



## CONTENTS

1.	Introduction	3
	Who We Are	5
	Our ESG Strategy	6
	What Drives Us	7
2.	Our ESG Targets	11
3.	ESG at Pollen Street	13
4.	ESG Insights	17
	Portfolio Data & Scoring	19
	Environmental	23
	Social	29
	Governance	35
5.	Impact in Action	39
6.	Creating Partnerships for Lasting Impact	49
7.	ESG Stewardship	53
8.	Focus for 2023	55
9.	Portfolio ESG Metrics	57

### 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 2023 and beyond.



# 1. INTRODUCTION

## INVEST WITH IMPACT

**“We have a responsibility as stewards of capital to make sure that we work towards sustainable growth and ultimately positive outcomes for wider society.”**

2022 was a successful year of growth and delivery for Pollen Street. We continued to deliver returns for our investors and sustainable growth for our portfolio companies in Private Equity and Credit. As ever, our delivery is underpinned by our aim to drive positive impact for our people, portfolio companies and wider society.

Reflecting on what we achieved over the course of the year there is a great deal to be proud of. In our Private Equity strategy we continue to focus on value creation, driving growth and change with 17 digital transformations across the portfolio and 18 bolt-on acquisitions. Digital transformation is critical to reducing waste across our society as well as reducing risk and improving governance in the businesses we invest in. In Private Credit we have signed 25 new facilities across SME lending, real estate and electric vehicle financing. At the core of this growth and hard work is our commitment to positive impact and so I am pleased to present our Annual ESG report, outlining the progress we have made.

Highlights over the last year include a focus on our Credit strategy and partners. We have implemented an ESG ratchet for credit investments, aligning our portfolio with our ESG goals around reducing environmental impact and carbon footprint as well as championing diversity. Our proprietary scoring system is a key enabler in establishing and tracking progress against these ESG ratchets and is something the team has worked hard to embed and develop over the last 12 months.

In this year's report we have built out some key themes; putting a spotlight on Caring as a core value, building better places to work and building better and more sustainable businesses.

Pollen Street is a dedicated financial and business services investor and that means we believe in the importance of the sector in powering the economy and tangible positive impact for people. As you will see in our ESG report, our investments align with key impact areas where we think our capital can make a real difference, as well as with the UN Sustainable Development Goals.

We have a responsibility as stewards of capital to make sure that we work towards sustainable growth and ultimately positive outcomes for wider society.



**Lindsey McMurray**  
Managing Partner



## WHO WE ARE

Pollen Street is a purpose led and high performing alternative asset manager. We have built deep capability across the financial and business services sector aligned with mega-trends shaping the future of the industry.

Pollen Street manages over £3.4bn AUM across private equity and credit strategies on behalf of investors including leading public and corporate pension funds, insurance companies, sovereign wealth funds, endowments and foundations, asset managers, banks, and family offices from around the world.

## PRIVATE EQUITY



Pollen Street seeks to build the next generation of market leaders in the European Financial ecosystem. We partner with strong businesses with great propositions, loyal customers and high potential for digital adoption. Our expert investment team supports them with a well-established growth playbook, working closely with management teams to drive growth and prosperity in the next generation of market leaders. We aim to work with entrepreneurial founders and management teams to build and develop strong collaborative cultures to deliver excellent products and services that drive change in our ecosystem. We want to create great places to work - places that people from all backgrounds and identities, spanning all dimensions of diversity, really want to be a part of.

We invest in sectors at the forefront of the megatrends impacting financial and business services, looking in particular at payments, wealth, insurance, tech-enabled services and lending.

The megatrends we focus on are key themes that are driving the sector as a whole; digital transformation, unbundling of financial services, favourable regulatory backdrop and the green transition. Within these themes we are able to drive a positive impact in a tangible way for the real economy.

## CREDIT



Pollen Street provides asset-backed, senior secured lending to innovative and impactful businesses with a diverse portfolio of assets. Our expert team is dedicated to the sector and we partner with businesses to provide both capital and strategic insight.

Following the global financial crisis, and the subsequent retrenchment of the banks from lending markets, Pollen Street identified opportunities to fill the funding gap in what is a large and growing market with a targeted and considered approach.

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 supporting the transition to a lower carbon economy as well as funding to SMEs, supporting businesses to grow.

## OUR ESG STRATEGY

Our ESG strategy is designed to deliver impact for the benefit of all our stakeholders. We have a clear ambition with initiatives across each of Environment, Social and Governance areas.

	DRIVING A POSITIVE IMPACT IN A TANGIBLE WAY FOR THE REAL ECONOMY		
	ENVIRONMENT	SOCIAL	GOVERNANCE
<b>AMBITION</b>	<ul style="list-style-type: none"> <li>› Create a lasting environmental impact</li> <li>› Fund green alternatives for sustainable homes and transport</li> <li>› Minimise operational carbon footprint, supporting carbon reduction plans and net zero commitments</li> <li>› Consider Climate risk as part of investment and risk management process</li> </ul>	<ul style="list-style-type: none"> <li>› Promote DEI and provide finance for socially-impactful products &amp; propositions</li> <li>› Financial Inclusion - Loans and other financial products made available to a broader audience</li> <li>› Enable SMEs to promote growth and job creation in Pollen Street's markets</li> <li>› Creating opportunities to reduce inequalities - promoting diversity, equity and inclusion</li> </ul>	<ul style="list-style-type: none"> <li>› Regulatory best practice through all operational processes</li> <li>› ESG transparency with clear reporting and communications</li> <li>› Effective AML &amp; Cyber procedures and governance</li> <li>› Engagement with portfolio companies on governance, to identify gaps and provide support</li> <li>› Responsible lending – best practice amongst our credit partners</li> </ul>
<b>2022 HIGHLIGHTS</b>	<ul style="list-style-type: none"> <li>› 3<sup>rd</sup> year of carbon measurement</li> <li>› Developed decarbonisation roadmap for Pollen Street</li> <li>› Achieved carbon neutral status – to be maintained in 2023</li> </ul>	<ul style="list-style-type: none"> <li>› 13 new credit facilities to broaden social impact</li> <li>› Strengthened Community &amp; Charity efforts with Future First and The Felix Project</li> <li>› DEI initiatives across firm and portfolio – 1<sup>st</sup> year of 10,000 Black Interns</li> </ul>	<ul style="list-style-type: none"> <li>› ESG margin ratchet for 7 new credit facilities</li> <li>› ESG scores improved in all PE companies</li> <li>› Delivered initial TCFD reporting</li> </ul>
<b>SHORT-TERM FOCUS</b>	<ul style="list-style-type: none"> <li>› Strengthen Carbon measurement activities for Carbon footprint, including Scope 3 emissions</li> <li>› Formalise net zero commitments for firm and portfolio</li> <li>› Continue to invest in sustainable finance propositions</li> </ul>	<ul style="list-style-type: none"> <li>› Broaden DEI targets and measures</li> <li>› Collaborate with community partners to deliver impactful change</li> </ul>	<ul style="list-style-type: none"> <li>› Continue to enhance oversight and regulatory governance frameworks</li> <li>› Training and education across the firm and portfolio</li> <li>› Strengthen supply chain sustainability procedures</li> </ul>
<b>SDG ALIGNMENT</b>			
<b>RECOGNITION</b>			

For more information on awards' judging and criteria, please see [pollenstreetgroup.com/awards](https://pollenstreetgroup.com/awards)



## WHAT DRIVES US, OUR PURPOSE AND VALUES

As a purpose-led asset manager, we have a core set of values and principles that inform how we do business.

Our ability to fulfil our purpose is based on a number of key principles. To be honest and fair with customers and suppliers, to be a good citizen, to be guardian for future generations and to be a responsible and responsive employer.

At the core of our approach to ESG and sustainability as a firm are our values:

## LIVING OUR VALUES

### 1 > EXPERT

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

As a sector specialist Pollen Street is made up of experts with a wealth of experience in our industry. Our network of experts is brought together by the Pollen Street Hub. This team of Operating Partners and Advisers bring a wealth of expertise across digital transformation, technology innovation, ESG and business development.

Alongside the investment teams they undertake strategic and tactical analysis of portfolio companies' use of technology to drive business improvements, meet customers' evolving needs, and deliver performance for investors. The team recently worked with Proactis, a leading business spend management software provider, to transform legacy systems and combine onto one platform to provide cost efficiencies and better customer experience.

### 2 > CARING

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

We care about what we do. For our investors and portfolio companies this means going the extra mile and operating with care in everything we work on. Caring is a core value and so this also manifests in our work around our industry, wider community and with charities:

- > In the last year we have partnered with the Felix Project and are on track to collect and redistribute 1.4 tons of food, walking 500,000 steps in the process.
- > We hosted insight and training events with Future First welcoming over 30 children from schools across London.
- > Our 2022 DEI and engagement survey had 80% response rate not only collecting our diversity metrics as a firm but also offering a chance for two-way communications and feedback from our people.

### 3 > ENTERPRISING

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

Pollen Street is a team and a network that comes together to think differently. We share our expertise in regular Hub Forums. In the last year we have facilitated 6 events, bringing together functional leaders from:

- > People
  - > ESG
  - > Technology
  - > Finance
  - > Marketing
- These events connect leaders and experts from around our network to provoke discussion and collaboration to collectively innovate and improve.

### 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.**

Our investment teams are hands-on, empowering the businesses across our portfolios to grow and innovate, delivering value for our investors.

Aryza, acquired in 2017 as the leading insolvency case management software provider in the UK and Ireland, was transformed with the support of the Pollen Street team into a global, diversified solutions provider. The team undertook transformation of the sales team alongside a programme of successful international expansion, pushing the boundaries of the scale and breadth of business Aryza could be.

