Molten
Make More Possible

Sustainability Report

Excerpt from Molten Ventures plc
Annual Report FY22
REGISTRATION NUMBER: 09799594

Contents

ESG at Molten in numbers

This year...

44
portfolio companies mapped to at least one UN SDG

We offset
97
tCO_2e

The Molten team comprised of
46%
female personnel

The Molten team comprised of
15%
personnel from an ethnic minority background

We made
3
new investments in climate tech companies

68%
of our Investment Team received ESG training

Compliance training was completed by
100%
of our employees*

81%
of portfolio company respondents to Molten's ESG Framework have anti-bribery/anti-corruption policies in place

* 100% of full-time employees during Q4 of FY22 (excluding those on parental leave).

Sustainability at Molten

Our mission at Molten is to positively contribute to a future which is sustainable, fair and accessible to all. As responsible investors, we are committed to ensuring that the development of best-in-class technology companies takes place alongside a strong grounding in environmental, social and governance ("ESG") practices. Our ESG Policy (available on our website) sets out how we aim to achieve this, actively engaging with companies from deal sourcing and due diligence through to ongoing mapping and monitoring and an annual assessment of their ESG performance. Not only this, we also recognise the importance of practicing what we preach and so continue to develop our internal ESG strategy to ensure that we are doing our bit. We are dedicated to reducing our Greenhouse Gas (GHG) emissions, promoting Diversity and Inclusion and demonstrating good governance in our own activities and in our interaction with our portfolio companies.

Our ESG responsibility as a VC

Venture capital firms have the unique opportunity to invest in companies pioneering innovative technologies, services and products which can positively impact the development of a fairer, more resilient society. At Molten, we are committed not only to investing in businesses and entrepreneurs who are changing the world in a positive way, but to encourage improvements in their ESG performance throughout the life of the investment. After all, who is better positioned to find ground-breaking, sustainable solutions for our future than forward-thinking VC funds and the innovative businesses they nurture?

Our progress in the year

Activities in the year:

April 2021

Submitted our first report to the UN Principles of Responsible Investment

May 2021

Offset 260 tonnes of carbon attributed to Molten operations through UK-based peatland restoration projects and reforestation efforts in Brazil

July 2021

Board Diversity & Inclusion Policy was released

Richard Pelly appointed as Designated Non-Executive Director with responsibility for employee engagement

August 2021

Roll out of Molten's Group-wide Diversity, Equality and Inclusion Recruitment Policy to minimise bias in hiring process

September/October 2021

TCFD Workshops based on climate-related financial risks and scenario analysis

Voluntary unconscious bias training completed by 38 employees

December 2021

ESG Framework was shared with portfolio companies to collect data and monitor ESG progress across the portfolio

January 2022

Molten hosted Portfolio ESG Event: Carbon emissions, reduction and offsetting

Investment Team ESG Training led by ITPEnergised to improve ESG integration in the investment process

FY22 ESG KPIs

FY22	ESG KPI	Progress Status
Environmental	Establish a roadmap to allow us to make TCFD disclosures in the FY22 cycle	**100% Achieved** Through careful planning and alignment with our established roadmap, our TCFD FY22 disclosure is included on pages 58-63
Social	Create and implement a Group-wide Diversity and Inclusion Policy and a Board D&I Policy	**100% Achieved** Board D&I Policy adopted in July 2021 Group D&I & Equal Opportunities Policy adopted in February 2022
Governance	Strategically engage with between 10 and 15 portfolio management teams on their governance arrangements	**100% Achieved** We have engaged the management teams of 27 portfolio companies through our ESG Framework as part of the due diligence process, including 18 governance-oriented areas of focus
Holistic	Provide a training programme for the Investment Team applying our ESG policy to our investment process	**100% Achieved** Our Investment Team training was led by external consultants ITPEnergised in January and provided the team with practical guidance on integrating ESG more effectively in our investment process

FY23 ESG KPIs

The ESG KPI indexes 10% bonus entitlement for all staff and Executive Directors (see further details on page 113).

FY23	ESG KPI
Overarching	• Develop and formalise the Company's Corporate Purpose to articulate our core reason for being, in alignment with the Group's ESG Policy • Track and report on the metrics used by the Company to evaluate potential investments in alignment with the Company's ESG Policy • Deliver two portfolio engagement events focused on ESG-related risks and opportunities
Environmental	• Implement a Climate Strategy which defines the Group's GHG reduction targets, KPIs and roadmap to net zero • Engage with the management teams of at least 50% of direct primary investments during the period to establish their Scope 1 and 2 GHG emissions and assist with GHG reduction plans, footprint analysis and offsetting schemes up to a level of £10,000 per portfolio company • Increase accuracy of Scope 3 measurements (upstream and downstream) to report against the SECR and TCFD frameworks • Undertake the Company's first CDP Climate Change disclosure
Social	• Develop the Group's D&I Recruitment Policy to track and report on D&I-related metrics through the hiring process • Achieve implementation by 80-100% of directly held portfolio companies of a (i) Parental Policy and (ii) Health & Wellbeing Policy • Establish, track and report portfolio progress across a range of core D&I targets
Governance	• Develop and publish a Group Human Rights Policy • Achieve implementation by 80-100% of directly held portfolio companies of a (i) Cyber Security Policy, (ii) Anti-Bribery and Anti-Corruption Policy, (iii) Whistleblowing Policy, and (iv) Anti-Harassment Policy

