





CONTENTS

| | |
|---|----|
| 1. Introduction | 4 |
| 2. Our ESG Targets | 10 |
| – Establishing a Carbon Reduction Strategy | 12 |
| – Advancing Diversity and Inclusion | 16 |
| – Strong Governance | 20 |
| 3. ESG at Pollen Street | 22 |
| 4. ESG in Action | 30 |
| 5. Creating Partnerships for Lasting Impact | 40 |
| 6. Focus for 2021 | 46 |

ABOUT THIS REPORT

Pollen Street ESG Annual Report 2020

This report is designed to provide our stakeholders with details on our approach to responsible investment, our wider impact and how we manage environmental, social and governance (ESG) issues within our firm and across our portfolio. It covers our ESG strategy, examples of ESG in Action, key metrics and plans for 2021 and beyond.



1.

INVEST WITH IMPACT

INTRODUCTION

Every person in Pollen Street is committed to supporting positive impact across all aspects of ESG. We have a strong foundation and clear strategy to continue to build our impact over the coming years.

“We were recently bold enough to embed Caring as a core value in our business. Caring is going the extra mile for our portfolio partners, our investors and colleagues, and ultimately for the wider community, and so for us it is the driving force of our work.”



Lindsey McMurray
Pollen Street
Managing Partner

I am delighted to share our second Annual ESG report. In this report we'll share an overview of our progress over 2020, our approach to sustainability and our goals for the future.

At Pollen Street Capital we believe in the potential for positive impact through the work that we are passionate about. We are committed to maintaining and enhancing our focus on actions that generate positive impact for our investors, people, portfolio companies and wider society. Across both our private equity and credit strategies we embed ESG diligence and monitoring in our day-to-day operations and investment activity.

I am proud of the progress we have made over the past year, both in embedding ESG as an integral part of our investment process but also in rooting this thinking in our business and our portfolio and raising awareness of the potential for positive impact for our industry as a whole.

Early this year we were named Best Responsible Alternative Investment Team UK 2021 by Capital Finance Magazine. I am thrilled to see the hard work of our teams recognised.

There can be no denying the impact of the Covid-19 pandemic on all our lives over the past year. Amongst the many changes seen as a result of the emergence of Covid-19 is a sharpened appetite for sustainability at local, national, and global levels. This renewed focus is driving companies to embed sustainable behaviour and consider their duty of care to employees, customers, stakeholders, and planet.

Our people – and through them our values – are the core of our approach to ESG. One of the ways they have worked to drive positive impact is through our flagship ESG programme “Ten Years Time”. We are making tangible progress with our partners, using our core skills as asset managers to boost these initiatives and their impact.

In 2020 we have continued to focus our ESG activity on areas which we consider to be most relevant to our investments and overall strategy. These focus areas help amplify the positive impact of our work and guide our reporting, measurement and targets, which we set out for the first time in this report.

As we look forward, we will work to deliver tangible impact through both existing and new investments, focusing on areas such as Diversity and Inclusion, addressing climate change through green finance, and accelerating financial inclusion.

POLLEN STREET EXPERTISE



Our people – and through them our values – are the core of our approach to ESG

Pollen Street Capital is an independent alternative investment management company, focused on accelerating the progress of the financial and business services sectors. We operate across private equity and credit strategies on behalf of investors including leading pension funds, asset managers, banks, and family offices from around the world. We are a team of 70+ professionals¹ with offices in London and New York.

In financial and business services, technological innovation and changing consumer behaviours are creating opportunities to build high quality businesses that serve well-defined and large target markets. Pollen Street Capital uses its deep experience to help its partner companies take advantage of these opportunities and build high growth, sustainable businesses that deliver a compelling proposition to their customers.

1. As at 31 July



PRIVATE EQUITY

Pollen Street Capital works with partners who have a solid foundation and strong core attributes, supporting them and their management teams with expertise and capital to drive growth.

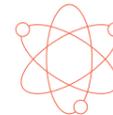
We invest in sectors which have the agility and ambition to be at the forefront of change, and maximise opportunities within the evolving landscape, looking in particular at high growth lending, insurance, wealth, payments, technology, and services.



CREDIT

We aim to be a partner of choice for borrowers in the non-bank lending sector. Our highly experienced financial services team has a wealth of long-term industry relationships and the majority of our investments are sourced internally and negotiated bi-laterally.

In lending, we see large and growing opportunity for non-bank lenders to reach customers that are under served by mainstream banks with bespoke and appropriate products. In addition, there is an increasing understanding that in order to meet global climate change targets, financing for the green transition is an essential component.



THE HUB

The Pollen Street Hub is a dedicated group responsible for driving technology, sales performance and best practice sharing across the portfolio. The Hub plays an important role in driving ESG improvement and best practice across both the PE portfolio and our credit partners.



Our desire to create a lasting ESG impact is part of the DNA of Pollen Street, intrinsically linked to our values:

1. EXPERT

We are true specialists, renowned for deep expertise and insight that creates advantage and drives success. **We set the standard.**

2. CARING

Open and straightforward in our approach, we are as compassionate as we are committed. **We are trusted because we care.**

3. ENTERPRISING

We provoke, question and uncover. Creative, astute and resourceful, we work collectively to transform. **We think differently.**

4. PROGRESSIVE

Constantly pushing in pursuit of excellence, we see beyond boundaries. Driving growth and innovation to create impact and prosperity. **We exist to empower.**

5. DRIVEN

Powered by an endless determination and passion for progress. Resolute and resourceful in our approach to exceeding expectations. **We strive for more.**

2. OUR ESG TARGETS

E

Outcome

Reduced environmental impact of our operations

Target

- **Pollen Street as a firm to be carbon neutral BY END OF 2022**
- **Portfolio companies to become carbon neutral WITHIN 5 YEARS of Pollen Street investment**