### 5 > DRIVEN

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

Pollen Street is dedicated to achieving the best outcomes for our people, portfolio companies, society and crucially, our investors. We are driven to deliver for our investors and exceed expectations.

We are thrilled to see this reflected in industry recognition. Pollen Street was awarded 'Best Use of Technology in Value Creation' at the Actum Group Private Equity Value Creation Awards. The team was also awarded Best Responsible Investment Team UK for the third year running. Both awards signify the hard work we put in to go the extra mile for our investors.

## SPOTLIGHT ON CARING

**In 2019 we took the time to set out our values as a business. One of these values that is particularly important to us and all that we do across ESG, is Caring.**

We've always had an ethos of bringing together the best, not just the science and technical of financial services, but the very strong human behavioural component that drives the decisions we make in financial services.

Caring is a core value in our business because we felt it was the driving force for our work and in delivering positive impact.

Caring as a company value is important because it applies to every single element of what we do and how we, and our portfolio companies, make a tangible difference. From the way that we hire people and consider DE&I to the way we go above and beyond for our investors, we do the best we can because we care.

In this report you'll see examples from all areas of E, S and G – as well as across both our strategies and our operations – of how our Pollen Street team embodies our value of Caring every day.

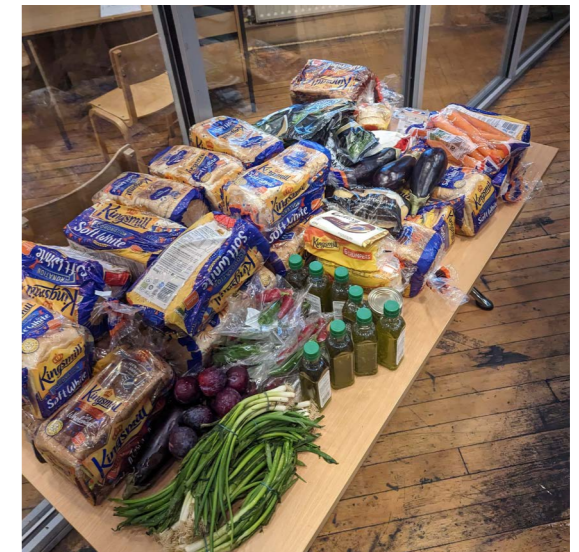
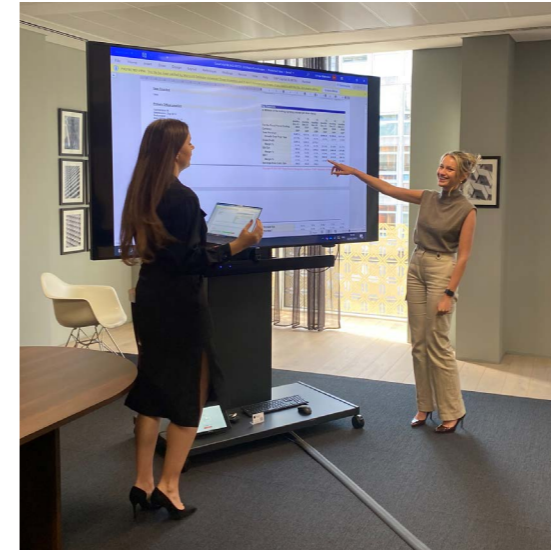


**Lindsey McMurray**  
Managing Partner

**The Hub:** following the introduction of the new Consumer Duty regulation from the FCA we organised a webinar, in partnership with Eversheds Sutherland, to bring together people from across our portfolio for an informative session covering the key changes as well as how it impacts our business and how we can help each other. This kind of best-practice sharing and openness is critical in creating value and accelerating progress in our portfolio companies.

**In our communities:** in the last 12 months we have worked even more in the communities in which we operate. We have partnered with the Felix Project to operate weekly routes collecting and redistributing surplus food around central London that would have otherwise been wasted. Pollen Street teams also dedicated their time and expertise to events with Future First, opening our office to young people to share what a career in financial services can look like and what foundational skills they need for the world of work.

**For our investors:** ESG is just one of the areas for which our investors rightly expect transparent, clear and consistent reporting. We are now in our second year of a propriety scoring system on ESG metrics for portfolio companies across Private Equity and Credit.





# 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
- › **Net zero commitment as a firm by 2025**
- › Portfolio companies to become carbon neutral within 5 years of Pollen Street investment

- ✓ Maintained Carbon Neutral status
- ✓ Developing best-practice decarbonisation roadmap
- ✓ 3rd year of Carbon Footprint measurement
- ✓ 50% of companies are now carbon neutral\*
- ✓ 44% of companies have set net zero commitments\*

### S

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

- › 25% women on portfolio Boards/ Executive leadership by 2025
- › **At least 1 person from an ethnic minority on each portfolio company board by 2026**
- › Decrease gender pay gap meaningfully over life of investment
- › Improve financial health through responsible financial products and access to finance

- ✓ 28% women on PE portfolio Executive leadership\*
- ✓ 19% women on portfolio company Boards\*
- ✓ Average portfolio gender pay gap decreased by 2%\*
- ✓ 6x New Credit facilities supporting SMEs with appropriate funding
- ✓ Continued focus on investing in socially impactful products and propositions

### 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
- › **75% of companies with separate audit and risk committees**
- › **100% of suppliers assessed on sustainability credentials**

- ✓ 100% of companies addressing ESG on Board agendas\*
- ✓ 100% of companies with ESG policies in place\*

\*Progress across Private Equity portfolio  
 • Targets in orange are new for 2023



# 3. ESG AT POLLEN STREET



## “We believe in the potential for positive impact through the work that we are passionate about.”

In the last year, I’m proud of the progress made as we help portfolio companies to achieve their sustainability goals. This has been achieved through the spotlight on scoring, cross-portfolio collaboration, and effective monitoring and measurement through KPIs and ESG ratchets.

Through our Pollen Street Hub, we help portfolio companies on their way to adopting more sustainable practices and can provide recommendations on where, and how, improvements can be implemented, as well as sharing best practice.



**Alison Collins,**  
Head of ESG

## OUR ESG STRATEGY & SDG ALIGNMENT

At Pollen Street our ESG Impact framework helps contribute to the UN Sustainable Development Goals (SDGs). These provide a lens through which investors can align with the needs of the wider world. The metrics we collect from our Private Equity and Credit portfolios enable us to develop deeper insights into where our investing has an impact and accelerate this.

Across both Private Equity & Credit, our investments align to multiple SDGs. We analysed our contributions towards the progress of the SDGs by portfolio company and Credit platform. The chart below shows the results of this analysis. SDGs where we have the most material impact are shown with the largest area and SDGs with a smaller impact are shown with a smaller area.



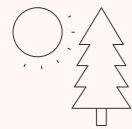


## OUR ESG IMPACT FRAMEWORK

Our ESG framework helps us to **IDENTIFY** where our investments can have a positive impact and **AMPLIFY** impact 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.



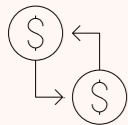
#### CREATING A LASTING ENVIRONMENTAL IMPACT



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.



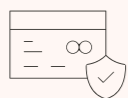
#### REGIONAL ECONOMIC GROWTH



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.



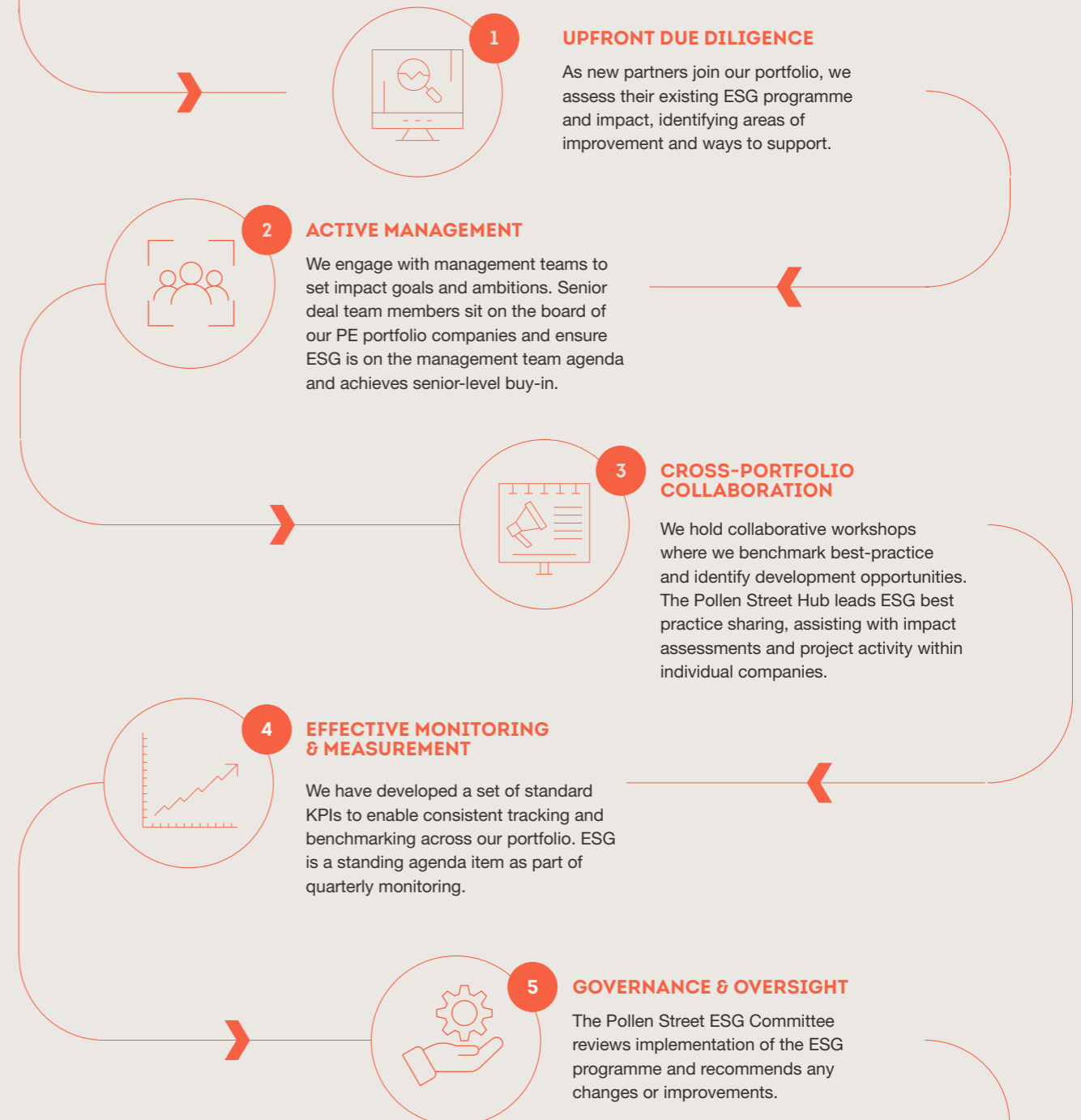
#### REDUCING THE IMPACT OF FINANCIAL CRIME