February 2022

Tied-1st place as a Top VC Performer in ITPEnergised and Orbis Advisory ESG Transparency Index

Internal workshop led by BeEthical exploring the practicalities of establishing a charitable foundation

Group-wide Diversity, Equality and Inclusion (DEI) & Equal Opportunities Policy was released

Became a signatory of the Investing in Women Code

March 2022

Charitable Incorporated Globalisation (CIO), the Esprit Foundation, received acceptance by the Charity Commission

Goal Setting and Personal Development all-staff workshop led by external Wellbeing and Performance expert

Attained the Diversity VC Standard Level 1 certification

Externally-led DEI-focused session delivered to ESG Working Group covering best practice and next steps in our ESG journey

ESG Committee established by the Board

Looking forward

Responding to the CDP Climate Change questionnaire

First year reporting as a signatory to the Investing in Women Code

First year of charitable activities of the Esprit Foundation

Delivering against FY23 ESG KPIs (see above)

Our ESG policy in action

Our mission is to empower Europe to invent the future. We want that future to be sustainable, fair and accessible to all.

We aim to use our platform in VC to encourage and promote our ESG values and ESG considerations in developing best-in-class technology companies and achieving strong returns for our investors.

External benchmarking

It is important to demonstrate our commitment to ESG and responsible investment through voluntary involvement with external standards and frameworks. We remain at the formative years of our ESG benchmarking process, but hope to establish a baseline from which we can compare and track improvements against in the future.

We are aligned with...

UN Sustainable Development Goals

Ensuring that our entire portfolio is assessed against these goals, and alignment with specific targets and indicators is identified as part of our due diligence process.

We are signatories of...

UN Principles for Responsible Investment

Demonstrating our recognition of the role we play and responsibilities we hold in building a more sustainable financial system.

Investing in Women Code

Highlighting our commitment to female empowerment by improving female entrepreneurs' access to tools, resources and finance.

We currently report against...

The Taskforce for Climate-Related Financial Disclosures ("TCFD")

To improve our understanding and management of the risks and opportunities presented by rising temperatures, climate-related policy and emerging technologies.

Streamlined Energy and Carbon Reporting ("SECR")

Indicating our dedication to reducing our carbon emissions year on year through the implementation of energy efficiency measures.

UN Principles for Responsible Investment

Reflecting our commitment to integrate ESG factors into our investment analysis and decision-making processes.

We plan to report against...

CDP

Which will enable us to disclose our greenhouse gas emissions and other voluntary metrics and become more transparent about our environmental impact.

▼ **FUND OF FUNDS IMPACT PANEL**
Associate, Mohadeseh Abdullahi joined by Karl Lokko (Blackseed), Ella Goldner (Zinc), and Patrick Newton (Form Ventures) pictured from right to left.

Responsible investment

Integration of ESG in our investment strategy

We are committed to a policy of responsible investment through the life cycle of our investments, from pre-screening to exit. We believe that ESG integration across our portfolio creates value for our Shareholders and also makes our portfolio companies more attractive for investment. More broadly, understanding and striving to improve ESG practices within business will contribute towards a more sustainable and prosperous future for all.

Whilst we aim to invest in businesses and entrepreneurs who recognise and embrace the need for more sustainable practices, we don't expect or demand the finished product, but instead ask for a commitment from founders and management teams to meet or surpass our ESG targets during the lifetime of our investment with our support.

We aim to facilitate early and transparent dialogue with our portfolio companies about our ESG expectations of them and what they can expect from us in return so that we can use our position to help portfolio companies identify their business-specific ESG risks and opportunities, and provide the tools and guidance for them to mitigate and realise the same.

Investment Team ESG training

In line with our FY22 ESG KPI to provide an ESG training programme for the Investment Team, we engaged with external consultants ITPEnergised in January 2022 to deliver a tailored training session to our Investment Team designed to improve integration of ESG considerations across the whole investment process, from pre-screening to exit, in alignment with our ESG Policy.

The training explored our commitment to map portfolio alignment to the UN SDGs and helped equip the Partnership Team and wider Investment Team with practical guidance for evaluating ESG performance in a high-level, qualitative assessment through use of the ESG Framework as part of the due diligence process.

