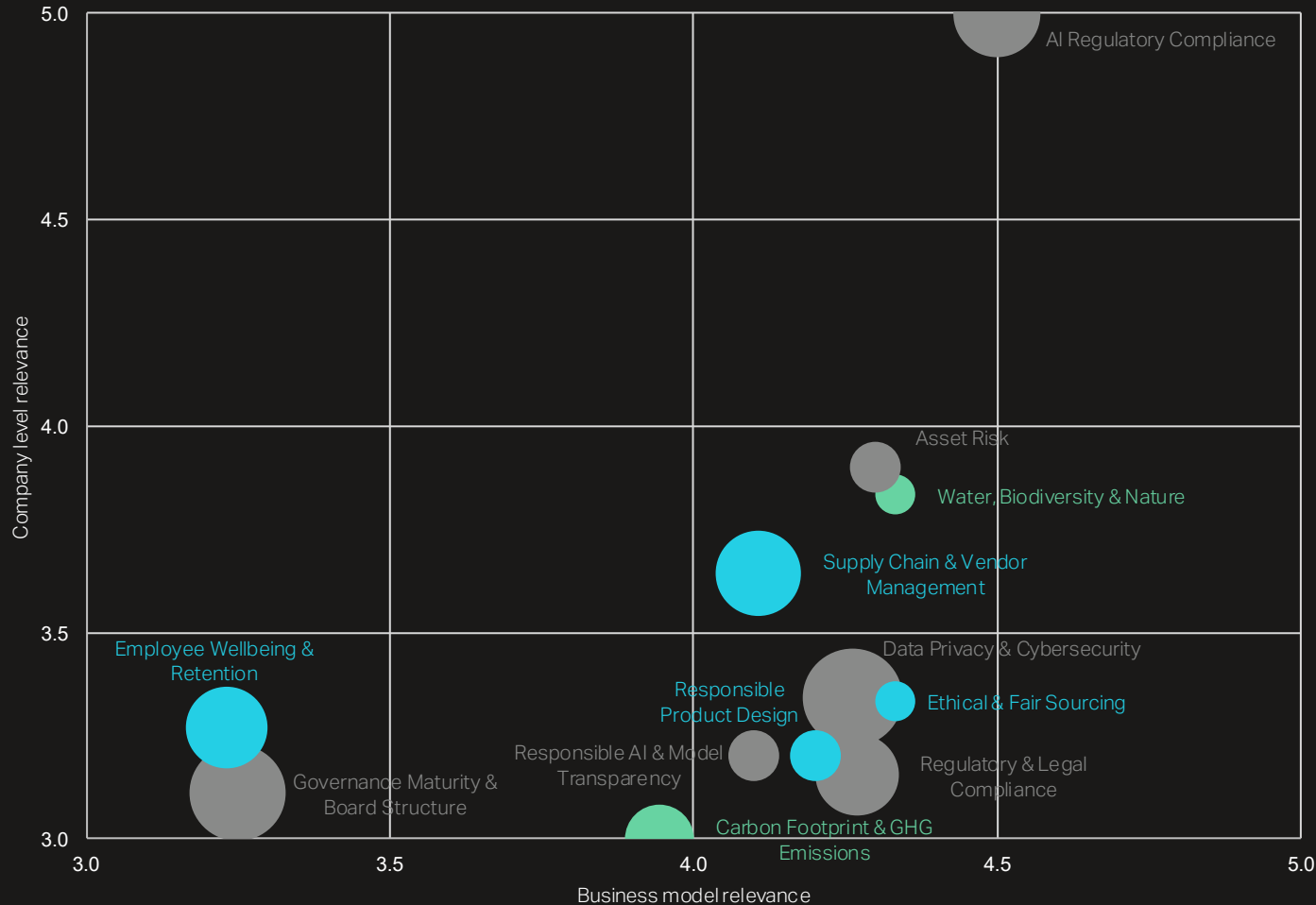
The position of a topic, not its score in isolation, determines how it should be prioritized.