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

Helping portfolio companies to achieve their sustainability goals is an integral part of our Investment Process in both Private Equity and Credit. We set out our approach in more detail in the graphic below.





# 4. ESG INSIGHTS





## PORTFOLIO DATA & SCORING: DRIVING CONSISTENCY & TRANSPARENCY

A key focus in 2022 was embedding our proprietary ESG scoring mechanism. This means we are better equipped than ever to track progress and monitor ESG performance across our investments. It provides consistent analytics for transparent reporting to our investors, aligned with the areas of ESG and sustainability that are important to them.

During 2022, we rolled out the reporting dashboards and scoring feedback across our portfolio investments. This enabled us to work across the businesses to identify and implement action plans and also to strengthen ESG data collection, improving engagement and performance. We also used the scoring to develop an ESG ratchet with our Credit partners.

### Comprehensive data collection across portfolio

- › Collecting over 50 data points for each portfolio company and credit counterparty
- › Submitted portfolio metrics to ESG Data Convergence Initiative for 2<sup>nd</sup> year in a row
- › Developed PAI indicators as required for SFDR Article 8 funds

### Pollen Street ESG scoring system in place to benchmark investments and monitor overall performance

- › **Rating:** 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

### Reporting dashboards to engage and inform

- › Scoring used to engage PE and Credit partners to implement action plans to improve ranking and overall ESG practice

# ›50

data points for each portfolio company

# ›100%

All PE Companies have improved scores in 2022

# ›2.5

Average score improvement

# ›100%

ALL PE Companies with ESG policy

## OUTSIZED IMPACT

As Private Equity investors, with a hands-on approach to our portfolio management and value creation, we are in a privileged position in being able to drive positive impact far beyond our business.

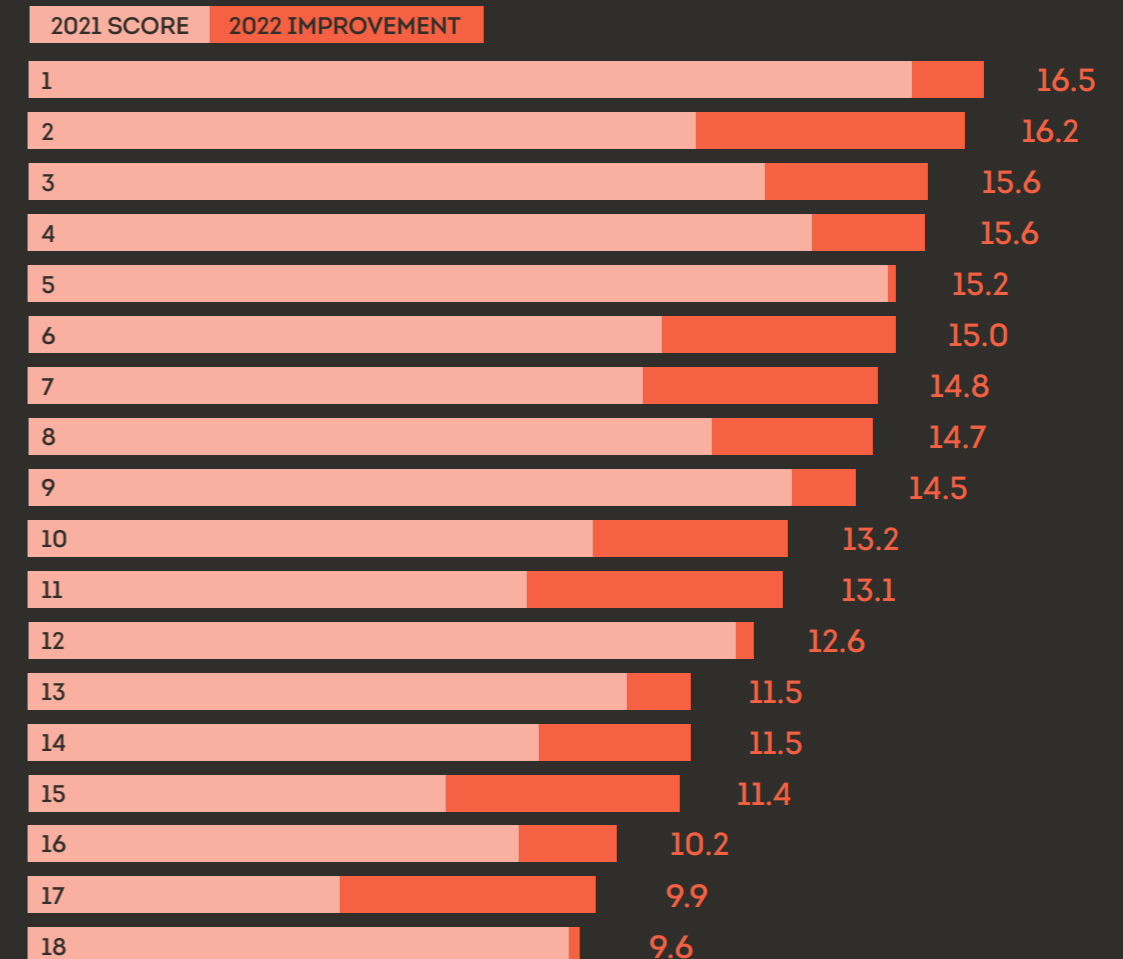
We believe in the potential for positive impact through the work that members of the Pollen Street team are passionate about. Through our investment teams and our dedicated Hub team we can drive improvements in business practices, governance and transparency to help overall ESG performance in our portfolio. We collect more than 50 data points from our portfolio companies which feed into a scoring mechanism. Not only do we use this data to engage with our portfolio, but we are also committed to transparency, as a firm and for the industry. We share our data and scoring with our investors as well as with our network and wider industry in this annual ESG report.

We are committed to promoting positive societal impacts directly in the companies we invest in and the products they offer. But we can also amplify this impact through the support and influence we have on our portfolio, with funding for more sustainability initiatives or simply access to our resources and expertise.



**Michael England**  
Partner

## 2022 ANONYMISED PE PORTFOLIO COMPANY SCORES - OVERALL SCORE (/18)



## BEHIND THE SCORES

MARKERSTUDY



**Lizzie Smith Foreman**  
Director of Marketing  
and Communications

With over 5,000 colleagues, in 2022, the company set about defining its ambitions and structure to embed sustainability into its culture and operations.

### Focus

Our focus in 2022 was to embed responsibility and sustainability into our culture. We undertook a climate change risk and opportunity assessment across the group.

### Outcomes

Net zero by 2045. Carbon neutral from 2023 onwards. Aligned with climate science.

### Culture

We refreshed our Vision, Values and Purpose to align with our Net Zero Strategy. We introduced a new ESG team to engage our internal community with a regular drumbeat of information and activities relating to health and wellbeing, DE&I, fun and fundraising, and boosted our budget in support of local community and charity endeavours.

### Governance

We commenced initiatives to support sustainability in our supply chain and provided ESG training to senior leadership, including Carbon Literacy training for key decision makers.

**4.6** Improved score by 4.6

PUNKTA GROUP



**Andrzej Sobkowiak**  
CFO

Over the last 12 months, we have devoted time and effort to rethink our approach, study legislative changes and analyze our common experiences in individual companies belonging to the Punkta Group in terms of shaping, steering, communicating, and reporting our ESG strategies, goals and activities.

### Building a sustainable, resilient, and purpose-driven organization

In 2022 we developed and implemented our Group ESG Strategy and policies, with support from Pollen Street and external consultants.

### Punkta Group ESG Team

We created a dedicated ESG Team to effectively manage the ESG strategy implementation. This team meets 2-3 times per month, and is led by the Group's CFO, Andrzej Sobkowiak, who coordinates and monitors the progress of all ongoing and planned projects.

**E:** We support the goals of the circular economy of gradually reducing energy consumption and eliminating waste. We care about the environment around us, trying to improve its condition starting from the simplest things we can do as a company to reduce our environmental impact.