S

Outcome

A diverse workplace with broadened representation of gender, ethnicity and socio-economic backgrounds representation at all levels

Financial Inclusion: Improved opportunities and outcomes for individuals and SMEs

Target

- **25% WOMEN on Portfolio Boards / Executive Leadership BY 2025**
- **DECREASE GENDER PAY GAP meaningfully over the life of the investment**
- **IMPROVE FINANCIAL HEALTH through responsible financial products and access to finance**

G

Outcome

Confidence that appropriate policies, programmes and governance are in place

Target

- **STRONG GOVERNANCE across PE portfolio companies and credit partners**
- **100% OF COMPANIES with ESG matters on the Board agenda**

ESTABLISHING A CARBON REDUCTION STRATEGY

We commissioned an external environmental specialist, Clearstream Solutions, to assess the carbon footprint of the firm and its private equity portfolio. This included a verified assessment of our firm and portfolio carbon emissions for 2019 and 2020.

Objectives: Provide a baseline, plan, and insights into the portfolio to set measurable targets for carbon reduction, aligned to the business' strategy

- **Develop and launch a carbon strategy**
- **Quantify and verify carbon emissions**
- **Identify carbon hotspots to prioritise reduction targets and initiatives**
- **Set out practical steps for tangible impacts**

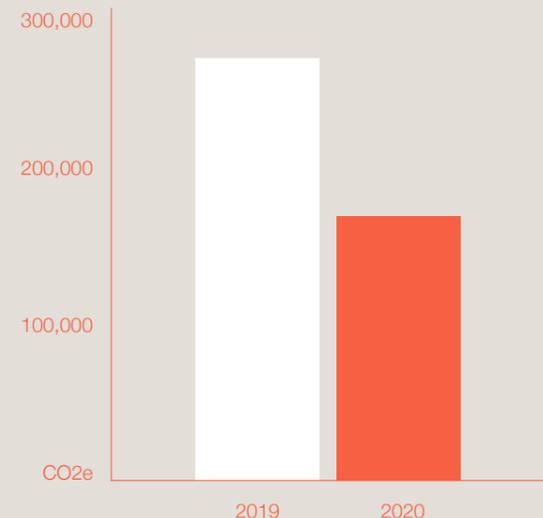


POLLEN STREET'S 2020 CARBON EMISSIONS¹ (tCO₂e)



1. Pollen Street Capital (firm only)
 2. Market based electricity takes into account specific procured carbon intensity e.g. buying renewable electricity.
 3. **Scope 1:** All Direct Emissions from the activities of an organisation or under their control. Including fuel combustion on site such as gas boilers, fleet vehicles and air-conditioning leaks.
 4. **Scope 2:** Indirect Emissions from electricity purchased and used by the organisation.
 5. **Scope 3:** All Other Indirect Emissions from activities of the organisation, occurring from sources that they do not own or control. These are usually the greatest share of the carbon footprint, covering emissions associated with business travel, procurement, waste and water

Our total carbon footprint in 2020 was **183 thousand tonnes of CO₂e**, down from **287 thousand tonnes the previous year**. The decrease of 36% compared with the previous year was largely due to the intermittent closure of offices as a result of COVID-19, and a reduction in business travel.



We continue to invest in technology and solutions that can reduce our emissions and are engaging with suppliers to source more renewable electricity.

OUR CARBON TARGET: POLLEN STREET TO BE CARBON NEUTRAL BY END OF 2022

To achieve this we will:



REDUCE SCOPES 1, 2 AND 3 REAL CARBON EMISSIONS

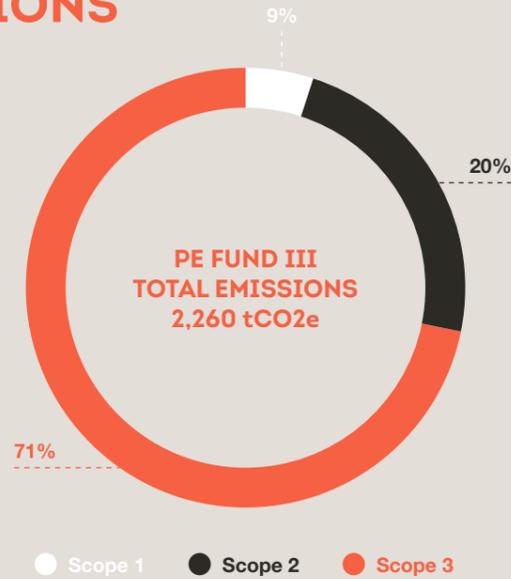


OFFSET ALL UNAVOIDABLE EMISSIONS THROUGH CERTIFIED GREENHOUSE GAS REMOVAL PROJECTS

PE PORTFOLIO EMISSIONS PROFILE

IN 2020, we collected data to assess the carbon footprint of the firm and its private equity portfolio. We're now collecting carbon footprint and emissions data for all Credit partners in both existing and new Credit funds

We seek to ensure that our portfolio companies and partners are committed to carbon neutral, working with them to set goals and carbon reduction plans



PORTFOLIO EXAMPLES



BIDX1 became Carbon Neutral from 2019 – thanks to a sustainable business model and a value system which puts climate action at the forefront of decision-making.

“We’ve now established a Carbon strategy and have calculated our emissions across every market, identifying hotspots and key areas for improvement” explains Nicole Pomeroy, Head of Communications.



Oplo has committed to becoming carbon neutral by the end of 2021.

Through their “Trees for life” initiative, they have pledged to plant a tree for every loan booked this year, an estimated 33,000 trees.