Topics in the upper quadrants require active management. Topics in the lower right are typically a positive signal: the business model has structural exposure, but the company is managing it well.

The materiality matrix – Risks

What we found



1 Governance and data dominate the upper range

Both topics appear in +80% of portfolio companies and carry the highest combined scores on both axes. This reflects the stage of the portfolio as much as any sector dynamic as governance infrastructure and data management become more consequential at the growth stage as companies scale.

2 Most topics cluster below the diagonal

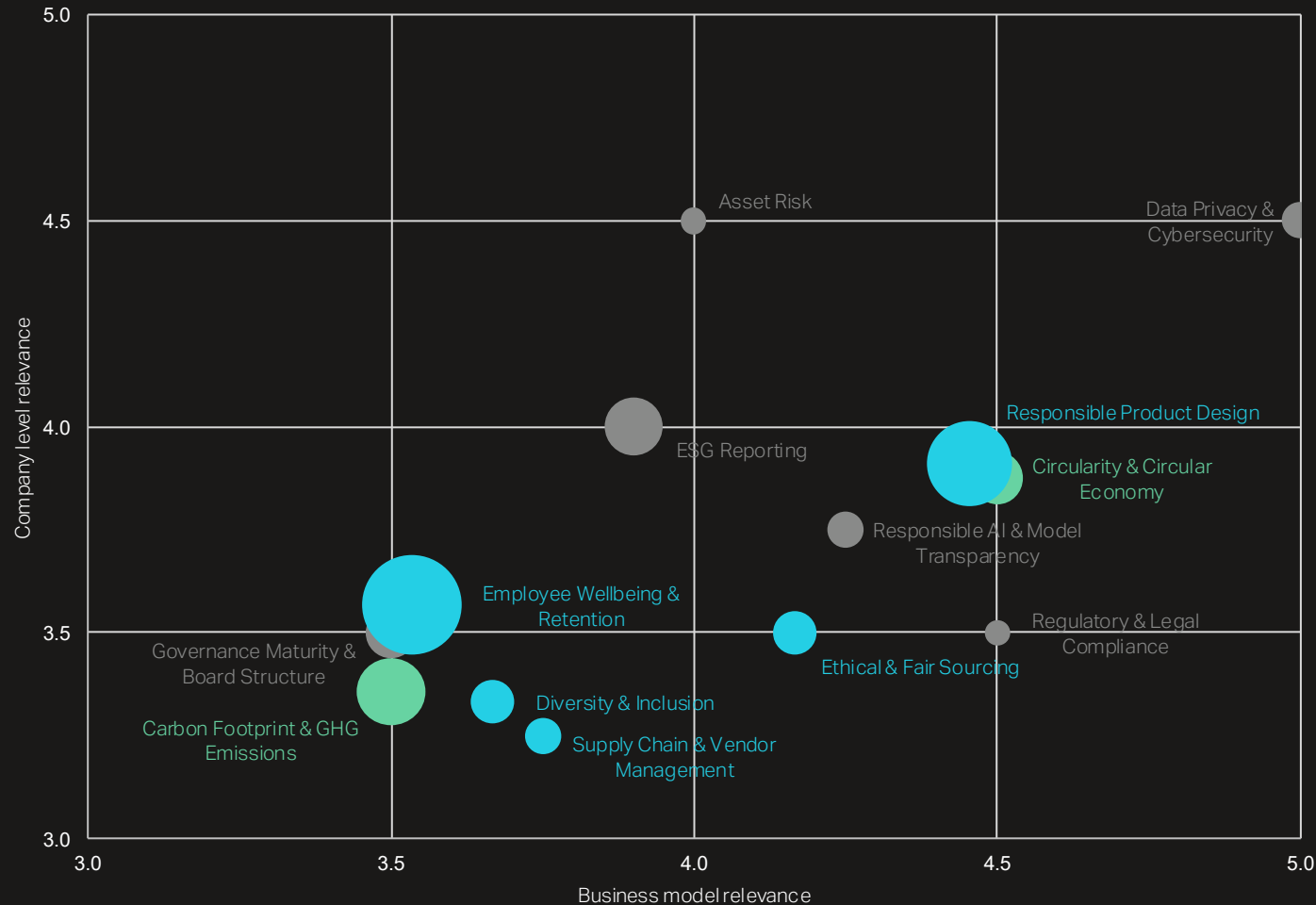
The chart is not a picture of widespread risk, but it reflects a portfolio that is broadly aware of and managing what matters. Across the portfolio, business model relevance tends to exceed company-level scores. This means companies are, on balance, managing their structural exposures adequately.

