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**Pollen Street ESG Annual Report**

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 2022 and beyond.

# 1

INVEST WITH IMPACT

# INTRODUCTION



Lindsey McMurray  
Managing Partner

**“In the last 12 months we have expanded our ESG data collection across our firm and portfolio, and have developed a proprietary scoring mechanism. This means we are better equipped than ever to track and build on our positive impact.”**

2021 has been a year of accelerated growth for Pollen Street. Our AUM increased by c.50% in 2021 and we welcomed 6 new businesses to our private equity portfolio. In credit we deployed c.£600m across new facilities in SME lending, real estate, consumer lending and electric vehicle financing.

Against this backdrop I am thrilled to share our Annual ESG report highlighting the wider impact and progress we have made.

As a purpose-led asset manager it is so important to us to understand the impact we have on our industry, society and the environment. We are committed to investments that generate a positive impact for our investors, people, portfolio companies and wider society.

I am proud to share award wins – on an individual and company level – at the **FTAdviser Diversity in Finance Awards**. I’m a passionate believer in equal opportunity and for our industry to be open to as many people as possible, so it was a privilege for me to be named Diversity Champion of the Year. Pollen Street was also recognised, being Highly Commended in the Championing Women’s Equality Award.

One of the key DE&I initiatives for us this year is our participation in the **10,000 Black Interns** internship programme. This has been an important part of our commitment to promoting and improving diversity and inclusion in our industry.

Like others we have been shocked to witness the devastating events following Russia’s unprovoked invasion of Ukraine. Across our portfolio, teams and

individuals have used their expertise and resources to offer help. In particular, Punkta, our Polish Insurance business, has developed a platform for Ukrainian refugees that speak Polish to teach other Ukrainians helping with a) employment for those who can teach and b) future employability for those learning Polish. We are proud to have supported such a thoughtful and high impact initiative.

## POWERED BY PURPOSE

We believe in the critical role that financial services has to play in driving positive impact in a tangible way for the real economy. **Our purpose is to deliver long-term sustainable performance by enabling society through frictionless financial services.**

The firm is committed to being:

- › Honest and fair with investors and portfolio companies
- › A good citizen, driving growth that also delivers a positive impact
- › A responsible and responsive employer that treats every person as a whole person
- › A guardian for the next generation, contributing our expertise to promote a better world

Through our investments we can drive change, whether that be by funding green alternatives for homes and transport, accelerating financial inclusion and promoting high quality products and efficiency, or even driving regional economic growth by investing in businesses and real estate developers across the UK and Europe that help to reduce regional disparities.



We are thrilled to share that Pollen Street Capital has been named Best Responsible Alternative Investment Team UK 2022 by Capital Finance International (CFI). This is the second year we have been awarded this title.

## WHO WE ARE

Pollen Street is a fast growing, purpose led and high performing alternative asset manager where our focus on the megatrends impacting financial and business services drives business transformation and long-term sustainable performance.

Established in 2013, we have a deeply experienced team across private equity and credit strategies.



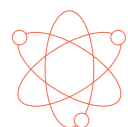
### PRIVATE EQUITY

Pollen Street invests in businesses which are growing fast to help build tech-enabled, customer centric and data driven organisations that can become market leaders. We seek to partner with those 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 at the forefront of the megatrends impacting financial and business services, looking in particular at both traditional financial services such as high growth lending, insurance and wealth alongside the more recently developed verticals of payments, technology, and services.



### CREDIT

Pollen Street provides asset secured finance to innovative and impactful businesses. Our expert team is dedicated to the sector, and we partner with businesses to provide both capital and strategic insight. This encompasses non-bank lenders, technology companies and other mid-market businesses that generate their cash flow from portfolios of financial or hard assets. There is a significant opportunity in asset-based finance with a large and diverse market that is fast growing but still highly fragmented and underserved by generalist managers. In particular we see a large role for the strategy in sustainability financing supporting the transition to a lower carbon economy for SMEs and Consumers.



### THE HUB

The Pollen Street Hub is a dedicated team with capabilities in data, AI, tech and impact which implements a systematic approach to drive growth, technology development, sales performance and collaboration 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 experience gives us a unique insight into the challenges facing businesses. We’re in a position to use that experience to help drive positive impact – not just in how we invest, but also through the support we give to our portfolio.”**



– Lindsey McMurray  
Managing Partner

## WHAT DRIVES US

### AT THE CORE OF OUR APPROACH TO ESG AND SUSTAINABILITY AS A FIRM ARE OUR VALUES:

#### EXPERT

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

#### CARING

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

#### ENTERPRISING

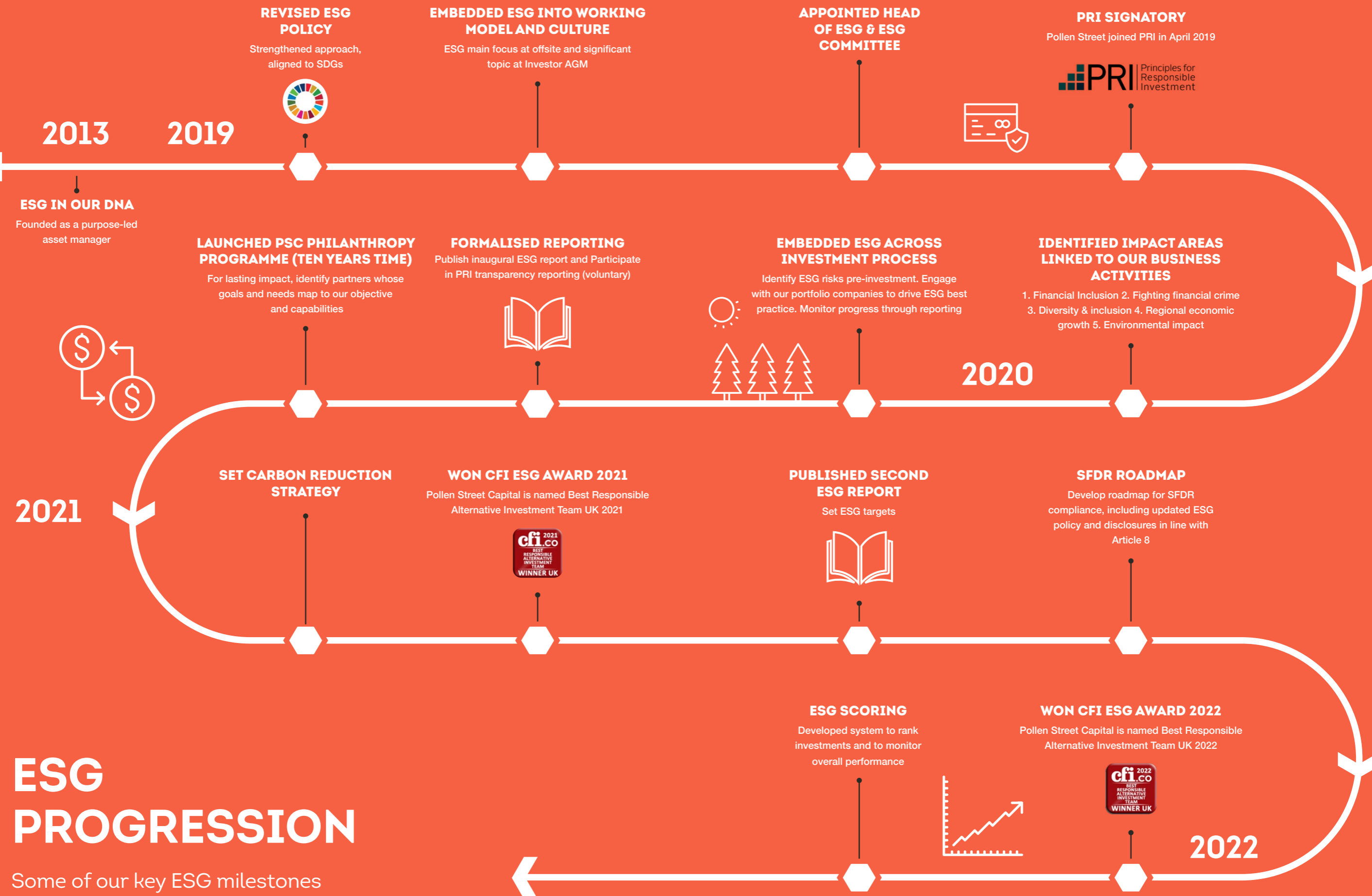
**3** > We provoke, question and uncover. Creative, astute and resourceful, we work collectively to transform. **We think differently.**