We believe that providing this type of training to our team is key to our wider aim of ensuring that sustainability is not siloed within our investment process, but instead considered as an integrated component of our business model and investment strategy. We are committed to continuing to provide not less than annual training to our Investment Team (including the Executive) on ESG topics.

> "We aim to use our position to help portfolio companies identify their business-specific ESG risks and opportunities, and provide the tools and guidance for them to mitigate and realise the same."

1. Pre-screening

We are mindful of the general themes surrounding ESG and our role as a responsible investor when considering potential investments

2. Screening

We screen all prospective portfolio companies against our ESG Exclusion List which contains various assets we will not invest into

3. Due diligence

We distribute our ESG Framework to identify risks as part of the diligence process

The output of this Framework is used to help inform our investment decision

Significant ESG risks are flagged and escalated to General Counsel

4. Investment Committee

We outline ESG risks and opportunities as part of qualitative assessment in the Investment Committee paper

Relevant ESG topics are explored as part of the Investment Committee discussion and decision-making process

5. Ownership

We monitor portfolio companies' performance through annual distribution of our ESG Framework and deliver bespoke ESG Events to help with integration of ESG strategies

6. Exit

We collate historic ESG data through the lifetime of the investment to produce a summary of ESG progress

Alignment of portfolio to UN SDGs

The Sustainable Development Goals (SDGs) were adopted by the United Nations (UN) in 2015 as a universal call to action ensuring a better and more sustainable future for all. The SDGs are intended to be achieved by 2030 and are made "actionable" through 169 targets and 231 indicators within each goal.

We believe that building alignment to the SDGs across our portfolio is an important way for us, as responsible investors and stewards of our Shareholders' capital, to build a sustainable future that we can all be proud of. For the second year running we have continued to assess our portfolio to identify companies whose business models align to one or more of these goals.

As part of our own ESG journey, we have continued to build upon our existing UN SDG mapping methodology and worked to refine and strengthen our analysis to operate at a more granular level and with greater emphasis on alignment to the underlying SDG Targets that support each of the Goals themselves.

Our enhanced approach allows us to categorise the outputs (i.e. the impact that is created by a company's activities) of our portfolio, by reference to each company's contribution towards a specific SDG Target as follows:

The contribution of a company is classed as direct (or indirect), intentional (or unintentional) and proven (or theoretical). Only if the contribution is categorised as theoretical (meaning it is simply a possible contribution, but not one that has been actioned) is it not mapped to the target at hand.

By way of example, cancer care medical technology provider, Endomag's contribution to Target 3.4 (By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being) is:

- Direct – Endomag's technology is directly providing more accurate, convenient and less-invasive solutions for cancer diagnosis and treatment
- Intentional – the purpose of the technology is to do exactly this, it is not simply a by-product or accidental outcome
- Proven – the technology has already been used by 160,000 women across more than 600 hospitals to provide a better standard of breast surgery[1]

For more information on Endomag, see page 41.

We believe our enhanced methodology to mapping will help us and our Shareholders better understand the positive impact that our portfolio companies have upon the world and allow us to identify trends across all of our investments. We will continue to revisit and refine our methodologies as we grow and learn within the dynamic ESG environment.

The table opposite sets out the top five SDGs that we have assessed our portfolio to be most closely aligned, together with the most frequently mapped Targets within each.

Sector / SDG	Strongly aligned targets[2] within each goal		No. of aligned companies
Digital health and wellness, Deeptech (3 Good Health and Well-Being)	3.4	By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	5
	3.7	By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes	1
	3.8	Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	2
Deeptech, Fintech (8 Decent Work and Economic Growth)	8.2	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	14
	8.10	Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all	9
Deeptech (9 Industry, Innovation and Infrastructure)	9.1	Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all	1
	9.3	Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets	3
	9.4	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	11
	9.5	Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending	9
SaaS (11 Sustainable Cities and Communities)	11.3	By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries	1
	11.6	By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	4
SaaS (12 Responsible Consumption and Production)	12.3	By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses	1
	12.6	Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	4

1 https://www.endomag.com/
2 Targets taken from the UN SDGs.

Portfolio engagement in ESG

As active responsible investors, we recognise the importance of engaging with our portfolio companies not just at the start of the process, but throughout the life cycle of our investment. This year we have taken steps to improve communication and engagement with our portfolio on ESG matters to ensure that progression in their ESG journey is being supported and tracked.

ESG portfolio due diligence and action plan

This year we contacted the majority of our directly held portfolio companies with a request for data on their individual ESG journeys, however far along they are. The output of this exercise has allowed us to better understand where we can support our portfolio companies in specific areas of ESG and provide relevant guidance off the back of this.