3 The highest attention zone is AI

The regulatory environment around AI is moving fast, and the business model implications are larger than for almost any other topic on this list. The companies building with AI are doing so at the moment these frameworks are being written, which puts them at the forefront of both the opportunity and the compliance conversation.

The materiality matrix – Opportunities

What we found



1 Responsible Product Design is the most prevalent

With 11 companies and high scores on both axes, it is the broadest opportunity in the upper-right quadrant. Where trust is the primary purchase criterion, how a product is designed directly shapes its commercial position – and the companies that get this right build something that is hard to replicate quickly.

2 Circularity has the highest combined weighted score

Companies whose business model is built around circularity have a natural opportunity to measure circularity claims rigorously. Those companies that can back them up with verified data turn this from a positioning statement into a real USP.

3 The opportunity matrix shows more spread

On the risk side, companies cluster at similar levels across most topics. Here, the vertical spread is wider, and companies observe opportunities across many different topics. Some companies have identified the potential, while others are already turning it into a competitive advantage.

Material topic – Governance & board maturity

When governance becomes a commercial signal

What makes this material

Often the infrastructure for good governance can lag commercial growth. At Series A and early Series B, founding teams move quickly, structures remain informal, and the pace of scaling absorbs most of the organisation's bandwidth.

What distinguishes this topic from most others is its compounding nature. Governance gaps that are manageable at 30 people become structurally significant at 150. The companies that address this ahead of the inflection point consistently report an easier transition into later-stage investor expectations and enterprise commercial relationships.

The opportunity

Governance that exceeds expected levels for a company's stage typically create a specific kind of commercial credibility and become part of the trust signal that enables relationships - with institutional partners, enterprise procurement teams, and future investors.

Some portfolio companies have reached the point where governance maturity is a commercial differentiator rather than a baseline expectation and built as a business decision, not a compliance response.

These companies have strong financial controls, flourishing systems and processes, signal sophistication and low risk profiles.



Case study:

**BLOOM
& WILD**

Material topic – Governance & board maturity

Case study – Bloom & Wild

Bloom & Wild takes a highly structured and integrated approach to governance, embedding ESG directly into core decision-making, rather than treating them as a parallel process.

Board-level governance

Governance is anchored at Board level, with formal oversight of public purpose, double materiality outcomes, stakeholder interests, and key policies. This ensures accountability and alignment with long-term strategy.



Double materiality framework

A double materiality framework combines inside-out impact and outside-in financial risk perspectives. Priorities are translated into SMART targets and OKRs assigned to executives, such as a 7% year-on-year carbon budget reduction to continually address climate impacts.

**BLOOM
& WILD**

Stakeholder-centric approach

The company embeds comprehensive stakeholder engagement into its governance framework, systematically incorporating inputs from employees, suppliers, customers, investors, and external experts into both strategic decisions and operational improvements.



→ **Together, these elements create a governance system that is proactive, data-driven, and transparently linked to risk management, strategic execution, and continuous oversight of sustainability and business performance.**

Material topic – Data privacy & cybersecurity

A universal baseline with a narrow exceptional upside

What makes this material

Data privacy and cybersecurity is the most prevalent material topic in the portfolio with an average overall score of 3.8.