#### PROGRESSIVE

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

#### DRIVEN

**5** > 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



Outcome ———— > Target ———— ✓ Progress

**E**

Reduced environmental impact of our operations

- > Pollen Street as a firm to be carbon neutral BY END OF 2022
- > Portfolio companies to set net zero commitments within 5 years of Pollen Street investment

- ✓ Our carbon footprint within Pollen Street reduced by 53% in 2021
- ✓ Removed residual carbon emissions through verified offsets
- ✓ WE ARE CARBON NEUTRAL
- ✓ 2nd year of Carbon Footprint measurement
- ✓ 40% of companies with carbon neutral / net zero commitments\*
- ✓ All developing net zero strategies\*

**S**

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

- > 25% Women on portfolio Boards / Executive leadership by 2025
- > Decrease gender pay gap meaningfully over life of investment
- > Improve financial health through responsible financial products and access to finance

- ✓ 26% of women on PE portfolio Executive leadership\*
- ✓ Average portfolio gender pay gap decreased by 6%\*
- ✓ 2x New Credit facilities supporting SMEs with appropriate funding
- ✓ Continued focus on socially focused products and propositions within the portfolio and investment pipeline

**G**

Confidence that appropriate policies, programmes and governance are in place

- > 100% OF COMPANIES with ESG matters on the Board agenda
- > STRONG GOVERNANCE across all businesses, exemplifying industry and regulatory best practice

- ✓ 100% of companies addressing ESG on Board agendas\*
- ✓ 80% of companies with ESG policies in place as at 31 December 2021\*
- 100% of companies as at 30 June 2022\*

\* Progress across Private Equity portfolio. Initiatives being developed across Credit counterparties

ESG REPORT 2021

# 3 ESG AT POLLEN STREET

## OUR ESG IMPACT FRAMEWORK

At Pollen Street our framework helps contribute to the UN Sustainable Development Goals (SDGs). 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 enables us to develop deeper insights into where our investing has an impact.

Our ESG framework is built around identifying where our portfolio companies can have a positive impact and amplifying that through our investment process.

## ENVIRONMENTAL IMPACT

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



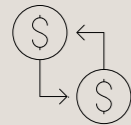
### CREATING A LASTING ENVIRONMENTAL IMPACT

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 broader 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

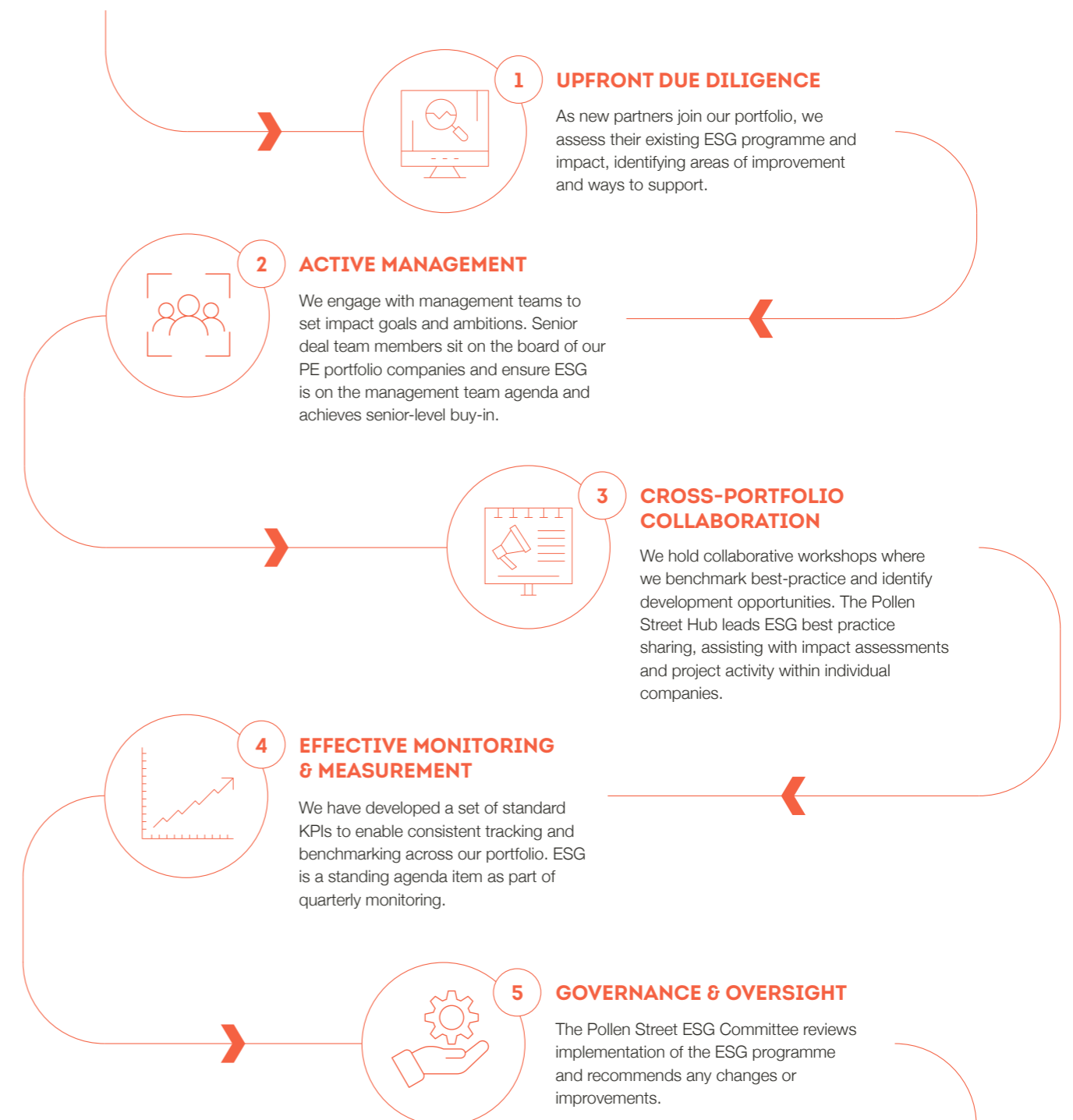
Help reduce financial crime through a focus on governance, regulatory compliance and effective AML & Cyber procedures