Gathering this data has also enabled us to track and report ESG metrics across our portfolio, which we can aggregate and share back to our portfolio companies to help them benchmark their ESG performance against their peers and monitor and improve their progress over time.

We are in the process of developing a proprietary Sustainability Toolkit with tailored tools and resources for portfolio companies to improve their ESG performance. We plan to roll this out to our portfolio companies during the year ahead.

ESG Engagement Event

This year, Molten hosted its first virtual portfolio ESG Engagement Event led by our external advisers, ITPEnergised. The event was available to all our portfolio companies and focused on carbon emissions, reduction and offsetting for early and growth-stage tech companies. Insights were provided on industry trends and ESG value-add for early-stage tech companies using a range of detailed case studies, and covered practical guidance on carbon measurement, management and reporting. There was also an opportunity for a Q&A, encouraging open conversation around ESG and portfolio companies to learn from one another.

Of the 20 portfolio attendees, 33% indicated prior to the event that they felt poorly equipped in progressing the environmental aspects of their ESG journey, and 100% felt well equipped after the event.

We plan to build on the positive reception to this event with a second portfolio engagement session during FY23 on the implementation of Diversity, Equality & Inclusion initiatives throughout recruitment, internal operations and beyond.

COP26

This financial year, the UK hosted the 26th UN Climate Change Conference of the Parties (COP26), which explicitly outlined the role of private finance in keeping alive the hope of limiting the rise in global temperature to 1.5°C. The conference amplified a growing market trend to recognising that climate risk is investment risk which requires financial decisions to be made with climate considerations in mind as we pivot towards a net zero economy. This was demonstrated through the involvement of the British Private Equity & Venture Capital Association's (BVCA) Director General in a panel session at COP26's Green Horizon Summit, which discussed the role of private capital in delivering net zero.

Historically, the economy has largely been powered by fossil fuel consumption, but this is no longer a viable option. Molten is committed to building a more resilient economy and recognising the role we play in working to achieve the COP26 climate goals. By voluntarily reporting against the TCFD, we understand the need for accountability, and are resolved to improve the quantity, quality and comparability of climate-related financial disclosures, thus contributing to more informed investment decisions and a better understanding of the financial sector's exposure to climate-related risks.

COP26
BVCA partnered with City of London on the Green Horizon Summit at COP26.

Case study: Climate tech at Molten Ventures

The transition to net zero is one of the most urgent needs of our time and also one of the single biggest investment opportunities. Staying below the 1.5°C warming threshold and so halving Greenhouse Gas (GHG) emissions in a decade will require nothing short of a complete overhaul of the global economy.

The United Nations (UN) estimates that around US$3.5 trillion of investment will be needed each year to 2050 to remain on track[1]. At every layer of the capital stack, opportunities are emerging to fund the development and growth of the technologies that will enable our sustainable future. Mark Carney, former Governor of the Bank of England, considers the net zero climate solution the "greatest commercial opportunity of our age"[2], and at Molten we believe there will be a generation of category-defining climate champions that will emerge from this period.

If halving GHG emissions by 2030 is the biggest economic opportunity in a generation, then we believe that the winners are going to win big. As for where we are now, countries accounting for the majority of global GDP have formal targets for net zero emissions and there has been a dramatic shift in the attitude of corporates as investors demand companies realign operations for a net zero future. The results are significant new pools of capital, both public and private, forming to fund innovation with institutional capital flowing into "green" investment funds at an unprecedented rate.

CERVEST
Climate Intelligence Platform

This movement should not be conflated with the first foray of private capital into "clean tech" in the early-noughties. We believe this new economy is different to earlier attempts to "green" the energy system or to shoehorn sustainability into old systems. Most of our current infrastructure, supply chains, food systems, and business practices were developed in a time when climate change wasn't our most significant global threat. This means that we must facilitate a fundamental redesign of the economy, one which no longer relies on fossil fuels, to achieve the magnitude of change that is necessary, something that has been brought into even greater focus by the Russian invasion of Ukraine and impact on global energy supply chains. We believe that this will be structural and transformational, presenting itself through massive technological and systems-level innovation.

Whilst various types of capital will be needed, it is clear to us that venture-backed companies will be driving much of that change. At Molten, rather than looking at climate through a siloed or sector-lens, we think about climate technologies through a systems-level approach. Every company, government and institution is going to need a new infrastructure of solutions to help measure, mitigate against and adapt to the threats that climate change presents. Technology companies developing working and scalable solutions in these areas can be tomorrow's winners.