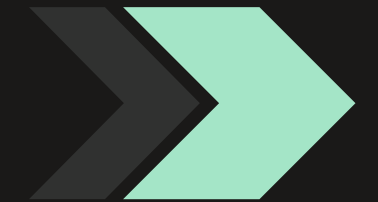
For most portfolio companies, data privacy is an operational baseline meaning the business model does not depend on data management being exceptional, but on it being adequate. For a smaller number of companies, the calculation is different. Where day to day activities include personal and or sensitive data, the consequence of a failure has direct implications on the company's ability to operate. This category of exposure requires qualitatively different management.

The opportunity

The opportunity scores for this topic are the highest in the entire assessment with a score of 4.8 average overall. Given the stage of the portfolio, a limited number of companies have converted the infrastructure investment for Data Governance into a commercial differentiator.

The shift happens when data security governance moves from something managed internally to something that can be demonstrated externally. Bank-grade security certification, independently verified penetration testing, and auditable access controls become evidence that institutional counterparties like financial services partners, enterprise procurement, and regulated-sector customers can use to justify the relationship on their own compliance grounds or high standards.

This opportunity is most relevant where the customer or partner also has stringent compliance requirements, and where trust infrastructure is a commercial or regulatory prerequisite rather than a nice-to-have. Its importance here should also not be overlooked as a beacon for general trust and a key risk mitigator.



Case study:



Material topic – Data privacy & cybersecurity

Case study – Moneybox

Moneybox demonstrates a best-in-class approach to data privacy and cybersecurity, embedding it across governance, operations, and technology.

Governance & accountability

It is overseen at a governance level with dedicated information security oversight aligned to FCA requirements, UK GDPR, and global frameworks such as NIST, ensuring strong accountability.



Internal controls & culture

This is reinforced by strict internal controls (e.g. MFA, least-privilege access), mandatory staff training, and robust third-party risk management, embedding security across the organisation.



Proactive operational security

Operationally, Moneybox combines 24/7 monitoring, real-time threat detection, and regular penetration testing, enabling proactive risk management rather than reactive compliance.



External validation & trust signal

Together with external validation through Cyber Essentials Plus, this positions data security as a core operational strength and a key driver of customer trust, rather than just a compliance requirement.

Material topic – Responsible product design

Building customer trust as a driver for long-term success

What makes this material

For most companies, responsible product design is a mild consideration: ensuring the product does not cause unintended harm, that algorithmic decisions are auditable, that accessibility is accounted for. This version of the topic is real and worth tracking, but it sits alongside other operational priorities rather than at the center of the business strategy.

For a subset, primarily those operating in categories where end-user vulnerability or environmental impact is central to the product promise, the dynamic is different. Where a product is purchased primarily on the basis of trust with someone vulnerable, or where the sustainability claim is embedded in the commercial proposition, there is no separation between the product and the ESG position. A design failure can be an identity issue for the business.

The opportunity

Responsible product design scores the highest of any topic on the opportunity side of the assessment. In categories where the purchasing decision is driven by trust design restraint and safety-first architecture can compound into brand equity that commercially opportunistic competitors cannot easily replicate.

The constraint is precisely what creates the value. Choosing not to use addictive design mechanics in a children's product or investing in safety architecture for an elderly user's connected device, involves trade-offs that most competitors will not make voluntarily. The companies that make them early accumulate a reputational position that is difficult to close from behind.

The same logic applies in a different form to physical products with sustainability at their core: the companies that design circularity in from the start have a structural advantage over those who retrofit the claim.



Case study:



Material topic – Responsible product design

Case Study – Yoto

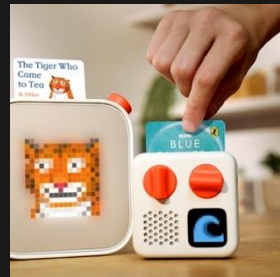
Non-addictive product design is a deliberate strategic choice at Yoto, embedded as a core pillar of its value proposition rather than a compliance requirement.

Deliberate design choices

Yoto is intentionally designed to support healthy, age-appropriate engagement for children. It uses recommendation and discovery systems to help families find relevant, high-quality content, but these are built to improve relevance rather than to maximise attention or time spent.