## HOW WE DO IT: ESG IN THE INVESTMENT PROCESS

Our approach to investing is guided by our purpose and 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.



# 4 ESG INSIGHTS



## PROPRIETARY DATA MODEL TO RANK & SCORE OUR INVESTMENTS

**Our data collection means we can track progress against our targets, create league tables, and set a base level for improvement plans.**

We collect both core ESG metrics and relevant impact measures, and we continue to improve and align reporting linked to our ESG framework. As a major priority set out in last year's ESG report, we've made progress as follows:

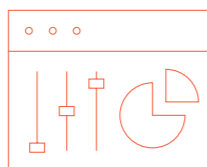


**Significant upgrades to data collection across portfolio**

- › Submitted portfolio metrics to ESG Data Convergence project

**Reporting dashboards and feedback frameworks rolled out**

The ESG team is now working with our PE portfolio to implement action plans, and strengthening data collection to this level across our credit partners.



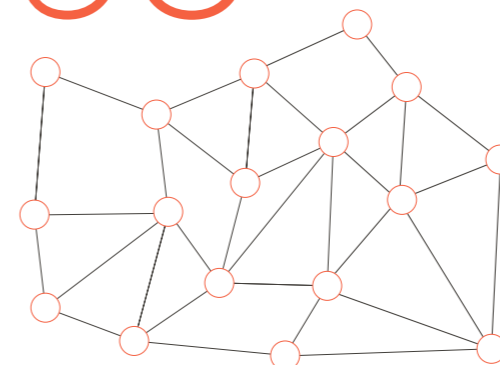
**Developed Pollen Street ESG scoring system to benchmark investments and monitor overall performance**

- › **Gating:** Overall ESG programme status
- › **Environment:** Carbon strategy and net zero commitment, renewable energy usage
- › **Social:** DEI, Charitable activity, employee engagement
- › **Governance:** Policy coverage, Board composition, ESG reporting



# 50

data points for each  
portfolio company

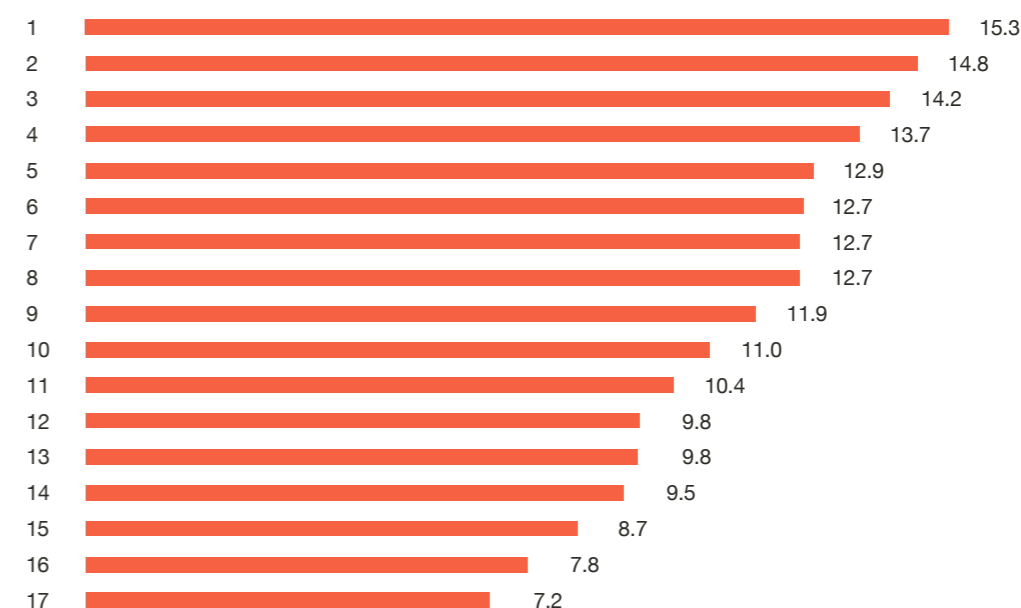


Average portfolio gender  
pay gap reduced by 6%

**FROM**  
35%  
**TO**  
29%

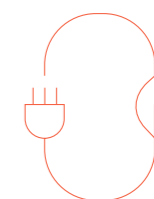
## ANONYMISED PE PORTFOLIO COMPANY RANKINGS

› Overall scores (/18)



# 40%

of companies  
have carbon  
neutral/net zero  
commitments



# E

## OUR CARBON & CLIMATE STRATEGY



alternatives for homes and transport, with financing to help consumers and businesses accelerate the transition to a net zero future.

Climate change is one of the most pressing issues of our time, and Financial Services has an important role to play in building a more sustainable future. Private capital can power change by funding green

We also have a commitment to reduce the operational carbon footprint of the firm and its portfolio, and we are actively working to integrate environmental principles into every aspect of our business, from day-to-day operations to strategic decision-making.