**S:** We work on building the economic and social value of our businesses through close cooperation with the society around us and respect for our business partners.

**G:** We believe that good and effective corporate governance, with a professional ESG approach, is essential for building a strong organization.

**5** Moved to the top five scoring PE Companies.

## ESG RATCHET TO STRENGTHEN COMMITMENTS TO ESG AND SUSTAINABILITY

In 2022 we incorporated sustainability linked factors including an ESG margin ratchet mechanism into our new credit facilities as an incentive to achieve ESG goals.

Under this mechanism, Pollen Street provides margin reductions on facilities, subject to the counterparty improving their ESG score and achieving performance targets, such as net zero, and there is a corresponding margin increase if their scores do not improve or meet agreed thresholds.

This has been effective in engaging borrowers more closely to improve their sustainability performance.

**7** ESG ratchets rolled out across our borrowers.

IWOCA



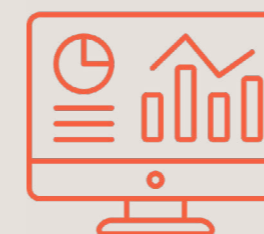
**Seema Desai**  
COO

With Pollen Street's support, we've really moved the needle at iwoca on our ESG efforts, particularly on our environmental strategy. Pollen Street provided us with a score sheet which identified some gaps, gave us a financial incentive which helped us focus on closing them, and shared expertise to help us get started. Within just 6 months, we've made some significant steps forward.

We started by setting up a task force of iwocans who are passionate about improving our sustainability, and who are defining and implementing projects to reduce our environmental impact - from improving our office recycling and food waste management, to organising a series of talks with expert speakers on environmental issues. We've also measured our carbon footprint, worked with a third party to audit our measurement, offset our emissions to achieve carbon neutral status, set ambitious targets towards achieving Net Zero and started reporting on ESG progress to our Board.

We're on a journey now, we're grateful to Pollen Street for the help they've given us along the way.

## BORROWER ESG SCORES



**9.6**

Average score

Using scores to set targets and improvement plans across all Borrowers



## OUR CARBON & CLIMATE STRATEGY

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. We invest in companies that are committed to sustainability and actively work with them to achieve their net zero and carbon reduction goals. This involves setting carbon reduction targets, tracking progress, and providing support and resources to help companies achieve their goals.

We also have a commitment to reduce the operational carbon footprint of the firm and our portfolio, promoting sustainability practices such as travel policies, sourcing renewable energy and waste reduction.

In 2022, we again commissioned a third-party to assess the carbon footprint of the firm, our private equity portfolio and Credit partners. We measured our scope 1, 2 and partial scope 3 greenhouse gas emissions.

In 2022, the firm's total measured emissions were 132.3 tCO<sub>2</sub>e, an increase of 70% from 2021. This was largely driven by an increase in business travel as Covid restrictions eased.



POLLEN STREET FIRM		2022	2021	% 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	2.4	5.8	-59%
<b>Scope 3</b>	Indirect emissions that occur in value chain, including emissions upstream and downstream			
	Business travel	115.6	24.3	376%
	Employee commuting including work from home	11	53.7	-80%
	Waste	3.0	1.8	-59%
	Water	0.4	0.4	
	Downstream transportation and distribution	0	0.5	n/m
	<b>Total Scope 3 emissions</b>	<b>130.0</b>	<b>80.8</b>	<b>79%</b>
<b>Total</b>	Total Scopes 1, 2, 3 emissions	132.3	86.6	70%
<b>Intensity</b>	Scope 1 and 2 emissions (tCO <sub>2</sub> e) per FTE	0.03	0.08	-60%
	Scope 1 and 2 emissions (tCO <sub>2</sub> e) per £bn AUM	0.7	1.9	-63%
	Scope 1, 2 & 3 emissions (tCO <sub>2</sub> e) per £bn FTE	1.7	1.2	64%
	Scope 1, 2 & 3 emissions (tCO <sub>2</sub> e) per £bn AUM	38.9	26.9	44.2%

## MEETING OUR CLIMATE GOALS ON THE PATH TO NET ZERO

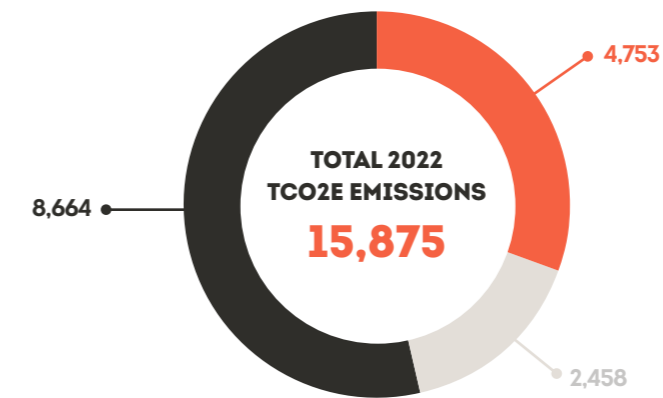
To achieve our goal of carbon neutral operations, we reduced Pollen Street's scope 2 emissions by sourcing renewable electricity tariffs, and we have offset all emissions by purchasing carbon credits through ecologi. This means we are now carbon neutral for the second year.

We are also supporting our employees to make greener choices through cycle-to-work schemes and a newly launched Salary Sacrifice scheme for Electric Vehicles.

In addition to committing to maintain carbon neutral status for each year, we have set the target to commit to Net Zero by 2025.

## PORTFOLIO EMISSIONS PROFILE

### PE PORTFOLIO



● Scope 1 ● Scope 2 ● Scope 3\*

\* Scope 3 excludes purchased Goods & Services & Financed emissions, and excludes Scope 3 emissions for 2 portfolio companies in 2022.

### AVERAGE TCO2E INTENSITY PER FTE

2022

1.6

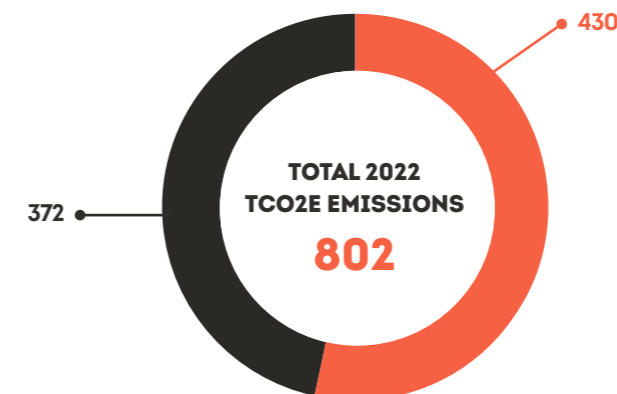
2021

1.5

2020

1.5

### CREDIT PARTNERS - SCOPE 1 AND 2 ONLY



● Scope 1 ● Scope 2

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

NOT MATERIAL



## PROGRAMMATICALLY WORKING WITH EACH PORTFOLIO COMPANY TOWARDS ACHIEVING NET ZERO

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

### MEASURE



Measure baseline CO2 emissions

### REDUCE



Avoid & reduce emissions where possible

### REMOVE



Offset all unavoidable emissions through certified greenhouse gas removal projects

### COMMIT



Set and communicate net zero targets and track progress



companies with Renewable energy tariffs (to reduce Scope 2 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

In 2023, we will further develop an internal view of climate change risks and opportunities, reflecting best practice, to help inform the Group's strategy. We will also develop a framework to perform climate-related scenario analysis, including a 2°C or lower scenario.

Further detail is set out in the Pollen Street Plc Annual Report and Accounts.

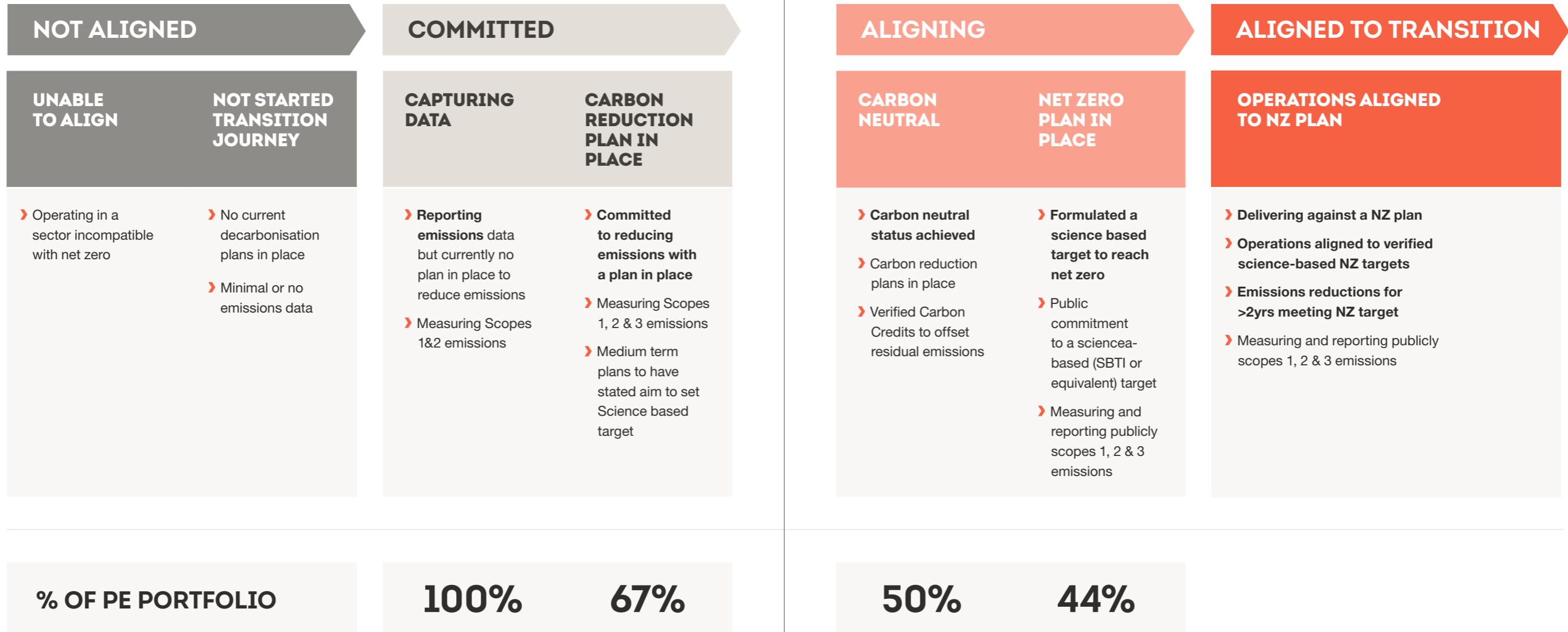




## BUILDING A DECARBONISATION ROADMAP

There is an increasing focus on a science-based approach to help reach the climate goals set out in the Paris Agreement. This has seen organisations adopting science-based targets and creating a clearly defined pathway to hit these targets. As part of our collaboration with the Initiative Climat International,