ADVANCING DIVERSITY, EQUITY & INCLUSION

GENDER SPLITS AT PE PORTFOLIO COMPANY & BOARD LEVEL (2020)



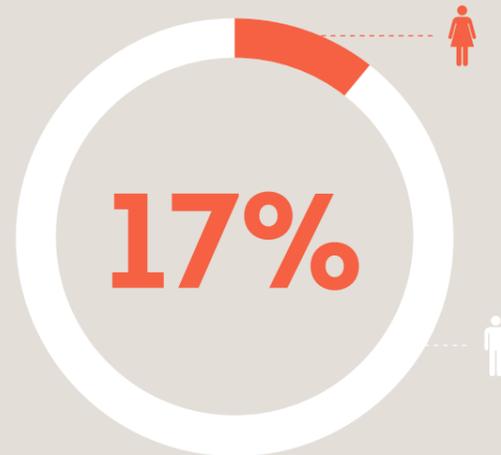
ALL EMPLOYEES

2019: 41%



BOARD MEMBERS

2019: 13%



GENDER PAY GAP¹

2019: 33%



1. The gender pay gap is the % difference in average gross hourly earnings between women and men across the PE portfolio

LOOKING AHEAD

25% WOMEN

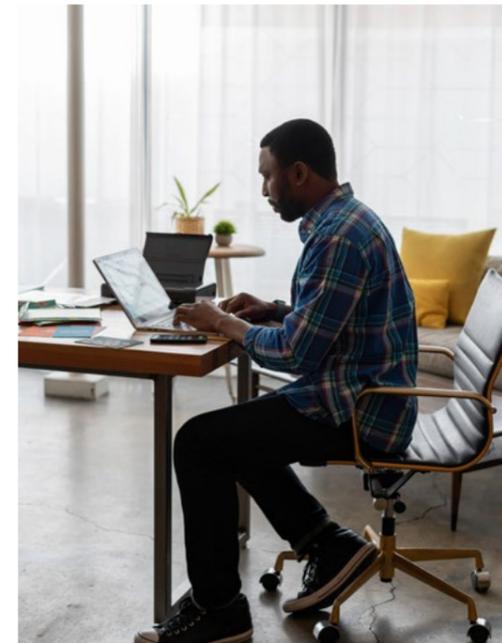
on portfolio boards/
executive leadership
by 2025



OUR CURRENT TEAM (POLLEN STREET FIRM)

STATE EDUCATED

State School
background¹



Greater inclusion and diversity is a differentiator and something that will drive our business forward. It makes us stronger, more innovative and enables better decision making. This in turn helps us better serve our investors, our portfolio companies, and the communities in which we work.

We are focused on helping our people at all levels feel a sense of belonging and strive to create an organisation and portfolio that embraces all diversity and equality. Our approach is outlined in our Diversity, Equality & Inclusion policy. <https://www.pollencap.com/diversity-equality-and-inclusion-policy/>

Pollen Street considers diversity beyond gender and ethnicity as we believe that diversity of thought helps drive an inclusive culture and better decision-making. We are working to advance diversity of socio-economic and educational background as part of our strategy.

1. 2021 employee survey. Type of school attended from ages 11-16, in UK

DIVERSITY IN ACTION

INVESTING IN FEMALE ENTREPRENEURS

Pollen Street is an active member of the Council for Investing in Female Entrepreneurs (CIFE). The Council is a community of firms and individuals who are passionate about achieving long-term behavioural changes to close the gender funding gap. **We have been instrumental in driving two key CIFE initiatives:**

PARTNERSHIPS AND INDUSTRY INITIATIVE



DIVERSITY GUIDELINES FOR INVESTORS

In February 2021 we joined leading investors to develop and launch a **set of practical guidelines** to help drive diversity in the investment sector. These provide best practice to create a lasting diversity impact.

We work with our portfolio companies to understand the diversity and inclusion dynamics in their business, and set out ambitions and initiatives, using the Hub to share best-practice.

We are also advocates and partners to a number of Diversity organisations and industry initiatives, such as Future First, Level 20 and OutInvestors.



INVEST IN WOMEN HUB

Pollen Street has led the development of the **“Invest in Women Hub”**, launched in April 2021. This is an innovative online resource for female entrepreneurs in need of funding and support, and to create opportunities to share expertise, networks, and inspiration.

BUSINESSES LAUNCHED BY WOMEN

RECEIVE 53% LESS

capital than their male counterparts*

MEN IN THE UK ARE

5X MORE LIKELY

than women to build a business of £1 million+ turnover*



STRONG GOVERNANCE TO BUILD SUSTAINABLE BUSINESSES

Strong governance is core to our operating model, where we believe that a fairer, more transparent business supports strong and sustainable growth. We also ensure that our investments comply with industry standard guidelines as fundamentals, and aim to set the standard for best practice, actively managing ESG considerations and risks effectively.



TARGETS

100% of companies with ESG matters on the Board agenda at least once a year

Consistently engage with portfolio companies on Governance, helping identify gaps and providing support where appropriate

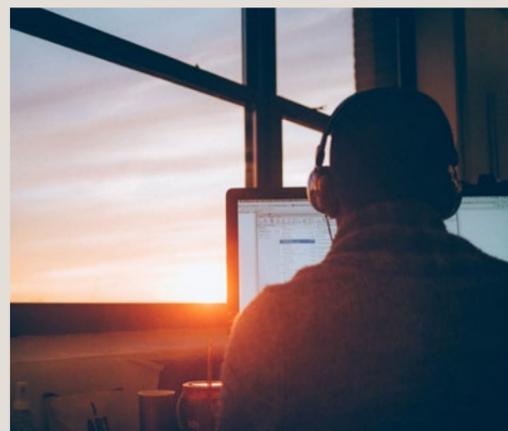
RESULTS

Progress across all portfolio companies towards creating sustainable impact and meaningful change

Strong governance across PE portfolio companies and credit partners, reviewed annually

Our policies and processes help deter, detect, and disrupt financial crime – Protecting individuals and businesses from frauds and scams.