### POLLEN STREET'S 2021 CARBON EMISSIONS

		2021	2020	% change
<b>Scope 1</b>	› Direct emissions from the organisation's activity	0	0	-
<b>Scope 2</b>	› Emissions from the use of purchased electricity	5.8	5.4	+7.4%
<b>Scope 3</b>	› Indirect emissions that occur in value chain, including emissions upstream and downstream			
	› Business travel	24.3	132	-82%
	› Employee commuting including work from home	53.7	44	+22%
	› Waste	1.8	0.8	+125%
	› Water	0.4	0.7	-42%
	› Downstream transportation and distribution	0.5	n/m	n/m
	Total Scope 3 emissions	80.8	177.4	-54%
<b>Total</b>	<b>Total Scopes 1, 2, 3 emissions</b>	<b>86.6</b>	<b>182.8</b>	<b>-53%</b>
<b>Intensity</b>	Scope 1 and 2 emissions (tCO2e) per FTE	0.08	0.08	-
	Scope 1, 2 & 3 emissions (tCO2e) per FTE	1.2	2.5	-52%

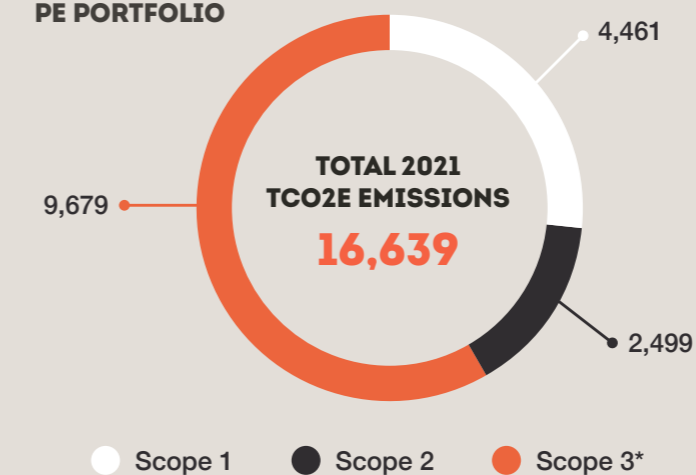
Building on the work undertaken in 2021 to measure the carbon footprint of the firm and the portfolio, we again commissioned a third-party to assess the carbon footprint of the firm, its private equity portfolio and Credit partners. We measured our scope 1, 2 and partial scope 3 greenhouse gas emissions.

In 2021, the firm's total measured emissions were **87 tCO2e, a reduction of 53% from 2020.**

This is largely driven by reduced business travel as a result of Covid measures.

### PORTFOLIO EMISSIONS PROFILE

#### PE PORTFOLIO



#### AVERAGE TCO2E INTENSITY PER FTE

2021

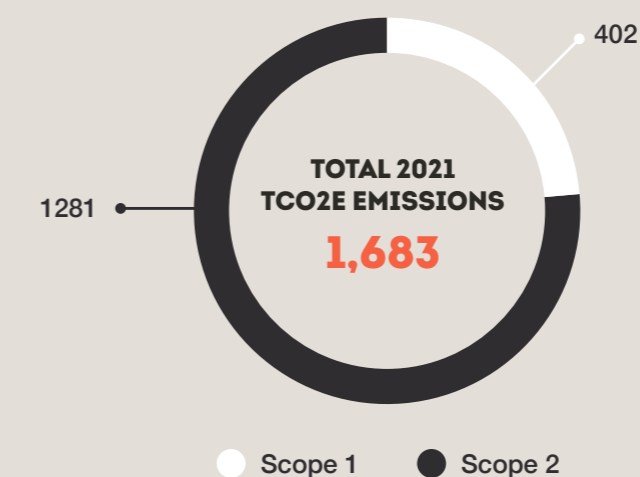
1.5

2020

3

To calculate our carbon emissions, we follow the GHG Reporting Protocol framework, which identifies three scopes of emissions. Scope 1 represents the direct emissions from owned or controlled sources. Scope 2 represents the indirect emissions from the generation of purchased electricity. Scope 3 represents other indirect emissions across our value chain, excluding purchased goods and services

#### CREDIT PARTNERS - SCOPE 1 AND 2 ONLY



#### TCO2E INTENSITY PER FTE (SCOPE 1 & 2)

NOT MATERIAL

## MEETING OUR CLIMATE TARGETS

We are working with our portfolio companies to develop net zero commitments and strategies, leveraging Science Based Targets methodology.



## WE ARE NOW CARBON NEUTRAL!

To achieve our goal of carbon neutral operations by 2022, we have taken the step to reduce Pollen Street's scope 2 emissions by sourcing renewable

electricity tariffs, and we have **offset all emissions** by purchasing carbon offsets through ecologi.



Credit: Eden Reforestation Projects, Ecologi

## PORTFOLIO EXAMPLES:



**“Through data and engagement, we can help our portfolio accelerate their commitments to reduce and remove their carbon emissions, effecting positive change across the value chain”**

– Alison Collins, Head of ESG

### MARKERSTUDY



Auto Windscreens, a subsidiary of Markerstudy, has made good strides over the last few years and is proud to be certified by BP as a carbon neutral business, recycling 100% of our waste glass. The next step for them is to develop science-based net-zero targets and submit them to be validated by the Science Based Targets Initiative (SBTi).

### SHAWBROOK BANK



Shawbrook Bank has joined Tech Zero, a climate action group for tech companies. As a condition of joining, the bank commits to developing clear commitments and plans to reach net zero, as well as annually measuring and publishing its Scope 1, 2 and 3 GHG emissions.

## ADDRESSING THE IMPACTS OF CLIMATE CHANGE

### TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



In line with the Task Force for climate-related financial disclosures (TCFD), we are building a framework to better understand the impacts of Pollen Street's operations on the climate and the impacts of climate change across the portfolio. This encompasses the four pillars of the TCFD:

- › Governance
- › Strategy
- › Risk Management
- › Metrics & Targets

# S

## ADVANCING DIVERSITY, EQUITY & INCLUSION

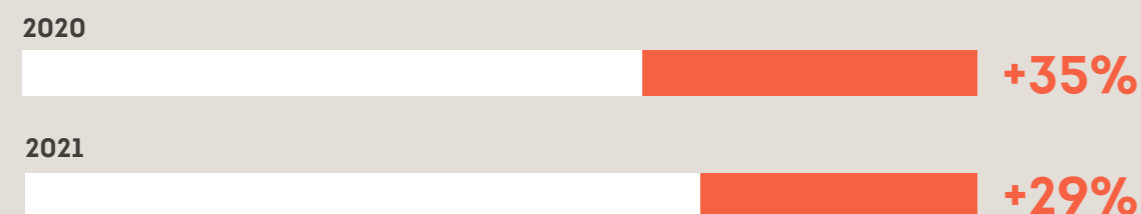


At Pollen Street we value our differences. It is our different experiences, backgrounds, expertise, and identities that promote an environment of entrepreneurial and progressive thinking. It is