we are further challenging ourselves and supporting the drive to create a common understanding of what net zero really means using the decarbonisation roadmap as set out below to show our PE portfolio's progress against targets.





S

## ADVANCING DIVERSITY, EQUITY & INCLUSION

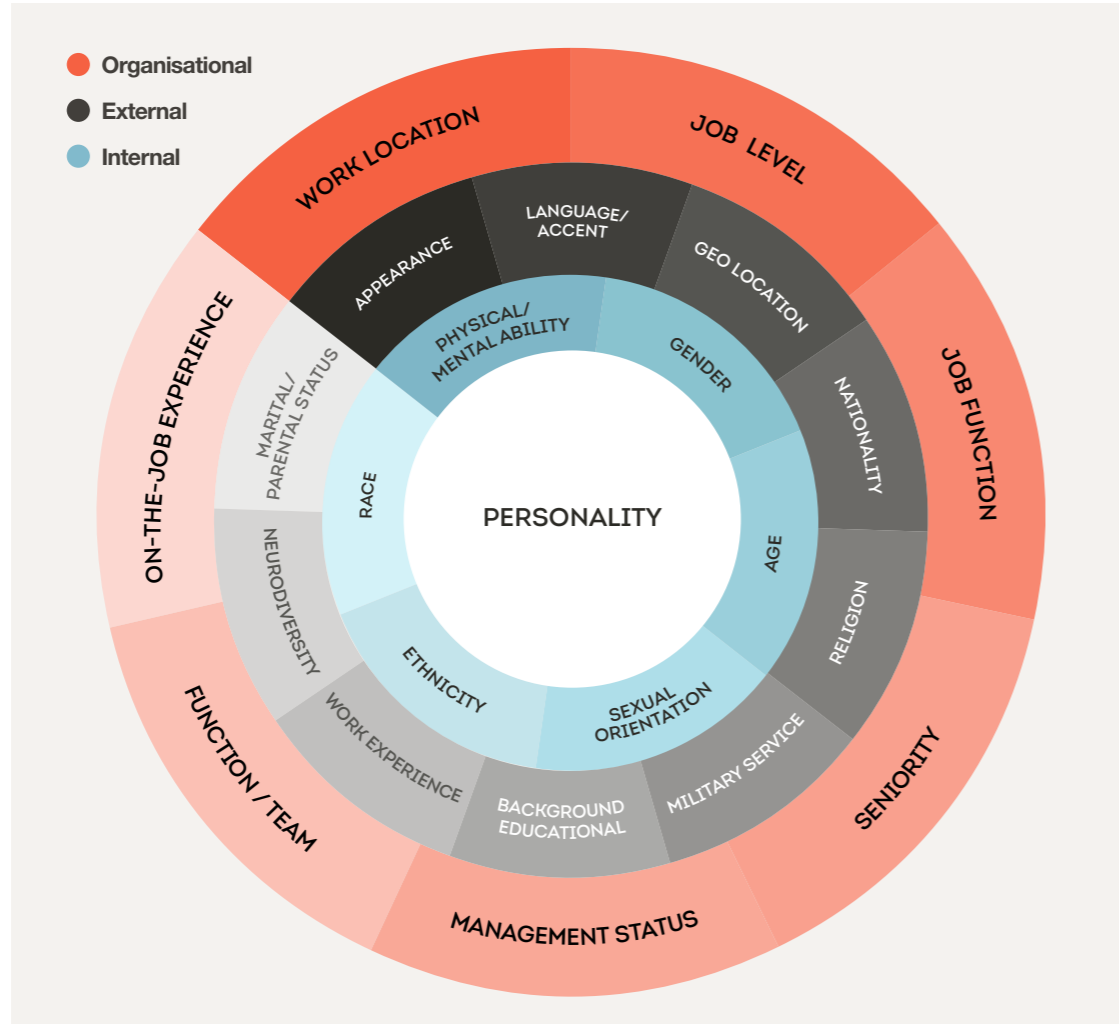


**Gemma Pullinger**  
Chief People Officer

I joined Pollen Street just over a year ago and one of the reasons I chose to join is because of the firm's unwavering commitment to ESG. I am very proud to be part of an organisation that places such importance on ESG and specifically advancing DEI.

When joining it became clear that Pollen Street truly values everyone's individual differences and it is everyone's different experiences, backgrounds, expertise and identities that creates such an entrepreneurial and progressive culture.

We recognise that there are many different dimensions to diversity and we often use a visual similar to the below to explain this. To have a truly inclusive environment is critical to our success and therefore it is essential that we recognise, support and celebrate the different diversity dimensions that make up our people and that our people can bring their whole selves to work.



We have continued to make strong progress in terms of progressing our DEI agenda since our last ESG report and some of our highlights are outlined below:

- › **Data & Insights:** Using surveys to understand DEI dynamics and sentiments for a better informed strategy and to assess progress year on year.
- › **Focused engagement:** A DEI working group as part of the People Agenda, selecting a calendar of events to boost engagement, share experiences and drive inclusion. These include International Women's Day, Pride and Black History month.
- › **Mentoring & Internships:** Through the 10,000 Black Interns internship programme, we offer paid work experience for underrepresented talent to gain skills and insight into the Asset Management industry. We undertook a successful internship in 2022, and are delighted to have our next intern join us in Summer 2023.

- › **Employee life-cycle:** Challenging traditional recruitment frameworks and biases for candidate sourcing and promote opportunities for talent development.
- › **Education outreach:** We have expanded our initiative with Future First, a charity that supports social mobility for state school students. Initiatives have included volunteering at Insight Days and careers training, and broader fundraising across the portfolio.
- › **Advocacy and Commitments:** We are signatories to and members of a number of industry initiatives such as Level 20, Social Mobility Pledge and OutInvestors.



**Kelvin Karitu**  
Pollen Street 2022  
10,000 Black Interns intake

"Participating in the 10,000 Black Interns scheme at Pollen Street was a phenomenal experience. I thoroughly enjoyed working with the team over the course of my internship. Not only did I gain deep insight into the investment management industry and specifically Real Estate finance, I also received guidance and mentorship that continues to shape my career to date."



### OUR POLLEN STREET TEAM

We have recently completed our third DEI survey to understand our teams, as well as to gain insights to focus our future initiatives.

**36%**  
Female Employees **2021: 36%**

**66%**  
State Educated **2021: 64%**

**23%**  
Ethnic Minorities **2021: 17%**

**50%**  
Over 50% female hires in past 12 months.

### ADVANCING DE&I ACROSS THE PORTFOLIO

As part of the ESG and People Forum, 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 employee engagement, training and development and measurement of DEI organisational dynamics. DEI KPIs are also key factors in the portfolio ESG scoring mechanism.

### PORTFOLIO EXAMPLES

#### INVESTING IN FEMALE ENTREPRENEURS

We continue to be an active member of the Council for Investing in Female Entrepreneurs (CIFE). The CIFE brings together leading investment firms and institutions to tackle barriers faced by female entrepreneurs. The Council is a community of firms and individuals who are passionate about achieving long-term behavioural changes to close the gender funding gap.

Pollen Street has supported in implementing the next phase 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. The Hub will be relaunched in 2023 to reach even more female entrepreneurs.

### PE PORTFOLIO GENDER DIVERSITY

		ALL EMPLOYEES	EXCO MEMBERS	BOARD MEMBERS
<b>OUR TARGET:</b> 25% WOMEN ON PORTFOLIO BOARDS/ EXECUTIVE LEADERSHIP BY 2025	2022	46.5%	✓ 28%	19%
	2021	41%	✓ 26%	14%

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

**27%** Gender Pay Gap **2021: 29%**

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

#### Freedom Finance

New policies have been rolled out to support women in the workplace with a new Pregnancy Loss and Menopause policy as well as a new policy to support victims of domestic abuse. Freedom believes it is vital to squash the taboos around these subjects and let the team know that they have support during difficult times

#### Kingswood

Over 40% of Kingswood's Executive Team are female, and over 50% of managers in the next layer of leadership are female. Within a traditionally male industry Kingswood are proud to be putting female leaders and role models front and centre to encourage industry-wide diversity which can be representative of the clients they serve.