With many of Pollen Street’s investments providing access to the financial system, portfolio companies and / or credit partners are well positioned to reduce both overall levels of financial crime, as well as raising awareness of how consumers can protect themselves.



CASHFLOWS

Cashflows, one of our PE portfolio companies, has a robust governance structure where senior management sets the tone in respect of managing financial crime risks and ensuring the business is not used for money laundering or terrorist financing.

In the last 12 months the business has continued to invest in fraud prevention technology, being an industry leader in the roll out of new UK/EU Strong Customer Authentication (SCA) requirements, building an in-house solution and being one of the first Financial Services businesses to address the roll out of the new SCA requirements at the end of 2020.

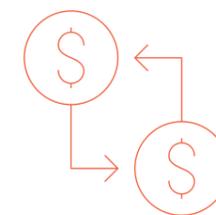
Cashflows

Fraud chargeback rate in 2020 were 0.09%, in 2021 YTD this has reduced further to 0.07% (11% reduction Y-O-Y)

RESPONSIBLE LENDING – BEST PRACTICE AMONGST OUR CREDIT PARTNERS

We are very focused on the practices, governance, and culture of the partners we work with. We ensure that treating customers fairly is embedded throughout their organisation and the processes they adopt.

Assessing compliance of our partners with the relevant regulatory rules and guidelines, and against industry best practise is an integral part of our process. We ensure this through both primary diligence and third-party audits. **This includes:**



- AFFORDABILITY CHECKS FOR REGULATED CONSUMER LENDING
- TREATING VULNERABLE CUSTOMERS WITH DUE CARE AND CONSIDERATION IN ACCORDANCE WITH REGULATOR GUIDELINES



3.
**ESG AT
POLLEN STREET**



EMBEDDING ESG INTO OUR INVESTING, OPERATIONS & CULTURE

We were thrilled to be named Best Responsible Alternative Investment Team UK 2021 by Capital Finance International magazine (CFI.co) in February. We are proud to be recognised by CFI.co for our efforts in responsible investing¹.



Pollen Street Capital aims to have a positive impact through both its Private Equity and Credit strategies, accelerating progress in financial services and beyond.

Asset managers are uniquely positioned to support businesses to accelerate their impact. We strongly believe that a focus on responsible investing can lower risk and enhance value creation for our funds and portfolio companies, while also making a meaningful difference for society.

➤ ESG is at the heart of our investment strategy

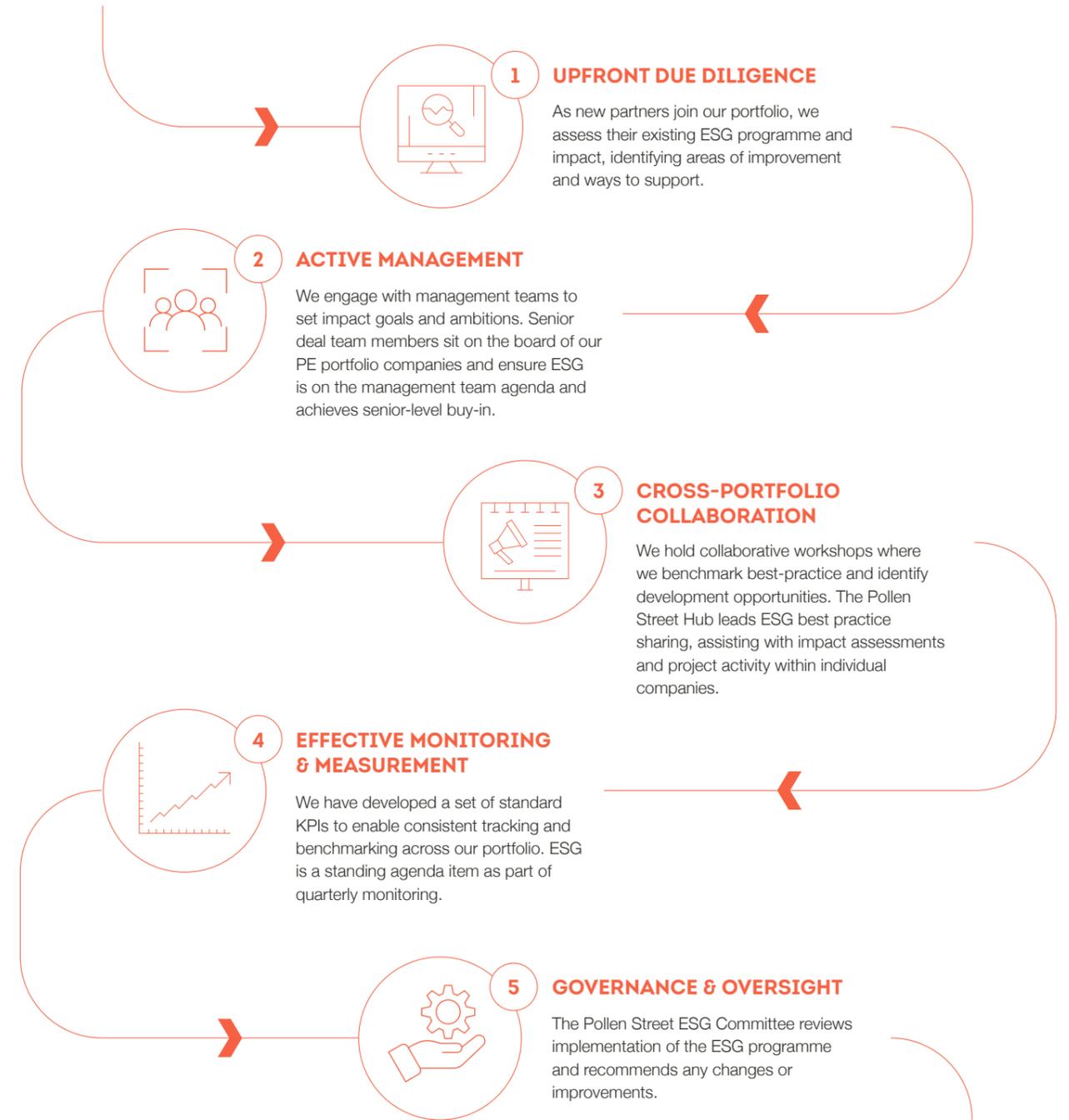


1. CFI awards 2021 <https://cfi.co/awards/europe/2021/pollen-street-capital-best-responsible-alternative-investment-team-uk-2021/>