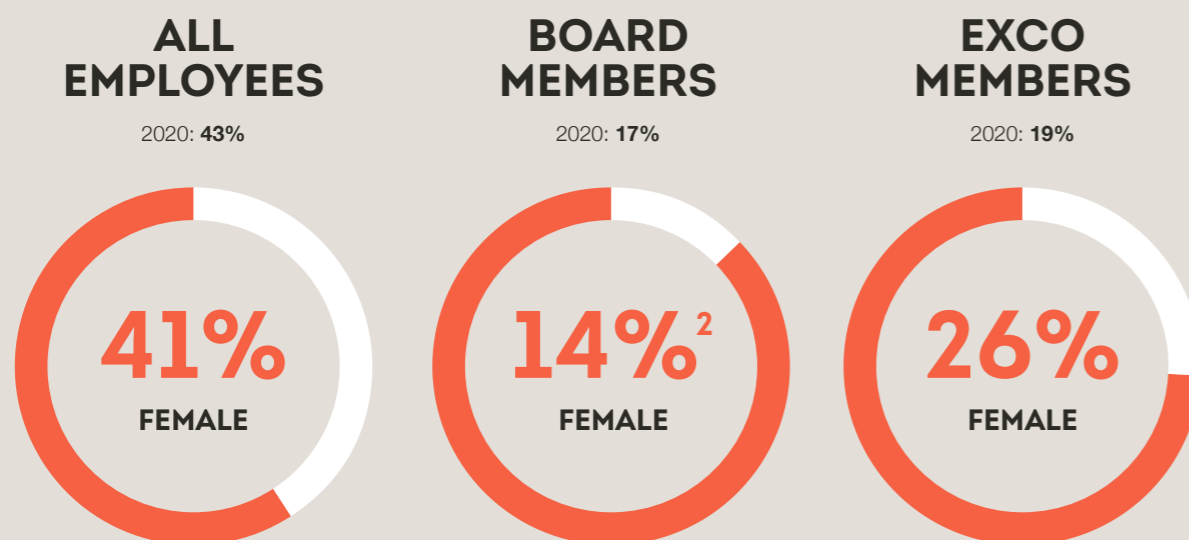
therefore critical that we have a diverse and inclusive workforce.

Irrespective of how our people identify, where they come from, where they went to school, who they love, their race, their ethnicity, or any other factor that differentiates them, they can thrive at Pollen Street.

### GENDER PAY GAP HAS REDUCED<sup>1</sup>



### PE PORTFOLIO GENDER DIVERSITY

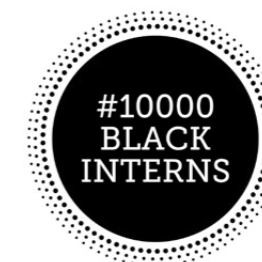


1. The gender pay gap is the % difference in average gross hourly earnings between women and men across the PE portfolio  
 2. Includes Board members appointed in 2021 who took up posts in 2022

We are committed to increasing representation at every level across our firm and across the Pollen Street portfolio. For us this means;

- › Doubling down on data at the firm and portfolio level for a better-informed strategy.
- › Broadening and challenging traditional recruitment frameworks.
- › Setting a calendar of events and activities internally to boost engagement, share experiences and drive inclusion. These include International Women's Day, Pride and Black History months.

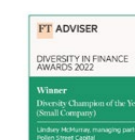
› Participating in 10,000 Black Interns 2022 internship programme, transforming the horizons and prospects of young black people in the UK by offering paid work experience.



Pollen Street will continue to evaluate our culture and practices, ensuring we are deliberate in the actions we take to become a more inclusive employer, and to help the industry to become more equitable. We are delighted to have appointed Gemma Pullinger, as Chief People Officer, to lead this agenda.

**OUR TARGET:**  
 25% WOMEN ON PORTFOLIO BOARDS/ EXECUTIVE LEADERSHIP BY 2025

› FTAdviser named Lindsey McMurray Diversity Champion of the Year (Small Firm) at the Diversity in Finance Awards 2022



› Pollen Street Capital was recognised in the FTAdviser Company Champion awards, being Highly Commended in the Championing Women's Equality Award





## OUR POLLEN STREET TEAM

We have recently completed a DEI survey across the team to understand our representation, as well as to gain insights to focus our future initiatives.

**36%**

**FEMALE  
EMPLOYEES\***

(2020: 35%)

**17%**

**ETHNIC  
MINORITIES**

**64%**

**STATE  
EDUCATED**

(2020: 60%)

## DE&I ACROSS THE PORTFOLIO

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. This includes areas such as flexible working policies, employee engagement, training and development and measurement of DEI organisational dynamics.



› Kingswood now employs four female directors out of nine, with a 50% gender split in the next layer down, creating role models to address

imbalances in the traditionally male wealth management industry.

## INVESTING IN FEMALE ENTREPRENEURS



We continue to be 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. This includes leading on the development of the “Invest in Women Hub”, launched in 2021 to help female entrepreneurs in the UK to access routes to finance to grow and scale their businesses.

\* As at 30 April 2022





# 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

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



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

› % of companies with formalised ESG policy: 100%



✓ % of companies with formalised ESG policy @ 80% (2020: 33%), and 100% for companies that have been in the portfolio over 1 year

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, companies we invest in are well positioned to reduce both overall levels of financial crime, as well as raising awareness of how consumers can protect themselves.

**“Cyber and Financial Crime remains one of the fastest growing risks facing the Financial Sector, with many organisations still lacking the knowledge, capabilities and resources to manage the security demands of the modern hyper-connected world.**

**In Pollen Street I am very proud to have built our centre of expertise in Cyber Security, protecting not just our own environment but working closely with portfolio companies across the investment lifecycle in developing and delivering security strategies.”**



– Adrian King  
CTO



# 5 IMPACT IN ACTION



## CREATING A LASTING ENVIRONMENTAL IMPACT:

### THE GREENER, FAIRER BANK

With over 15% of emissions coming from our homes, it is estimated that on average every home in the UK will have to reduce 3.6 tonnes of carbon emissions by 2030 to keep us on track for hitting a 2050 Net Zero goal.

Through its home improvement financing products, Tandem has helped save (p.a.):

**13,300 TONNES OF CO<sub>2</sub> THROUGH ENERGY EFFICIENT BOILERS AND HEATING**



**2,300 TONNES OF CO<sub>2</sub> THROUGH ENERGY EFFICIENT GLAZING**

Tandem has a roadmap of green product releases designed to help individuals make greener choices, including EPC-linked mortgages. The bank has now planted over 40,000 trees as part of its "Trees for life" programme.

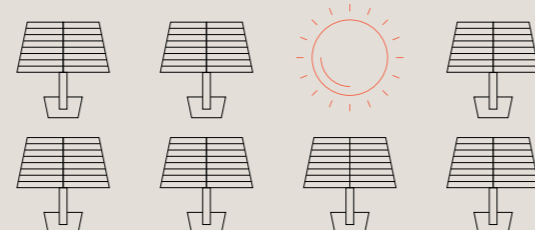
**"With an increasing focus on the green agenda and a clear political consensus to reach net zero by 2050, there is an immediate need for the financial ecosystem to support this ambition."**

**It's great to have the opportunity to work with Tandem, a business at the forefront of the consumer green revolution. Tandem has provided**

tandem

The finance community can play a vital role in educating customers on the benefits of an energy efficient home, as well as innovating financial solutions that are attractive to customers and help achieve their net-zero ambitions.