## BUILDING BUSINESSES THAT ARE GREAT PLACES TO WORK

We recognise the strategic importance of creating a positive and engaging culture for our people, and this is equally important across our portfolio companies, for those that employ just a handful of people through to those that employ thousands.

A people-first approach in organizations is vital for employee engagement, retention, well-being, creativity, innovation, and the overall organizational culture. This means Pollen Street and its portfolio companies are a compelling prospect to candidates, and allows them to attract diverse talent across the different sectors and geographies within which they operate.

We encourage companies to measure engagement through employee surveys, and to take relevant actions to grow and develop their people, supported by progressive leadership and growth policies and practices. This approach helps drive a positive culture and performance results.

**83%**  
of PE Companies with engagement surveys

**BUSINESS PUNK AND STATISTA: PAIR FINANCE TOP STARTUP EMPLOYER FOR THE SECOND TIME IN A ROW**





G

## 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

### RESULTS

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 (2021: 80%)



## BUILDING BETTER BUSINESSES

At Pollen Street, our focus is on building better, more sustainable businesses. This is achieved through a potent blend of advanced business practices, digital transformation, and stringent governance.

Digital transformation, often celebrated for enhancing productivity and profitability, is also a crucial contributor to sustainability. The impact of this in creating sustainable businesses is threefold:

### Strong governance for safer, better businesses:

Building the foundations of strong governance is critical for creating a better business, that is more transparent, that operates safely and is more sustainable for the long term. As a PE investor our impact can be significant, particularly through helping appoint Non-Executive Directors. The right people can provide a creative contribution to the board with their independent oversight and constructive challenge to the executive directors. The engine for this oversight and good governance, that we can then help establish, is the firm's robust committee structures for decision making and feedback as well as its risk management framework. All of which make stronger businesses, better equipped for future growth.

### Waste Reduction through Process Optimisation:

By optimising processes, we can help portfolio companies in reducing waste in its various forms as

we streamline operations. This may be in the form of wasted staff time, material waste, energy consumption or financial inefficiencies. Optimising processes to address these issues builds more sustainable as well as more profitable businesses.

### Data to Strengthen Governance, Compliance and Security:

Another pivotal aspect of our strategy is data and the role that improvements in the collection and use of data can have in strengthening governance, enhancing compliance, and strengthening security. We employ a data-driven approach to decision-making, fostering businesses that are not only efficient but also secure and transparent.

### Sustainable Value Creation and Social Responsibility:

All these elements converge to enable businesses to create long-term value while fulfilling their social and environmental responsibilities. Excellent - digital - processes empower organizations to measure and optimize their environmental impact, track supply chain sustainability, and enhance responsible practices. This helps businesses to align their operations with global goals such as reducing carbon emissions, conserving resources, and promoting social equity.

Integral to all these elements the establishment of the Pollen Street Hub or 'centre of excellence'. The hub, acting as a conduit to share best-practice across the portfolio, plays a key role in reducing risk, driving value-creation and enhancing alignment with the ESG agenda.

In essence, our efforts in digital transformation go beyond business excellence. They are about constructing a sustainable future for all stakeholders, in line with Pollen Street Capital's unwavering commitment to the ESG agenda.



**Gilad G. Amir**  
Digital Operating Partner



## SUPPLY CHAIN SUSTAINABILITY

A key focus for the coming year will be to build a sustainable supply chain that benefits the environment, society, and the bottom line. We will take steps to assess the environmental, social and economic performance of Pollen Street's suppliers, enabling us to implement action plans and monitor progress towards sustainability goals.

## ESG EDUCATION & AWARENESS

We are committed to delivering training to equip our people on ESG matters, ensuring they have the knowledge and skills to respond to the risks and opportunities that ESG presents. In 2022, this involved sessions on Climate Action and in 2023, we will be extending training on the ESG regulatory environment for both the firm and relevant individuals across the portfolio.

**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, investees are well positioned to reduce both overall levels of financial crime, as well as raising awareness of how consumers can protect themselves.

## DATA PRIVACY AND CYBER SECURITY

Cyber security and resilience remains high on the agenda at Pollen Street and we continue to work closely with our portfolio companies to ensure the right levels of controls and diligence are applied.

Supply chain cyber risk in particular has become an increasing focus for all organisations in the last year, with well publicised incidents affecting organisations of all sizes and maturities. Maintaining the right view and controls over 3rd and 4th party risk has been an important part our ESG programme over the last year.

Outside of the security space, our operating partners have started discussing AI and generative AI across the group as we look to ensure we're fully cognizant of the bias risks these technologies can have and its impact on social inclusion.



**Adrian King**  
CTO





# 5. IMPACT IN ACTION





## CREATING A LASTING ENVIRONMENTAL IMPACT

We believe that financial services has a significant role to play in funding green initiatives and driving positive sustainable change, and we recognise the significant contribution this will make in turning the tide on the climate crisis. As part of this, we believe it's our responsibility to support solutions that have a positive environmental impact, enabling businesses and people to make a real difference, supporting broad targets for net zero.

### tandem

With an aim to be the UK's greener digital bank, Tandem is focused on leveraging its unique position as a green enabler to help address household sustainability, with almost 35% of UK emissions come from households.

In 2022 Tandem took a significant step towards its mission with the launch of 'Tandem Marketplace', a consumer-focused hub which provides key information and resources to help promote greener living.

Tandem has also developed the Greener Product Criteria, an industry-leading set of principles to define and classify 'greener' lending products as a guide to evolve its portfolio as a greener bank;

All products are assessed through this internal scoring system across four areas:

- › **Decarbonisation potential** using a tiered system of sub-weighting in accordance with the decarbonisation hierarchy (avoid, reduce, replace);
- › **Cost-saving potential** based on delivering cost-savings compared to a non-green alternative or inaction;
- › **Access and affordability** based on increased financial inclusion;
- › **Educational value** Educational value based on providing education for customers.

All products that achieve at least 60% across these four categories are counted as greener products; Tandem has seen these results in 2022:



**>97k**  
Customers making greener choices



**>£288m**  
Green home improvement lending



**68%**  
% Loans representing greener products



**49,000t**  
CO2 saved in 2022 through financing of greener products

## ALIGNING BEHIND A FOCUSED CLIMATE STRATEGY

Shawbrook has placed a large focus on integrating ESG into its business strategy, with a key pillar being its climate strategy, where the bank has taken a focused, collaborative approach.



Their initial focus in the short term is on actions and targets on areas where the bank has the greatest influence, considering customers' needs and supporting them using existing or new lending propositions to produce a positive and inclusive social and environmental impact.

Shawbrook also recognises the need for transparency and accountability to show progress against its climate strategy and have published its inaugural TCFD report for the year ended 31 December 2022. To view the full TCFD report visit here: [shawbrook.co.uk/sustainability/](http://shawbrook.co.uk/sustainability/)

The diagram below shows the metrics and targets to support their climate ambition, as well as to meet net zero commitments.

NET ZERO BY 2050 <span>T</span>		
<p><b>SUSTAINABLE FINANCE</b></p> <ul style="list-style-type: none"> <li>› £500m of originations by the end of 2025 <span>T</span></li> </ul> <p><b>% EPC C+ RATED PROPERTIES</b></p> <ul style="list-style-type: none"> <li>› Annual disclosure for owner occupied and buy-to-let portfolio <span>M</span></li> </ul>	<p><b>CARBON NEUTRAL</b></p> <ul style="list-style-type: none"> <li>› Maintain for own operations <span>T</span></li> </ul> <p><b>NET ZERO ALIGNED SUPPLIERS</b></p> <ul style="list-style-type: none"> <li>› At least 40% by the end of 2025 <span>T</span></li> </ul> <p><b>NET ZERO BY 2035</b></p> <ul style="list-style-type: none"> <li>› For own operations <span>T</span></li> </ul>	<p><b>EXECUTIVE REMUNERATION</b></p> <ul style="list-style-type: none"> <li>› Tracking ESG and climate metrics in the bonus scorecard design <span>M</span></li> </ul> <p><b>CLIMATE RISK</b></p> <ul style="list-style-type: none"> <li>› Annual disclosure on how we embed climate risk in the Group <span>M</span></li> </ul>

M Metric T Target



## ACCELERATING THE TRANSITION TO GREEN MOBILITY

To protect the environment and reduce overall carbon emissions the transition to green transport is crucial. Pollen Street's credit facilities focus on funding gaps in this green transition, supporting lenders and businesses to build and grow variety of green transport initiatives and programmes.

**15,000**

Pollen Street's credit facilities helped over **15,000 people** make the switch to electric vehicles



**octopus**  
electric vehicles

Pollen Street has a facility with Octopus Electric Vehicles, the UK's go-to electric vehicle leasing specialist. The facility will fund up to £350 million in new leases, enabling more people to switch to green mobility.

## FINANCING FOR POSITIVE CHANGE

We believe the Financial Services sector has a critical role to play in driving impact in a tangible way for the real economy. This is the lens we use to assess our investments, aiming to drive positive change through regional economic growth, access to finance and greener homes and transport.

Combined with governments, businesses and society as a whole, financing is critical to achieve much needed progress in these areas. Specifically thinking of the environmental aspects, we know there is a groundswell of concern and support from people looking to make greener choices. But it is often difficult to know where to start and how to help.

Our facilities to our credit partners have helped people make green home improvements and given easier access to electric vehicles. Through our funding to high quality non-bank lenders, technology companies and other mid-market businesses with diverse portfolios of assets, we can have a real impact.