At Molten, we are excellently positioned to be able to identify and scale these new climate champions given:

- our position in the early-stage ecosystem in Europe as responsible investors, having backed a number of climate and sustainability-focused seed fund managers
- our long-term patient capital approach and ability to lifecycle fund the winners
- our emphasis on ESG and track-record of backing companies across sectors and across the tech-stack given climate can impact any sector and will need hardware and software solutions

As such, we have been developing our work and research in this space and increasing our cadence of investments where our fundamental thesis aligns to the opportunities that emerge. Ultimately, achieving net zero will require a host of new, scalable, data-led solutions across every component of the economy and the scale of market shift around climate demonstrates this. Technologies that blend the physical, digital, and biological realms and systems that increase traceability of materials and facilitate a circular economy are among a host of innovative solutions that will continue to gain momentum.

Call it the climate economy, climate-tech, clean-tech 2.0 or anything else - this opportunity is set to be vast, and we are just getting started...

CASE STUDY

Climate intelligence - Cervest

Cervest is a pioneering Climate Intelligence company that forecasts and quantifies physical climate risk at the individual asset level. Cervest's open-access platform pre-populates climate risk for every physical asset on Earth, empowering organisations to view and act on their specific climate risk in a way that has not previously been possible.

We believe that within the next ten years there will not be a single entity without a carefully planned approach to assessing the physical risks from climate disruption. As such, we see Climate Intelligence as one of the most significant markets to scale in this net zero economy given the need for data to power climate action and adaptation. We see a broad range of applications for quantifiable micro-level data on climate risk, whether in capital markets, insurance pricing, or for companies and governments facing unprecedented economic impacts on physical assets and supply chains from climate volatility.

Cervest - UK - Molten led US$30.0 million Series A

Carbon markets - BeZero Carbon

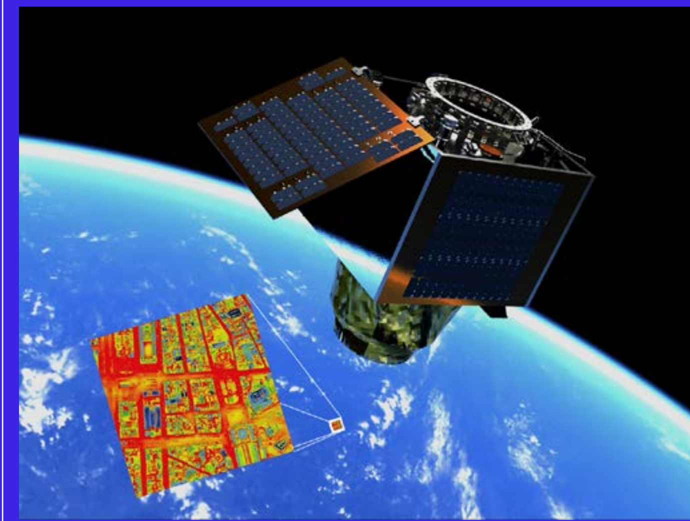
BeZero Carbon is building the world's leading data and analytics platform for scaling and catalysing the Voluntary Carbon Market (VCM). Its core product, the BeZero Carbon Rating, is currently the only risk-based framework for assessing carbon efficacy that can be applied to any carbon credit project globally. Through their universal coverage and risk-based framework, BeZero's rating acts as a metric for cross-credit carbon fungibility and a mechanism to facilitate true carbon liability-asset matching.

As net zero commitments from corporates ramp up, so does interest in carbon offsetting and indeed the desire to do so through robust and reliable carbon projects. Estimates place the VCM at US$50-100 billion by 2030 compared to US$300 million in 2018[3,4], however, whilst this market is necessary for progress towards net zero, it lacks the key infrastructure or data to function properly. The VCM has the potential to act as a mechanism driving billions of dollars into carbon sequestering or avoidance projects. Despite this, today's market has very little correlation between price and quality of carbon projects and the VCM needs the data and infrastructure to align incentives to properly scale this market.

BeZero Carbon - UK - Molten led £15.0 million Series A

BEZERO CARBON
Tommy Ricketts (left) and Sebastien Cross (right), Co-founders of BeZero Carbon

SATELLITE VU
Earth Observation Company



Earth Observation - Satellite Vu

We believe Satellite Vu is set to become a new category leader in "Earth Observation" by measuring the thermal footprint of any structure on Earth in a consistent and near real time manner using methods not previously available. Satellite Vu will launch the world's first constellation of infrared satellites into orbit, delivering unique insights at scale around energy efficiency and carbon footprinting. Their plans for global coverage by 2024 would give the company a first-mover advantage in a new category of space data – infrared – and a potentially significant competitive moat in a category with various emerging use cases.

Detecting heat signatures in space is a significant unmet need within various sectors and will open up new applications in the net zero economy. The built environment is responsible for around 40% of carbon emissions, and capex related to the energy efficiency of buildings is forecast to be in the trillions in the coming decades[5], yet we lack consistent and robust data in this area. Markets such as environmental monitoring, energy, and large-scale thermal mapping of buildings for energy efficiency programmes are set to be significant markets in the coming years. There is evidence of significant latent demand for high resolution IR data in these markets.