**5,000 TONNES OF CO<sub>2</sub> THROUGH SOLAR PANEL INSTALLATIONS**



**20,600 TONNES OF CO<sub>2</sub> IN TOTAL, VIA £230M GREEN LENDING**

**over £300m green lending to-date and has a clear vision to empower consumers with the ability to make fairer and greener financial choices in their everyday lives.**

**We are proud to support Tandem in building the UK's leading green digital bank and expanding their suite of green lending products and services for the benefit of everyday people and the planet."**



– Linnea Malmsten  
Associate

## LAUNCH OF EPC-LINKED MORTGAGES

shawbrook

Shawbrook has been developing sustainability propositions, and in February 2022, the Bank published the first in a series of white papers on proposed changes to regulations around Energy Performance Certificates (EPCs). Under the proposed changes, all newly rented properties will require a minimum Energy Performance Certificate (EPC) rating of C which has material implications for the sector.

This research proved to be the catalyst for development of the recently launched Shawbrook Energy Efficiency Discount, where new Buy-to-Let mortgage customers receive a discount or partial refund on their arrangement fee according to the property's EPC status, and represents an important step in the Banks on-going commitment to the UK's green property agenda.

- › 23% of landlords say their properties are rated D or below
- › 14% don't have the necessary funds available to pay for energy efficient improvements
- › 15% of landlords have no knowledge of the upcoming changes to EPC rules
- › More than half of landlords said they will pass at least some of the costs onto their tenants
- › 25% of landlords will avoid buying a property with a low energy efficiency rating

**"Over the last couple of years, Shawbrook have made great strides in building a strong ESG programme, ingraining sustainability into their culture and strategy as a purpose-led organisation. It's great to see a business walk the talk, and I'm excited to watch them progress towards their ambitious targets."**



– Anastasia Kovaleva  
Investment Director

## HELPING USERS TO GO CO<sub>2</sub> FREE

bunq

**"bunq is exciting as it's the place where banking, and financial services, come full-circle. Moving the customer to the core and embedding sustainability in everything they do. They support regional growth by allowing users to 'bank-like-a-local' across Europe and provide SMEs with specialised funding solutions."**



– Marvin Thiel  
Investment Manager

Through its sustainable-linked banking products:



## ACCELERATING THE TRANSITION TO GREEN MOBILITY

Reducing the carbon footprint of transport is an important step towards protecting the environment. Our credit facilities help lenders to provide a variety of green transport initiatives and programmes.



**Anna Chittick**  
Senior Associate

**"I'm excited to be able to work on supporting global sustainability transformation. We're able to do this through our investments in electric car and micro-mobility facilities that have a wide-ranging positive environmental impact. It's important to us as a company and for society, because domestic transport is the largest emitting sector of greenhouse gas emissions in the UK, at 27% of total emissions in 2019".**

## splend

We have a £75m million senior secured facility with Splend, a leading vehicle subscription business for rideshare and delivery drivers. The facility supports Splend in accelerating its transition to green

mobility and meet their ambition to provide 10,000 EV ride-share and delivery vehicles over the next two years to further decarbonise mobility.

## ONTO

Pollen Street has a £100 million credit facility with all-inclusive electric vehicle (EV) subscription service Onto. The facility, signed in 2021 and increased in 2022, enables Onto to significantly expand its electric vehicle fleet and has acquired in excess of 3,000 vehicles since the funding was agreed.

In 2021 Onto saved 3,985 tonnes of CO<sub>2</sub> tailpipe emissions. 6.5 times more than they saved in 2020. That's the equivalent of the CO<sub>2</sub> absorbed by 67,745 trees over 10 years.



## MICRO-MOBILITY

We also recently completed an €80m facility with one of the world's leading micro-mobility providers. The financing provides additional resources for the firm's existing micro-mobility portfolio, helping to tackle

carbon emissions by providing alternative green transport to cities around the world and drive positive change in travel habits.



## SOCIALLY IMPACTFUL PRODUCTS AND PROPOSITIONS:

Many businesses in our private equity and credit portfolios have a positive social impact through the work that they do.

### FINANCING FOR POSITIVE CHANGE

Across our Credit strategy we believe that our investments can drive change, whether that be by funding green alternatives for homes and transport, accelerating financial inclusion through investing in purpose-led lenders or even driving regional economic growth by investing in businesses across the UK and Europe that support the levelling up agenda.

### ENABLING DEVELOPMENT OF AFFORDABLE, EFFICIENT AND GOOD VALUE HOMES

Our credit partners include real estate and bridging lenders. These lenders support communities in meeting the critical housing gap in the UK and Europe, adopt sustainable living standards and improve the environmental impact of property.

- › Over 3,000 affordable homes built (since Jan 2021)
- › Saving householders c. 18,000 tonnes of carbon p.a.