HOW WE DO IT: ESG IN THE INVESTMENT PROCESS

We are committed to focus on actions that generate positive impact for our investors, people, portfolio companies and the wider society. As a core part of our investment process, we engage with both our Credit and Private Equity partners to identify impact

areas within ESG that are relevant to them and where we can support them to accelerate their positive impact. We set out our approach in more detail in the graphic below.



RESPONSIBILITY FOR ESG

Pollen Street has established an ESG committee (“ESGC”) which is responsible for setting the strategy, framework, and processes for ESG integration across the investment process.

The ESG committee monitors activity to ensure compliance with our ESG obligations, and to review improvement opportunities. The ESG committee is chaired by the Head of ESG Alison Collins, and includes Partners Lindsey McMurray, Michael England, Matthew Potter and representatives from the investment teams, and other areas of the business. Members of the committee are volunteers keen to be ESG champions.

SUSTAINABLE FINANCE DISCLOSURE REGULATIONS (SFDR)

Pollen Street Capital has committed to Article 8 for Private Equity Fund IV and Private Credit Fund III under the SFDR, and is working to align processes and disclosures with Article 8 requirements across all current and future funds.

Members of the ESG Committee are set out on page 48.

We have been a signatory to the United Nations’ Principles for Responsible Investment since 2019. We received an A rating in both the Strategy and Governance Module and the Direct Private Equity Module for 2020. A link to our latest transparency report is [here](#).



ESG REPORTING: MEASURE WHAT MATTERS

With an ever growing focus on ESG reporting and transparency from all stakeholder groups, as well as alignment with regulatory disclosures such as the SFDR, measuring impact is more important than ever.

We collect both core ESG metrics and relevant impact measures (as set out below), and we continue to improve and align reporting linked to our ESG framework.

| Objectives | | Example Metrics |
|---|--------------------------|--|
| Companies have a basic set of policies, processes, and governance structures to provide a foundation to advance ESG strategy and maturity | ESG Fundamentals | <ul style="list-style-type: none"> Number of core policies in place Assigned ESG champion ESG on Board agenda |
| Benchmark and demonstrate progress against portfolio-wide themes and targets Identify gaps and promote best-practice on topical issues | ESG Best Practice | <ul style="list-style-type: none"> Environmental KPIs + Carbon footprint Employee engagement & development Diversity ratios Gender pay gap |
| Address 1-2 key ESG risks or opportunities material to the business' strategy and sector. Create sustainable impact and meaningful change | ESG Impact | <ul style="list-style-type: none"> Funding for environmental initiatives Regional economic growth (SME funding) Financial inclusion |

OUR ESG IMPACT FRAMEWORK

A practical framework, guided by the UN's Sustainable Development Goals

At Pollen Street our framework helps contribute to the UN Sustainable Development Goals (SDGs). As the world's agreed goals for society and all its stakeholders, the SDGs provide a lens through which investors can align themselves with the needs of the wider world. The metrics we collect from our portfolio companies enable Pollen Street to develop deeper insights into which portfolio companies are contributing to SDGs.

With the increasing focus on ESG the challenge is not in demonstrating the importance of this work but in helping the businesses align behind their 'impact areas'. Every business is positioned to tackle a specific set of issues.

ENVIRONMENTAL IMPACT

We recognise our responsibility to do business in a manner that protects and improves the environment for our future generations, as well as supporting businesses that take us closer to a clean and sustainable environment.



CREATING A LASTING ENVIRONMENTAL IMPACT

Create solutions that have a positive environmental impact – e.g. funding for residential energy efficiency initiatives and electric vehicles



SOCIAL IMPACT

We aim to ensure that the products and services of our portfolio companies and credit partners provide the best outcomes for stakeholders, including improving financial health for consumers and SMEs.



FINANCIAL INCLUSION

Access to loans and other financial products is made available to a broad audience, promoting greater access to opportunity.



We believe that a diverse business has multiple benefits. We champion diversity and seek to ensure that equal opportunities are promoted to all.



PROMOTE DIVERSITY

Promoting diversity and, in particular seeking to broaden representation at Board and company levels



We focus on efforts that provide real benefits and which address relevant regional issues.



REGIONAL ECONOMIC GROWTH

Provide services to small businesses promoting growth and job creation throughout the markets in which Pollen Street operates



GOVERNANCE & LEADERSHIP

We ensure we are appropriately accountable for our decisions, implementing strong governance throughout operational processes with the ability to identify and manage material risk factors, including sustainability risks. As we focus our investments within the largely regulated financial services sector, our portfolio operates high governance standards as a baseline.



REDUCING THE IMPACT OF FINANCIAL CRIME

Reduce overall levels of financial crime in Financial Services with effective AML & Cyber procedures and governance



4.

ESG IN ACTION

CREATING A LASTING ENVIRONMENTAL IMPACT

“People understand the climate emergency but are unsure of what they can do. What we are doing is lending to real people, giving them the tools to make a real impact.”



HELPING REAL PEOPLE GO GREEN

Reducing the carbon footprint and energy consumption of homes is one of the key ways that individuals can have a real positive impact on the environment. Our credit facilities help lenders support a variety of

green energy initiatives for UK households, and we are now focused on funding for electric vehicles and green transport.