Satellite Vu - UK - Molten participated in £15.0 million Series A

1 https://www.ipcc.ch/site/assets/uploads/sites/2/2019/02/SR15_Chapter4_Low_Res.pdf
2 https://www.ft.com/content/8ed608b2-25c8-48d2-9653-c447adbd538f
3 https://trove-research.com/wp-content/uploads/2021/11/Trove-Research_Scale-of-VCM_29-Oct-2020-2.pdf
4 https://ukcop26.org/delivering-high-integrity-inclusive-voluntary-carbon-markets-for-1-5c/
5 https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroby2050-ARoadmapfortheGlobalEnergySector_CORR.pdf

SECR and carbon emissions

Streamlined Energy and Carbon Reporting (SECR)

We annually report our GHG emissions and energy consumption in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. These regulations implement the Government's policy on Streamlined Energy and Carbon Reporting (SECR). We qualify for SECR compliance on the basis of being a UK-based quoted company and the following section presents our SECR disclosures for FY22.

SECR Statement

Our SECR energy consumption and GHG emissions were calculated by ITPEnergised, an independent third party, and the calculation methodology follows the GHG Protocol Corporate Standard, an internationally recognised framework for companies to quantify their GHG emissions. The boundary of our organisation was defined using a financial control approach and the Department for Environment, Food and Rural Affairs' (DEFRA) emissions factors were used to convert between our business activity data and associated emissions. This covers Scope 1, Scope 2, and selected Scope 3 emissions for all consolidated entities within the Group.

We report on our global energy consumption as well as our scope 1, scope 2 and selected scope 3 GHG emissions. As this is our second year of SECR compliance, we have presented our FY22 data alongside the previous year's figures and our disclosures include the same GHG emissions metrics for both years to ensure comparability. This financial year, however, we have worked to extend the boundary of our scope 3 emissions calculations and our full carbon footprint, including all material scope 3 emissions, is reported here. Table A below presents our FY22 global energy consumption and GHG emissions for SECR compliance. All of the figures relate to UK and offshore, as Molten does not have any Global emissions.

Table A: GHG emissions and energy use data for SECR

	FY21	FY22
Total energy consumption used to calculate carbon emissions (kWh)	144,803	**192,056**
Emissions from employees working from home (tCO_2e) (Scope 3)	16.9	**15.6**
Emissions from combustion of natural gas in buildings (tCO_2e) (Scope 1)	7.9	**14.7**
Emissions from purchased electricity in buildings (location-based) (tCO_2e) (Scope 2)	3.4	**5.0**
Emissions from vehicle transport (tCO_2e) (Scope 1)	0.05	**1.3**
Total organisational emissions (location-based) (tCO_2e)	28.2	**36.7**
Total organisational emissions (market-based,from 100% renewable electricity) (tCO_2e)	24.8	**31.7**
Carbon intensity ratio - carbon emissions per net asset value (NAV) (location-based) ($kgCO_2e$/£100k NAV)	2.7	**2.6**
Carbon intensity ratio - carbon emissions per net asset value (NAV) (market-based) ($kgCO_2e$/£100k NAV)	2.4	**2.2**
Carbon intensity ratio - carbon emissions per full-time employee (location-based) ($kgCO_2e$/full-time employee)	723.1	**574.9**
Carbon intensity ratio - carbon emissions per full-time employee (market-based) ($kgCO_2e$/full-time employee)	635.9	**496.3**

Energy Efficiency Actions

We have implemented measures a range of energy efficiency actions which are outlined in the Carbon reduction box on the next page.

Greenhouse gas emissions

In FY22, we calculated our group-wide carbon footprint. This section presents our full carbon footprint, including our scope 1, scope 2 and all material scope 3 emissions, along with the data collection and calculation methodologies used.

A key focus in FY22 was to expand the boundary of our carbon footprint, targeting our scope 3 value chain emissions in particular. Due to the business activities of Molten Ventures, it is within our value chain that we anticipated the most significant GHG emissions to arise, rather than our direct operations. However, along with impact comes opportunity, and it is in relation to our value chain that we see potential to realise significant positive impact moving forwards. This is especially true of our portfolio companies, where we are leveraging our position as investors to help them collect data on their GHG emissions and reduce their carbon footprints.

Table B: Full carbon footprint for FY22

	tCO_2e
Natural gas	14.7
Vehicle fuel	1.3
Total scope 1	**16.0**
Purchased electricity	5.0
Total scope 2	**5.0**
Employee commuting & homeworking	33.3
Business travel	34.9
Investments	1436.3
Purchased goods & services	1637.1
Capital goods	6.5
Waste generated	0.2
Electricity transmission & distribution	0.4
Total scope 3	**3148.9**
Total scope 1, 2 and 3	**3169.9**

Methodology

As with our SECR calculations, our carbon footprinting methodology is aligned with the GHG Protocol Corporate Standard. We began by conducting a materiality assessment of our value chain to determine which scope 3 emissions to include within our carbon footprinting boundary, before working to increase the accuracy of our data. We implemented new data collection processes to achieve this, including an employee commuting and homeworking survey and a new portfolio company ESG Framework.