Child wellbeing & responsible engagement

Audio listening is fundamentally different from fast-paced, attention-driven experiences, and Yoto does not optimise for endless engagement or monetise attention. Combined with curated content, thoughtful product design, and tools that support parental involvement and control, this positions Yoto around trust, safety, and positive engagement with audio.



Commercial differentiator

In a market where purchase decisions are increasingly driven by concerns around screen time and addictive digital experiences, this intentional approach to design becomes a differentiator. The same choices that prioritise relevance and quality over maximised attention ultimately strengthen long-term brand trust, customer loyalty & wellbeing, and word-of-mouth growth.

→ **Together, these design choices create a product that parents actively trust, and a business that is structurally ahead. As regulation around children's digital products tightens, Yoto's existing principles already meet standards that competitors may need to retrofit.**

Material topic – Environmental footprint & circularity

First-mover verification as a category advantage

What makes this material

Environmental materiality divides along business model lines. For asset-light digital businesses with minimal physical operations, environmental factors are not currently material in an operational sense. Tracking a baseline is often reasonable but not a strategic priority.

For companies with physical supply chains, logistics operations, or sustainability-linked commercial propositions, carbon footprint and GHG emissions is a material consideration. The risk concentrates in the gap between what companies claim and what they can independently verify. The EU Green Claims Directive, FCA anti-greenwashing guidance, and B Corp standards are all moving toward the same requirement that claims need substantiated methodology and independent verification.

The opportunity

The companies that build rigorous, independently verified impact methodology ahead of regulatory requirement earn a structural advantage that is not easily replicated. Verification requires operational data, methodological investment, and time that cannot be acquired quickly by competitors. The companies furthest along this path are using environmental data as an operational input to make sourcing decisions, manage cost exposure, and predict supply constraints.

For circularity-focused businesses specifically, the opportunity compounds further. The first company in a sub-category to establish a credible, auditable impact methodology sets the standard others are measured against. That position influences regulatory dialogue, enterprise procurement decisions, and the terms on which future capital is raised.



Case study:



Material topic – Environmental footprint & circularity

Case study – Uluu

Uluu prioritises environmental circularity because, unlike asset-light businesses, its model is fundamentally tied to physical production, supply chains, and sustainability-led value creation, making environmental impact a core driver of both risk and competitive advantage.

Environmental impact as core business driver

Its materiality approach reflects that carbon footprint, resource use, and circular inputs are not just operational considerations but central to its commercial proposition. In this context, circularity is more than a sustainability goal; it is the foundation of product design and market positioning.



Operational backbone & external validation

By embedding environmental data into sourcing, production, and decision-making, the company strengthens cost visibility and supply resilience while establishing the operational backbone needed for external validation.



Regulatory positioning & greenwashing risk

As regulatory expectations tighten around substantiated environmental claims, Uluu's focus on building credible, verifiable impact methodologies positions it ahead of compliance requirements and reduces greenwashing risk.



Compounding first-mover advantage

Being early in developing auditable, science-based impact frameworks allows Uluu to define standards within its category, influence procurement and regulatory expectations, and build durable differentiation that is difficult for competitors to replicate quickly.

How BPI engages

From assessment to action



Four engagement mechanisms

| A materiality assessment that feeds only into a report is a compliance exercise. This one is designed to feed into portfolio management, here's how.

1 Company exchange & awareness

| Material ESG risks identified in this assessment are flagged in relevant company conversations or board discussions. For companies where the risk has a direct governance dimension ESG findings are incorporated into active portfolio monitoring.

2 Peer-exchange facilitation

| Portfolio companies facing similar challenges are proactively connected to share experiences and practical solutions more effectively

| Founders benefit from direct, peer-led exchange on operational and strategic topics, grounded in real-world context.

3 Policy templates and tooling

| For companies at early governance stages BPI provides templates for codes of conduct, employee handbooks, whistleblower procedures, and data privacy frameworks.

4 Investment diligence & action

| The materiality framework used in this assessment informs new investment due diligence and conversations, workshops at the board level. Material ESG topics relevant to the sector are assessed earlier rather than later.