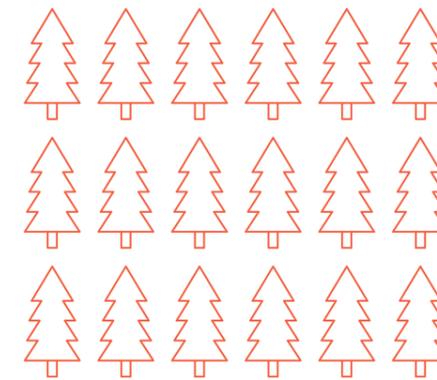
ONTO

Pollen Street has recently announced a new £75 million credit facility with all-inclusive electric vehicle (EV) subscription service **Onto**. The facility will enable Onto to significantly expand its electric vehicle fleet with capacity to acquire in excess of 3,000 vehicles.



IN 2020, ONTO'S ELECTRIC CARS

DROVE 2,467,220 MILES, SAVING 609 TONNES OF CO2, THE EQUIVALENT OF:



10,355 TREES GROWN FOR 10 YEARS



26,192 BAGS OF RUBBISH RECYCLED

TANDEM BANK

As part of Tandem's mission to become 'The Good Green Bank', they are committed to helping customers reduce their carbon footprint, save money, and build a more sustainable future for the planet, starting with their homes.

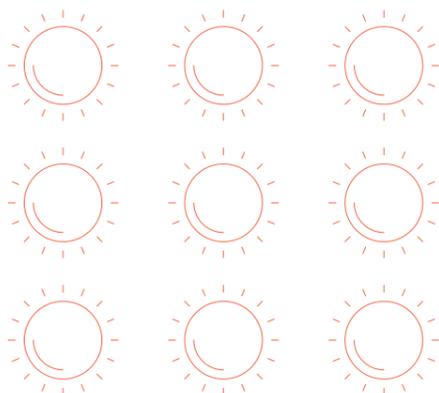
40% of UK carbon emissions come from households. The UK is aiming for at least 68% reduction in greenhouse gas emissions by the end of the decade, so energy-efficient homes have a crucial part to play in meeting these emissions reductions targets.

Through its home improvement financing products, Tandem has saved (p.a.)

8,095 TONNES OF CO² THROUGH ENERGY EFFICIENT BOILERS & HEATING



3,636 TONNES OF CO² THROUGH SOLAR PANEL INSTALLATIONS



172 TONNES OF CO² THROUGH ENERGY EFFICIENT GLAZING

11,905 TONNES OF CO² IN TOTAL

SHAWBROOK BANK

Shawbrook aim to build a sustainable bank for the long-term, and that approach is embedded across the organisation and in their product proposition.



In particular their asset finance product proposition which allows businesses to enhance operations with access to finance but also supports the reduction of carbon emissions through investment in more environmentally friendly equipment, vehicles or machinery.

In 2020 Shawbrook provided financing for Rotala Plc to purchase a new suite of state-of-the art, environmentally friendly, bus fleet. The £3.2m purchase provided Rotala with 19 fuel efficient and low emission vehicles.



FINANCIAL INCLUSION

Making financial products and services accessible and affordable to all



Financial inclusion means looking beyond traditional models of conducting business to help customers navigate barriers to entry and access financial products and services to improve their lives.

Pollen Street works with a growing number of specialised responsible lenders using new technology and data to source and underwrite those 'under-banked' credit customers and provide excellent customer service.

Between 10 million people, c.25% of the adult UK population may find it difficult to access credit from mainstream sources, despite only relatively minor blemishes on their credit history.

IMPROVING CUSTOMER OUTCOMES USING DATA AND TECHNOLOGY

As with all aspects of ESG, we focus on where we have the potential to have the greatest impact. Pollen Street Capital has a depth of expertise to deliver positive impact through transformation, particularly in improving customer outcomes.

to-face interactions. Our portfolio companies and credit partners have worked closely with their customer base, increasing the use of digital tools to communicate easily and ensure the best outcomes for everyone.

During the pandemic, businesses pivoted to reach more customers and reduce the need for face-



ARYZA

Helping lenders provide the best customer outcomes during Covid-19



In September 2020 Aryza launched Aryza Recover. The new tool helps individuals manage the impact of Covid-19 and financial hardship by supporting interaction between individuals and lenders in a

secure and easy way. This tool provides consumers and lenders with a quick way to explore affordability, repayment options and vulnerability.

OPLO

As at March 2021, **16,760 of customers had improved their credit scores** while with Oplo (2018, 2019 and 2020 originations)



Oplo's purpose is to unlock the real potential of millions of hard working people across the UK to make a better life for themselves and their loved ones. As well as delivering better outcomes for its

customers, as part of the Oplo Impact programme, there is a large focus on financial education, with videos distributed to local schools, and roadshows planned to educate the broader community.

REGIONAL ECONOMIC GROWTH

17% increase in regional SMEs served in 2020



We believe in investing into businesses across the UK and Europe that reduce regional disparities and support economic activities in all regions.

Many businesses in our Private Equity and Credit portfolios are headquartered outside capital cities and therefore help drive local economies, jobs and living standards.

According to a recent report by the British Business Bank (“BBB”) challenger and specialist banks accounted for a third of total gross lending in the UK in 2020.