The top priority was to collect primary data across our business and portfolio and, where primary data was available, we applied an emission factor to convert our business activity data directly into associated GHG emissions. In instances where primary data was unavailable, we applied industry benchmarks and bespoke extrapolation techniques to estimate the data. For example, the GHG emissions from our purchased goods and services were estimated using the Environmental Protection Agency (EPA) supply chain emission factors which convert expenditure into equivalent GHG emissions.

Within our scope 3 inventory, we have accounted for a percentage of our direct portfolio companies' scope 1 and 2 GHG emissions, based on our equity share. Our new ESG Framework requests data from our portfolio companies in relation to their carbon footprint and business activities that generate emissions. Through this means we collected primary data for 31% of our direct portfolio companies, representative of all four focus areas, which we extrapolated across similar companies based on their industry. This is our first year of collecting data in this way and we have used this approach whilst data gathering is refined. Actual figures may differ from these extrapolations.

Analysis

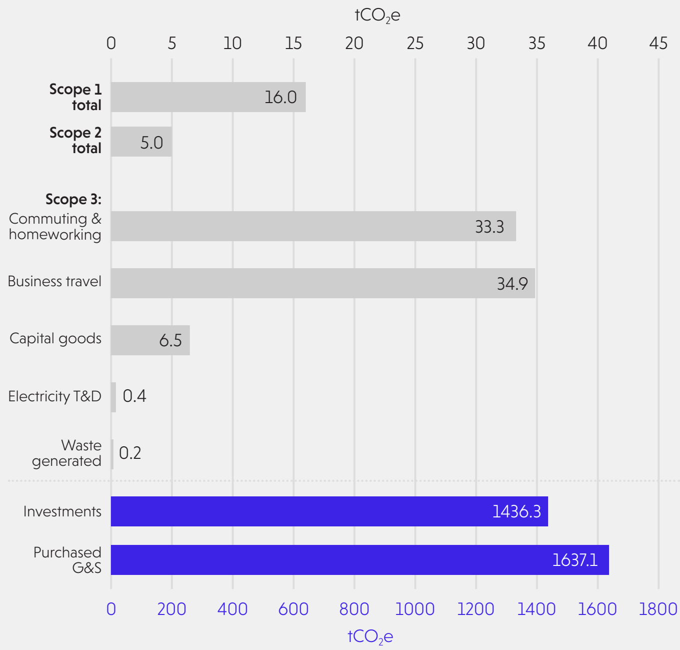
Our indirect (scope 3) GHG emissions make the largest contribution to our total carbon footprint by a significant margin, with purchased goods and services and our investments standing out as the main drivers. Business travel, commuting, and homeworking undertaken by our employees also had a modest influence over our scope 3 GHG emissions.

Within our portfolio, the consumer, artificial intelligence, deeptech and hardware industries were identified as having the highest carbon intensities.

In terms of our direct (scope 1) GHG emissions, natural gas consumption in our London office is the single highest contributor. Our indirect (scope 2) emissions from office electricity usage are comparatively lower.

We observed an overall increase in scope 1 and 2 GHG emissions between FY21 and FY22 (although still a reduction on pre-pandemic levels), which can be explained by an increase in our staff numbers alongside the return to offices following the lifting of COVID-19 restrictions. Despite the overall increase, the carbon intensity per FTE decreased in FY22.

Figure 1: Breakdown of Carbon Footprint by GHG Protocol Category



Next steps

This carbon footprint provides transparency around our most significant emissions drivers which should be targeted in order to achieve our ultimate goal of carbon net negative. Our next stage in this process is to develop a Carbon Reduction Strategy. Whilst we only have direct control over our scope 1 and 2 GHG emissions, our influence as an organisation reaches beyond this, and we will continue to evolve our engagement with our portfolio companies to help them measure, reduce, and offset their carbon footprints.

Carbon reduction

Through a number of initiatives, we ensure that our internal practices are aligned with resource efficiency and carbon reduction efforts. The Company has a cycle to work scheme in place to encourage staff to use a more sustainable mode of transport for their commute, thus reducing their carbon emissions. Our London office runs on 100% renewable electricity and this year we have also implemented new and improved recycling facilities to ensure that our waste is kept to a minimum. In order to take our waste management even further, it is our intention to recycle our food waste and coffee grounds in the coming year.

As business travel is our biggest contributor to our direct emissions, we aim to implement a travel policy which encourages employees to host meetings remotely as much as they can and, where possible, travel by sustainable transport (such as Eurostar) as an alternative to air travel.