**Matthew Potter**  
Partner





## SOCIALLY IMPACTFUL PRODUCTS & PROPOSITIONS

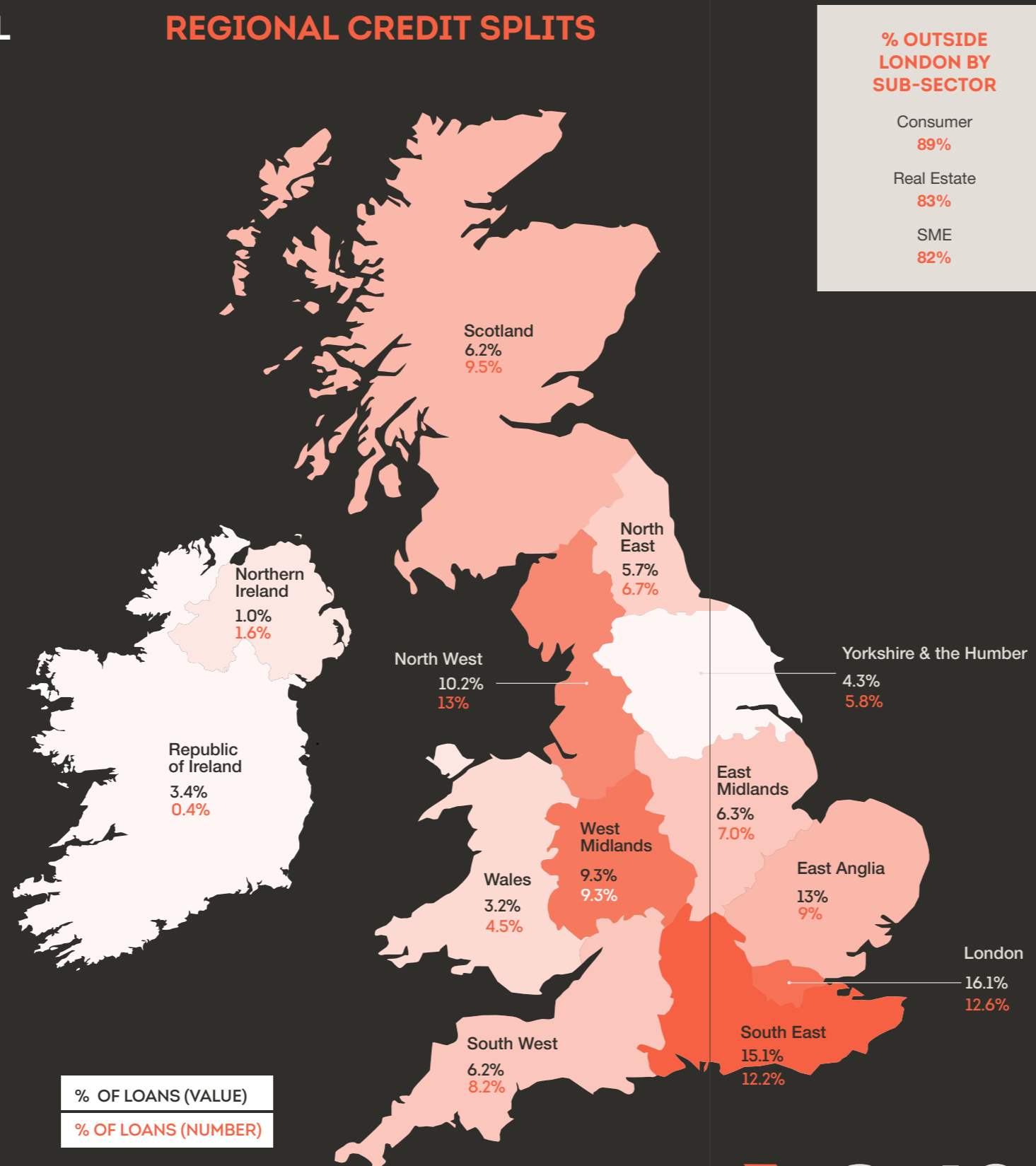
Many businesses in our private equity and credit portfolios have a positive social impact linked to their core business proposition.

### FINANCING FOR POSITIVE CHANGE

In our Credit strategy we believe in the potential for positive impact through our financing, whether that be by supporting SMEs through quality borrowers or driving regional economic growth by investing in real estate developers across the UK and Europe that reduce regional disparities, and support the levelling up agenda.

Our investments are regionally balanced with facilities and end borrowers across the UK & Ireland:

## REGIONAL CREDIT SPLITS



**> 84%**

OF CREDIT FINANCING PROVIDED OUTSIDE LONDON

## WORKING WITH CREDIT PARTNERS TO PROVIDE FINANCING TO REDUCE INEQUALITIES AND TO SUPPORT SMES TO GROW THEIR BUSINESSES



365 have a positive social impact as they support c1,600 UK SMEs to grow via providing working capital advances. The business serves a diverse set of companies, across different industries and growth stages.

### #SheLeads

- › In response to the Alison Rose Review of Female Entrepreneurship, in 2022, 365Finance launched #SheLeads, a campaign designed to empower and inspire women to start their own venture, while also raising awareness of alternative funding solutions that can help grow a successful SME
- › This campaign featured a series of interviews with successful female founders, such as Penny Power OBE, Pip Wilson and Katie Buckett, featuring personal experiences of launching a business, along with top tips for the female business owners of tomorrow.
- › As a result of the campaign, 365 Business Finance has seen an increase in women-owned businesses applying for finance, having a higher average of female clients in May 2022 at 34% compared to the prior year when the average was 25%.
- › The next phase of the #SheLeads campaign will be launched in Q3 2023.

“Post-pandemic it is extremely encouraging to see the number of female business owners applying for revenue-based finance on the increase. We have the great privilege of being able to finance and support many incredibly talented entrepreneurs, from all corners of the UK – and it’s as important as ever to raise awareness among all budding business owners of the opportunities and finance options available to them.”

**Andrew Raphaely**  
Managing Director at 365 Business Finance



### ENABLING DEVELOPMENT OF AFFORDABLE, EFFICIENT & GOOD VALUE HOMES.

Our credit partners include real estate and bridging lenders. We support communities in meeting the critical housing gap in the UK and Europe through the construction of quality primary housing, adopting sustainable living standards and improving the impact property has on the environment.

**3,000+**

Currently constructing over 3,000 homes across the UK and Ireland

**19,000<sup>t</sup>**

C.19,000 tonnes of carbon savings - Minimum EPC B on all new build residential housing in the UK

**3,000**

Our real estate credit partners directly employ c.150 people with over 3,000 indirectly employed on financed construction sites.

### DATA AND ANALYTICS DRIVING DE&I IN FINANCE



“We are a data-led business that is working to drive financial inclusion for our customers. There is a gender data bias that exists within the financial services space, caused by unconscious bias where many credit models have been designed over decades. By deploying new data sets to share with our lending panel, we can demonstrate that consumers in minorities are creditworthy, without asking the lender to change their risk appetite. This is an ongoing piece of work that will drive financial inclusion in 2023 and in years to come.”



Emma Steeley  
CEO Freedom Finance

### FINANCIAL EDUCATION & INCLUSION



Having good money management is the path to better social mobility.

Research from the London Institute of Banking and Finance shows that 83% of students (aged 15-18) want to learn more about money and finance in school, and with the current cost of living crisis, this need is becoming ever more pressing. Tandem Bank has invested in a financial literacy programme delivered over several channels including the “Tandem Bus” to deliver financial literacy lessons in schools to help students develop the skills and knowledge they need to manage their finances effectively and to make better informed financial decisions.

The programme was developed to ensure it is tailored to the needs of young adults, and will focus on topics such as Budgets, Money Safety, and Credit Scores.

**1,569**

Students taught

**39**

Teaching hours

**48**

Classroom Sessions

**46**

Bus Sessions





# 6. CREATING PARTNERSHIPS FOR LASTING IMPACT





## GIVING BACK

Our flagship ESG programme “Ten Years’ Time” has been in place since 2020, to make a transformational difference to society and planet. Our aim is to connect the ESG impact of the firm, and our incredible people and expertise, 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

In 2022, we extended our programme by offering all employees the option to support the causes below or charities of their choice through volunteer days.



## FELIX PROJECT



A new addition to our charitable partnerships is The Felix Project. In 2022 we created a strategic partnership with The Felix Project, a food redistribution charity that collects surplus fresh food that cannot be sold. This surplus food is delivered to charities and schools so they can provide healthy and nutritious meals and help the most vulnerable in our society.

Pollen Street volunteers complete green walking routes around central London to collect and then deliver the surplus food. At our current rate by the end of 2023 employees will have:

- › collectively walked nearly **500,000 steps**
- › collected and redistributed **1.4 tons** of food that would otherwise have gone to waste, allowing the Felix Project to supply over **3,300 meals**

partner schools, helping further educate students on the financial services sector and the careers available.

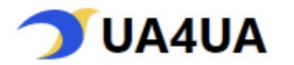
Recognising the importance of nurturing talent at a grass roots level we have recently delivered an interactive training session focusing on financial analysis and modelling to 11 high performing female students via our partnership with Future First.

Finally, we have leveraged our portfolio network to expand the reach of Future First. A number of our portfolio companies have now entered into a partnership with Future First to improve opportunities for young people and to connect with up-and-coming talent.

## OTHER CHARITY & COMMUNITY PARTNERS

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

## SUPPORT FOR UKRAINE



Via our Pollen Street portfolio company Punkta, teams have been supporting and building a social-educational project that creates a platform for Ukrainian refugees to learn Polish.

UA4UA is a charitable project focused on Ukrainians in Poland who have escaped the atrocities of war in Ukraine. The platform provides them with personalized learning of the Polish language. The tuition process is structured and provided by qualified Ukrainian teachers, with experience in teaching Polish.