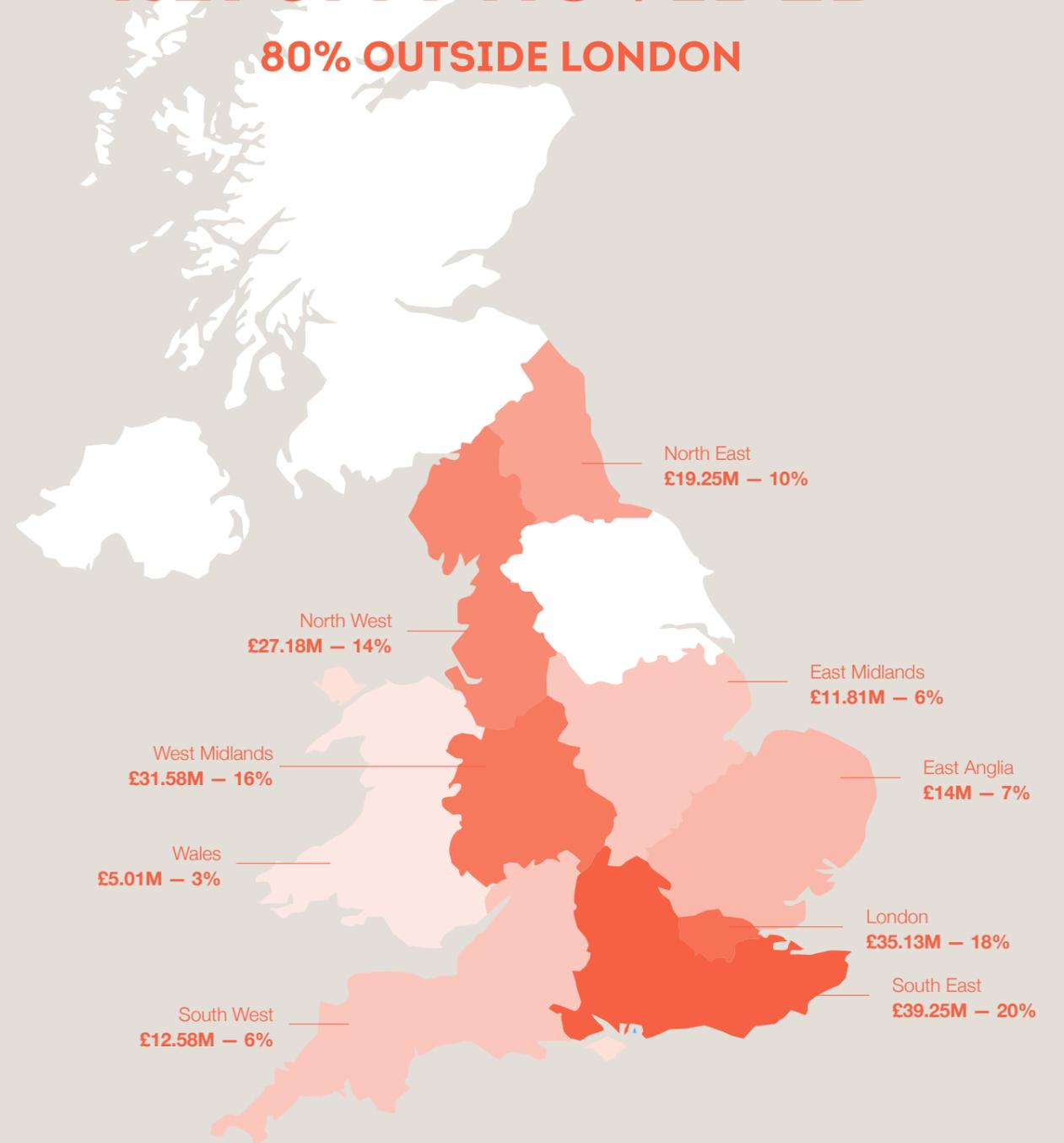
Our credit partners include SME lenders, whose borrowers are real economy SMEs stimulating regional economic growth.

HELPING SMES THROUGH THE COVID CRISIS

Pollen Street has provided **£195m** via our credit partners to support SMEs through the Coronavirus Business Interruption Loan Scheme (CBILS). CBILS were designed to provide financial support to smaller businesses across the UK to survive the challenges of the coronavirus pandemic and recover afterwards.

£195M PROVIDED

80% OUTSIDE LONDON



FINANCING REAL ESTATE ACROSS THE UK:



57% of real estate funding provided by Pollen Street through our credit partners has gone to projects outside London.





CAPITALFLOW & BUNQ – PROVIDING OPPORTUNITIES ACROSS EUROPE

Capitalflow offers finance designed to support SMEs and community development, supporting rural businesses which otherwise would have limited funding options. Over 78% of Capitalflow’s Asset Finance customers in 2021 are based in rural and smaller city regions.

Capitalflow has partnered with The Strategic Banking Corporation of Ireland (SBCI) to make lower-cost credit available to Irish SMEs. Capitalflow has lent over €35m (800 deals) to date under the SBCI and Covid 19 Credit Guarantee Scheme.

Capitalflow has recently announced a merger with Bunq, a high growth European digital bank. Combining the SME lending expertise of Capitalflow, the digital execution capability of Bunq and the ‘customers first above all’ approach of both Capitalflow and Bunq creates an exciting, high growth and self-sustaining platform with a pan-European reach that will mark a new standard in European digital banking.



5. CREATING PARTNERSHIPS FOR LASTING IMPACT

CREATING PARTNERSHIPS FOR LASTING IMPACT



While you can donate to ESG-related causes, the real operational leverage comes from using the core skills that as asset managers we use on a daily basis to turbo-charge other initiatives in the ESG arena

In 2020, we launched a flagship ESG programme “Ten Years’ Time” to make a transformational difference in the social and environmental world. Our aim is to connect our ESG impact with the firm and its incredible people and expertise, and for our people to go beyond our portfolio to make an impact.

Through Ten Years’ Time, we seek to develop an ESG programme which is:

- **Ambitious** – to make lasting change
- **Integrated** – to align our corporate strengths and assets to deliver social change
- **Aligned** – to ensure our ESG programme is integrated into our corporate objectives, culture, and values

We undertook a rigorous exercise to map what Pollen Street is best at – our skills, talent, and resources – to areas of social needs which could benefit the most from these assets. This not only provides the ability to make a meaningful difference, but is also an opportunity to engage and develop our people as they participate in a diverse range of projects.