### MAKING CAPITAL ACCESSIBLE FOR SMES TO GROW THEIR BUSINESSES

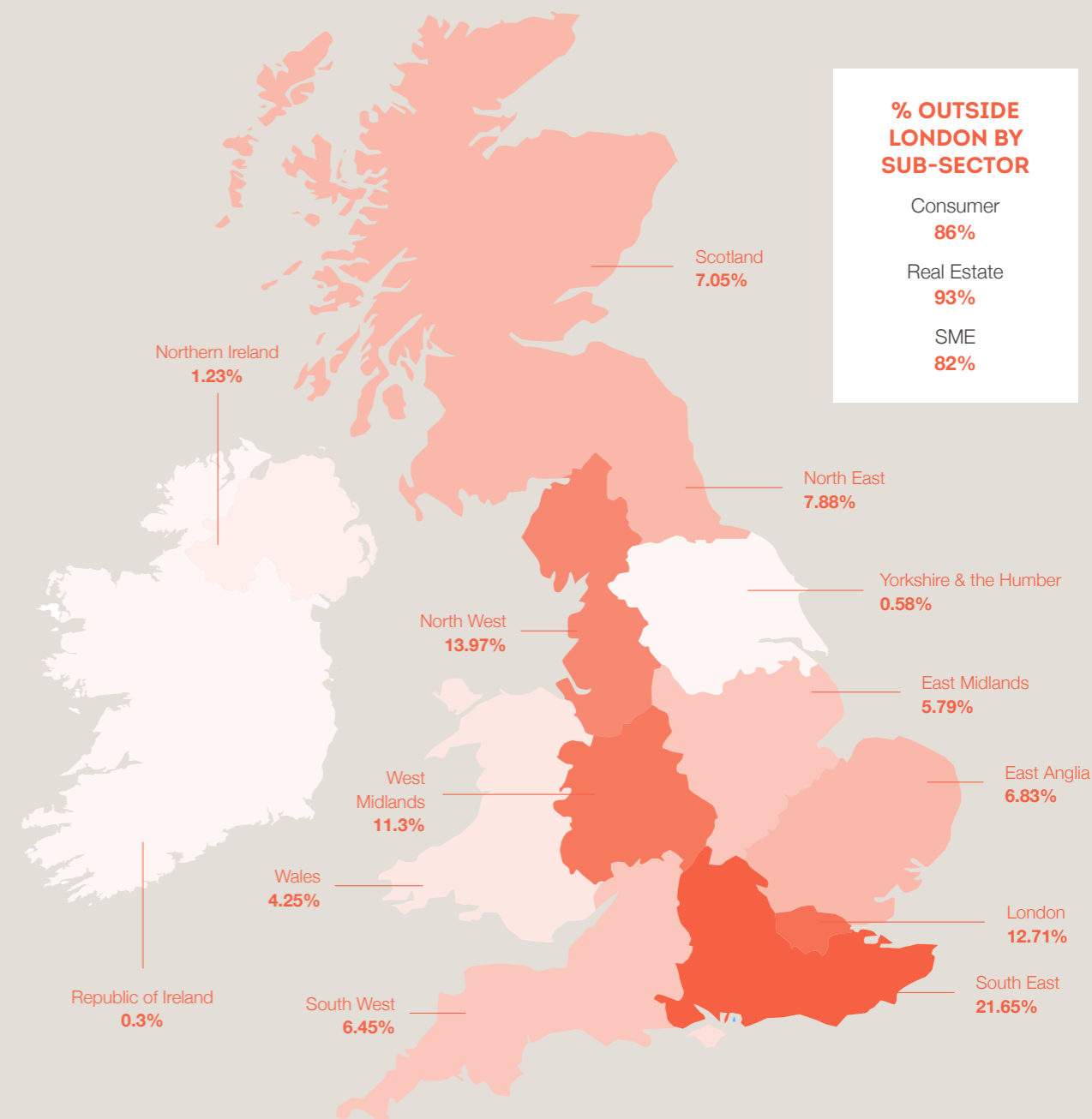


Dan Khouri  
Partner

“As businesses become increasingly global, mainstream banks have failed to keep up with the needs of start-ups and small businesses. Jeeves helps this underserved segment by providing an all-in-one expense management solution, seamless international payments, as well as short-term financing.

Entrepreneurship is the cornerstone of economic progression and social mobility. Building on our expertise in speciality finance, I feel privileged to work with a mission-driven company like Jeeves to empower business owners across the globe.”

## SUPPORTING REGIONAL ECONOMIES 87% OF CREDIT FINANCING PROVIDED OUTSIDE LONDON



Ethan Saggu  
Investment  
Director

“There are 5.6m Small Medium Enterprises (SMEs) in the UK, supporting employment for nearly 13 million people – it’s empowering to support this sector’s growth ambitions with access to finance. We continue to have a strong pipeline across the UK and Europe, and we are excited for our funding to help many more SMEs.”

## CONNECTING PEOPLE WITH FRICTIONLESS MOBILE TOP-UPS

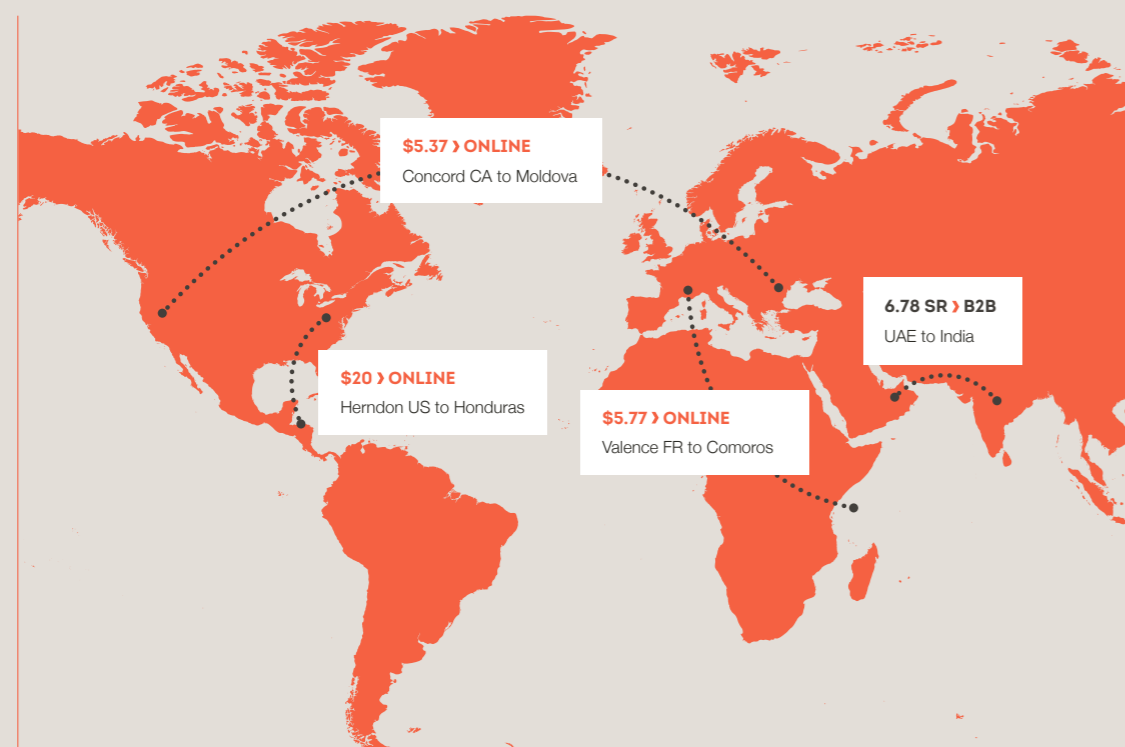
**ding**

Ding was founded to improve people's lives by helping those with less, gain access to more through mobile top-up. Operating globally, Ding is driven by the belief that lives are better connected, no matter where their customers are in the world.

Ding continued to expand its international top-up network to over 12k country corridors in 2021, while continuing to beat industry standards in fraud

prevention. Ding prides itself on its proprietary fraud engine that provides automated instant decisioning on over 100k payments per day.

This year, they've been focused on accelerating mobile access in the Philippines, where more than 95% of all phones are pre-paid. Since the start of the 2022, pre-paid users in the Philippines have received mobile top-up from more than 198 countries through Ding.



**Geogr Harwood**  
Investment  
Manager

**"The way that Ding brings together disparate communities and connects family and friends across the world is hugely powerful and something that formed an important part of our original investment thesis. Related to this, it is clear that Ding's 'Access for Good' charitable program drives positive and impactful change in its local markets and something I am hugely passionate about."**



**THE DING NETWORK  
COVERS 95% OF THE  
WORLD'S POPULATION,  
WITH 140 COUNTRIES  
SERVED**

# 6 CREATING PARTNERSHIPS FOR LASTING IMPACT

Our flagship ESG programme “Ten Years’ Time” has been in place since 2020, to make a transformational difference in the social and environmental world. Our aim is to connect our ESG impact as a firm, our incredible people and expertise, and partner with charities and causes to make a difference.

While you can donate to ESG-related causes, the real operational leverage comes from using the core

skills our people use on a daily basis to turbo-charge other initiatives in the ESG arena.