The project was launched in May 2022 and since then over 440 people have completed a course with a further 200 active students. All classes are free of charge for students, organized online and led by the teacher in group up to 10 people to maximize impact. The project provides stable and predictable jobs for its Ukrainian teachers while providing life-changing language skills to Ukrainian war refugees.

## 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.

As an active supporter of Future First, and as part of our aim to open up careers in financial services to people who may not otherwise have access, we recently hosted our first Insight Day with Future First. We welcomed 20 students from 6 schools for a careers insight day, giving a taster of the world of financial services, different departments in a business and a session on good interview skills.

Pollen Street employees have also volunteered to produce online, audio and written content for Future First that they can use on their website and with their

## HUMAN RIGHTS WATCH



As part of the ongoing focus on Supply chain sustainability and addressing Human Rights violations, Pollen Street is partnering with Human Rights Watch and its next gen programme.

## AUDITORY VERBAL



Auditory Verbal UK’s vision is that all deaf children have the opportunity to listen and speak as equals alongside their hearing peers. Pollen Street has supported AVUK over the past years with a number of fundraising events.



# 7. ESG STEWARDSHIP

## ALL PLAYERS ARE PART OF THE SOLUTION

### INDUSTRIES INITIATIVES ALIGNMENT

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 a 4\* rating in both the Strategy and Governance and Private Equity modules in the most recent rankings.

SIGNATORY OF



Under the EU SFDR, Pollen Street has committed to progressive Article 8 for current PE and Credit funds, and is working to align processes and disclosures with Article 8 requirements across all future funds.

#### › Diversity, Equity & Inclusion (DEI)

We are advocates and partners to a number of diversity organisations and initiatives, to advance awareness and representation 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 Initiative since 2021.



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



# 8. FOCUS FOR 2023

## LOOKING AHEAD

Over recent years, we've established a strong foundation for ESG and sustainability. We continue to strengthen best-practice and collaboration within our ESG framework, with a focus on improving the sustainability performance of our investments, mitigating risks and creating value for our investors and stakeholders.

### OUR KEY FOCUS AREAS FOR ESG

#### BROADEN IMPACT THROUGH DATA & SCORING

Continue to improve reporting and scoring mechanism to assess and monitor sustainability performance of potential investments, and engage with portfolio companies to improve scores with ESG ratchets deployed across Borrowers' credit facilities.

#### STRONG GOVERNANCE

Continue to enhance Regulatory and Governance frameworks, including approaches to ESG risk management considering TCFD. Ensure education and awareness across the firm and portfolio.

#### SOCIAL IMPACT

Drive broader societal change through financing socially impactful products and propositions, and continue to promote diversity, equity and inclusion in our firm and wider industry.

#### NET ZERO & CLIMATE

Work programmatically with each portfolio company towards achieving net zero, and continued identification and development of climate and sustainability solutions.

#### SUPPLY CHAIN SUSTAINABILITY

Take steps to assess the environmental, social and economic performance of Pollen Street's suppliers, enabling us to implement action plans and monitor progress towards sustainability goals.

#### STEWARDSHIP

Act as a role model for the industry, working with key stakeholders – investors, portfolio companies and industry bodies to champion ESG progress in our sector.

#### PURPOSE-LED ASSET MANAGER

Continue to embed responsibility and sustainability into the Pollen Street culture. Scale a lasting programme with our community partners.



# 9. PORTFOLIO ESG METRICS



## FURTHER DETAIL ON PORTFOLIO ESG METRICS FOR THE YEAR ENDED DECEMBER 2022

Below we set out some summary ESG metrics from across the PE portfolio, which are a sub-set of the comprehensive data collection that we use to monitor ESG performance.

METRIC	VALUE
% of companies with ESG policies	100%
% of companies with ESG on Board agenda	100%
% of companies with Human Rights / Modern Slavery policies	83%
Exposure to controversial weapons	0%
% of companies with cyber incidents in the year	0%
% of companies measuring carbon emissions	100%
% of companies with carbon reduction plans in place	67%
% of companies with carbon neutral status achieved	50%
% of companies with net zero plans in place	44%
Average carbon intensity of revenue Scopes 1 & 2 (tCO2e / €m)	3.89
Average carbon intensity of revenue Scopes 1, 2 & 3* (tCO2e / €m)	9%
Average carbon emissions per FTE (Scopes 1 & 2)	72%
Average carbon emissions per FTE (Scopes 1,2 & 3*)	2%
% of companies sourcing renewable energy	50%
Average renewable energy consumption (KWh)	287,027
% of companies with sites / operations located in / near to biodiversity sensitive areas	0
Emissions to water	0
Hazardous waste ratio	0
% of companies with DEI policies	83%
% of companies conducting engagement surveys	83%
% of companies with charitable / community initiatives	94%
Amount donated to charity	£1.1m
Female Board % representation	19%
Female Executive Committee % representation	28%
Average unadjusted pay gap	27%

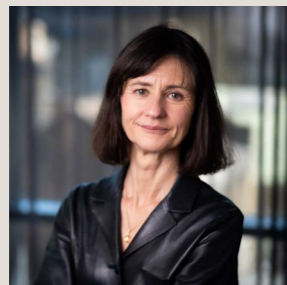


## RESPONSIBILITY FOR ESG

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.



**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



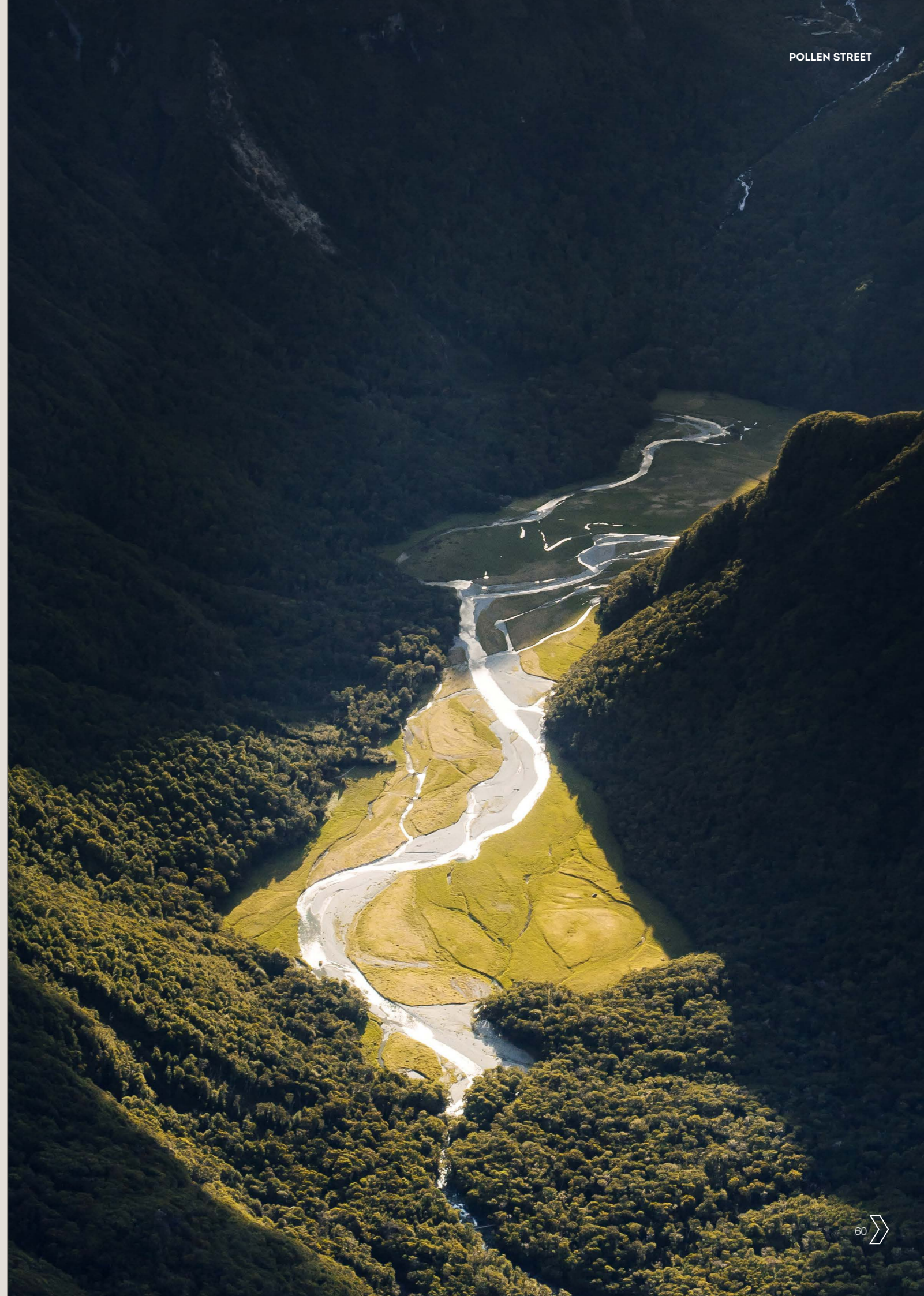
**George Harwood**  
Investment Manager



**Ethan Saggi**  
Investment Director



**Julian Dale**  
Chief Financial Officer







## CONTACT

---

Pollen Street Capital	+(44) 203 728 6750
11-12 Hanover Square	info@pollencap.com
London	pollencap.com
W1S 1JJ	

## ALISON COLLINS

---

Head of ESG  
alison.collins@pollencap.com

## LUCY HILL

---

Communications Manager  
lucy.hill@pollencap.com