We’ve now been working with our selected partners Big Issue Invest and Blue Ventures for the past year. Please see the next few pages to read about the partners we are working with.



Image: <https://blueventures.org/>

PARTNERS

BLUE VENTURES

blueventures.org

Blue Ventures is a marine conservation organisation that exists to protect the life in our oceans.



Blue Ventures develops transformative approaches for catalysing and sustaining locally led marine conservation. They work in places where the ocean is vital to local cultures and economies, and are committed to protecting marine biodiversity in ways that benefit coastal people.

HOW WE HELP

Pollen Street Capital is helping to scale their pioneering “Blue Carbon” investment initiative to harness the huge opportunity of international climate finance and put that into the communities in Coastal Africa and South East Asia, that are best placed to protect the biodiversity in our oceans.

a model with which they can empower and provide frameworks to local communities and be more effective with channelling investor shifts to effect climate change.

Pollen Street has provided support in financial modelling, investor profiling and devising go-to-market strategies. We have helped them to create

The team at Blue Ventures are currently in a research phase with investors where Pollen Street Capital’s IR team have advised on presentation materials and strategy.



Image: <https://blueventures.org/>

BIG ISSUE INVEST

bigissueinvest.com

Founded in 2005, Big Issue Invest extends The Big Issue's mission to dismantle poverty through creating opportunity by financing the growth of sustainable social enterprises across the UK.

Big Issue Invest offers social enterprises, charities and profit-with-purpose businesses, loans and investment from £20,000 to £3 million. Since 2005, Big Issue Invest have invested in approximately 300 social enterprises and charities, all of which have positively influenced the lives of an estimated 1 million people across the UK.

Big Issue Invest currently manages or advises on over £250 million of impact funds, and is creating the UK's first 'Social Merchant Bank – 'by social entrepreneurs, for social entrepreneurs'.



HOW WE HELP

Pollen Street Capital has worked with Big Issue Invest on a number of business improvement opportunities including Digital Transformation, SME lending, Financial Inclusion, Investor Relations and

Governance. This support has helped to improve their processes and reporting, expedite new fund launches, and create connections to other potential partners and advisers.

“Pollen Street Capital are really important to us. The reason is that like any other financial services provider, we have to do everything as everyone else does. Pollen Street Capital is further ahead than us. We want to extract all their knowledge, all their expertise, to help us be a better financial services business, because that's what we need to deliver our social mission of finding enterprising ways of solving poverty in the UK”

Danyal Sattar – CEO of Big Issue Invest

OTHER CHARITY AND COMMUNITY PARTNERS

Raising awareness and providing fundraising opportunities for causes close to our heart.

FUTURE FIRST

futurefirst.org.uk

Future First is a charity that aims for every state school and college in the UK to be supported by a thriving and engaged alumni community, which improves students' motivation, confidence and life chances.

Pollen Street has worked with Future First to develop their technology roadmap and identify relevant digital solutions, and is currently reviewing outreach support.



BUSINESS 2 SCHOOLS

business2schools.com

Business2Schools uses donations of unwanted office furniture and technology to improve the infrastructure in schools, and to make schools in the UK an even better experience for children and students.



AUDITORY VERBAL

avuk.org

Auditory Verbal UK's vision is that all deaf children have the opportunity to listen and speak as equals alongside their hearing peers.



OUT INVESTORS LGBT+ NETWORK

outinvestors.com

Out Investors runs networking events, speaker series and mentorship programs with LGBT+ investment professionals and related roles. Out Investors is made up of over 80 partner firms spanning private equity, hedge funds, venture capital and other asset managers.



6. FOCUS FOR 2021

The financial services sector has a huge role to play in driving positive impact. For 2021, we are committed to a continued focus on identifying opportunities to drive impact, drilling down into areas such as financial inclusion and climate change. We will continue to build out ESG best-practice across the firm and wider portfolio, and improve and expand ESG reporting aligned to evolving stakeholder and regulatory needs.

In 2021, our key focus areas for ESG are:

BEST-IN-CLASS MEASUREMENT AND REPORTING

Measure what matters with a streamlined data collection process for benchmarking and setting targets; prepare our portfolio approach to EU Regulation on sustainability disclosures.

IMPACT

Drive progress across our ESG impact areas. This includes the development of lending products that enable individuals and businesses to “go green.”

DIVERSITY & INCLUSION

Use data to better understand our demographics, beyond gender, and create meaningful priorities across the portfolio, closely linked to our culture and values.

CARBON COMMITMENT

Use our carbon footprint assessment to help set our strategy for portfolio carbon reduction and meet our targets.

BEST PRACTICE

Build and share ESG best-practice across the firm and portfolio, including a best practice roadmap for new and existing portfolio companies.

CULTURE

Scale a lasting programme with our Ten Years’ Time partners, and continue to embed responsibility and sustainability into our Pollen Street culture.

STEWARDSHIP

Engage with key stakeholders – investors, portfolio companies and industry bodies – to elevate the ESG agenda across the wider industry.

POLLEN STREET ESG COMMITTEE

THE ESG COMMITTEE IS COMPOSED OF A CROSS-SECTION OF TEAMS TO ENABLE APPROPRIATE ENGAGEMENT AND ALLOCATION OF RESPONSIBILITIES



Alison Collins
Head of ESG



Lindsey McMurray
Managing Partner



Matthew Potter
Partner



Michael England
Partner



Tom O'Neill
Senior Legal Counsel



Ethan Saggi
Investment Manager



George Harwood
Senior Associate



Chris Palmer
General Counsel



Janine Phillips
Investor Relations Director

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