- › 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

## FUTURE FIRST

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.

Building on our recent support to help them develop their technology roadmap and operating model, Future First have launched the “Future First Hub” with the aim of making their network and content available to all children at all state schools. Future First have a goal of raising £1m p.a. for the next 3 years, partnering with Corporate Sponsors, and

Pollen Street has been helping the charity develop this strategy, to secure funding and to help build out content and network of mentors.

We already have strong support from leading Corporate Sponsors across our portfolio and beyond.



[Futurefirst.org.uk](https://futurefirst.org.uk)

**“Pollen Street’s passion has made a transformative difference to Future First. Thanks to their leadership and vision, we have secured new investment in our work and technology to deepen our reach and extend our impact to more young people, especially those who are disadvantaged.**

**With Pollen Street’s continued stewardship, we are building a strong base of corporate partnerships whose volunteers and financial investment will give young people across the UK the inspiration, information and connections they need to make a success of their lives, regardless of their start.”**

– Lorraine Langham, CEO of Future First

## SUPPORT FOR UKRAINE

Like many others we have been shocked to witness the devastating events following Russia's unprovoked invasion of Ukraine. Across our portfolio teams and individuals have used their expertise and resources to offer help. We wanted to share some of the tangible impact across our portfolio over the course of this year, especially with regards creating self-sufficient Ukrainian communities.

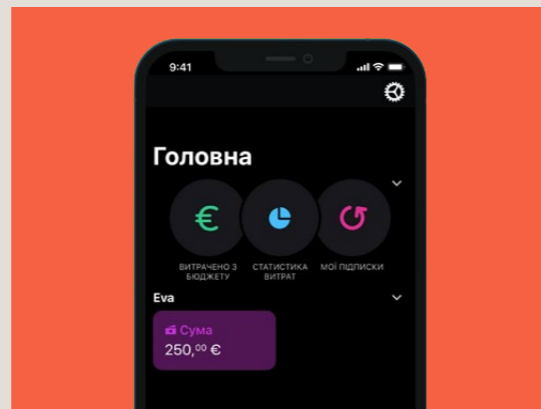
In Poland, **Punkta** are leading an initiative to develop a platform for Ukrainian refugees that speak Polish to teach other Ukrainians helping with a) employment for those who can teach and b) future employability for those learning Polish. The platform now has 9 active language courses running.



## BUNQ: BANK ACCOUNTS FOR REFUGEES

Ukrainian citizens who've had to leave their home can now open a free bunq account to easily make payments outside Ukraine. To date, thousands of Ukrainians have been able to get access to free accounts to safely hold and spend euros, with the app now available in Ukrainian and Russian languages.

[bunq.com](https://bunq.com)



**Bunq app now available in Ukrainian & Russian**



Ding has a number of initiatives in place to support Ukrainian refugees and humanitarian efforts. Its **mobile top-up** fund is being used to channel direct donations to send mobile credit and data to those impacted by events.

## OTHER CHARITY AND COMMUNITY PARTNERS

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



### BIG ISSUE INVEST

[bigissue.com/invest/](https://bigissue.com/invest/)

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.



### BLUE VENTURES

[Blueventures.org](https://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.



### AUDITORY VERBAL

[avuk.org](https://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.



### BUSINESS 2 SCHOOLS

[business2schools.com](https://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.

# 7 ESG STEWARDSHIP

ALL PLAYERS ARE PART OF THE SOLUTION

We are proud to participate in a number of organisations and initiatives to advance collaboration, best-practice and transparency on ESG and sustainability across the industry and broader society.

## RESPONSIBLE INVESTMENT

We have been a signatory to the United Nations' Principles for Responsible Investment since 2019. We received an A rating in both the Strategy & Governance and Private Equity modules in the most recent rankings.

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

## SIGNATORY OF



## DIVERSITY, EQUITY & INCLUSION (DEI)

We are advocates and partners to a number of diversity organisations and initiatives, to advance awareness and representation agenda across the industry.



## CLIMATE CHANGE

Pollen Street has joined the initiative Climat International (ICI) and is signing up to the ICI commitments in order to participate with industry peers and share best practice to address Private Equity's exposure to climate change risk.



We are also a member of Fairr Initiative, the world's fastest -growing investor network focusing on ESG risks in the global food sector.



## ESG REPORTING EXCELLENCE

An inaugural member of the ESG Data Convergence Project

A joint GP / LP initiative to collectively increase the quality, consistency, and comparability of ESG data in private markets.





# 8 FOCUS FOR 2022



## OUR KEY ESG FOCUS AREAS

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### PURPOSE-LED ASSET MANAGER

Capitalise on the Pollen Street culture of responsibility and purpose to build a portfolio and wider network that delivers positive ESG impact.

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### ESG MEASUREMENT & TRANSPARENCY

Use reporting and scoring framework to rank and compare portfolio investments, and to identify improvements; continue to address evolving regulations on sustainability disclosures.

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### IMPACT

Progress against our stated ESG impact areas. Continue to develop green finance and socially impactful products and propositions including the roll-out of sustainability-linked finance.

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### DIVERSITY, EQUITY & INCLUSION

Foster an environment that celebrates our different experiences, backgrounds, expertise and identities. Use data and insights to establish a well-informed DEI strategy with tangible outcomes.

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### NET ZERO & CLIMATE

Use carbon measurement to set clear net zero strategies across the firm and portfolio, including tangible carbon reduction plans.

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### BEST PRACTICE

Build a Pollen Street community to make a sustained difference; set targets for impact and ESG best practice for new and existing portfolio companies.

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### STEWARDSHIP

Act as a role model for the industry, working with key stakeholders - investors, portfolio companies and industry bodies to champion ESG across the sector.



# 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.

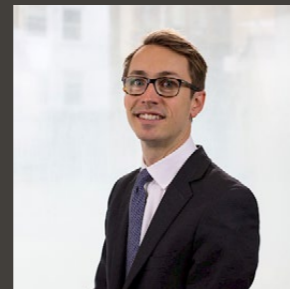
The ESG Committee is composed of a cross-section of teams to enable appropriate engagement and allocation of responsibilities. Members of the committee are volunteers keen to be ESG champions.



**Alison Collins (Chair)**  
Head of ESG



**Lindsey McMurray**  
Managing Partner



**Matthew Potter**  
Partner



**Michael England**  
Partner



**Chris Palmer**  
General Counsel



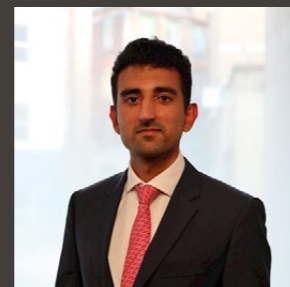
**Gemma Pullinger**  
Chief People Officer



**Gary Wong**  
Chief Compliance Officer



**George Harwood**  
Investment Manager



**Ethan Saggi**  
Investment Director





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## LUCY HILL

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