Food production and agriculture is one of the biggest contributors to carbon emissions. In order to support our staff in reducing the emissions from the food they eat, we have available Allplants, a portfolio company, meals in our London office offering healthy, vegan, low-carbon meals. More information on Allplants can be found on page 32.

Carbon offsetting

For the third year running, we have offset 100% of our Scope 1 and Scope 2 emissions for the financial year. In addition to this, as we are committed to ultimately being net zero, we will also be offsetting select Scope 3 emissions which are within our direct control. We have excluded purchased goods and services and investments from this exercise, however we intend to actively engage with both our supply chain and portfolio companies to help them reduce their emissions over the coming years.

Based on these commitments, 97 tCO_2e have been offset for FY22 through investment in two carbon projects. We underwent a process of evaluation in the selection of our carbon projects using the BeZero Carbon Rating system as guidance for understanding the quality of and risks associated with the carbon credits issued by each project.

In continuation of the offsetting exercise undertaken during the previous year, Molten will be supporting a peatland restoration project in Scotland through the purchase of carbon credits equating to 49 tCO_2e. The scheme is certified by the Peatland Carbon Code which is supported by the International Union for Conservation of Nature (IUCN), assuring additionality and permanence of each tonne of carbon stored.

Additionally, we have offset the remaining 48 tCO_2e through a UK tree planting scheme coupled with an avoided deforestation project based in Brazil. This is certified by the Verified Carbon Standard (VCS) and has received approval from the Quality Assurance Standard (QAS) for carbon offsetting.

TCFD report

The Task Force for Climate-related Financial Disclosures (TCFD)

Our approach to identifying and managing climate-related risks and opportunities is guided by the recommendations of the TCFD. This has highlighted the potential impacts of climate change for us and our portfolio, as well as opportunities associated with the transition to a low carbon economy.

Our focus for the first year of voluntary TCFD implementation was on developing high-level descriptions of qualitative climate impacts, including explanations of our exposure to risks, expected impacts, and management actions to mitigate risks and realise opportunities. Our processes and disclosure will evolve over time to ensure we adapt to the rapidly changing landscape. In the coming years, we will seek to analyse impact on a more granular-level, broken down across sectors and individual investments, and begin to quantify the financial impacts of climate change on our business. The Directors confirm that, to the best of their knowledge, Molten Ventures has met the recommended TCFD disclosure requirements.

Governance - Board oversight

Describe the Board's oversight of climate-related risks and opportunities.

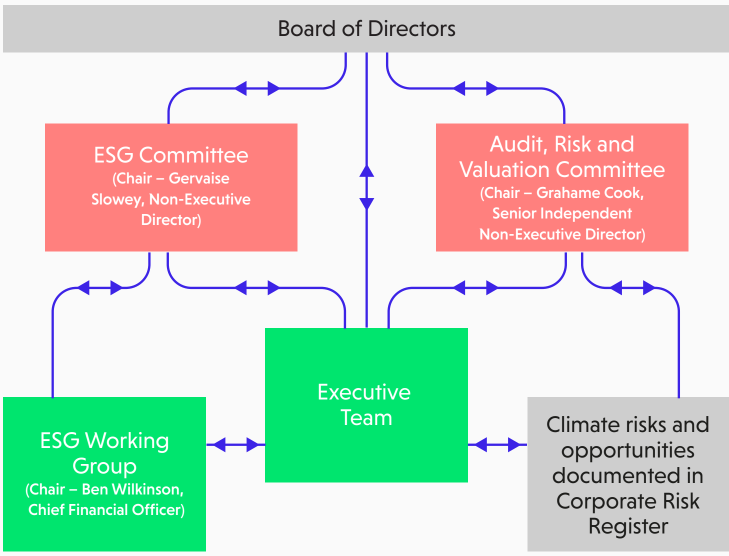
We take a top-down approach to the governance and management of climate change, with the Board holding ultimate oversight. The Board recognises climate change as a principal business risk (please see page 73), which is integrated into our existing risk management process (please see page 76).

Governance - Management oversight

Describe management's role in assessing and managing climate-related risks and opportunities.

Our ESG Committee was formed in March 2022 and is chaired by independent Non-Executive Director, Gervaise Slowey. This committee has delegated authority from the Board to have managerial responsibility for responsible investment and oversee the works of the multi-disciplinary ESG Working Group, chaired by Ben Wilkinson, CFO.
The ESG Committee and the ESG Working Group are directly accountable for the assessment and management of climate-related risks and opportunities. Management of climate-related risks and opportunities is a standing item on the Board agenda and key accountabilities include maintaining a detailed Climate Risk and Opportunities Register, conducting scenario analysis, setting metrics and targets, and developing an annual TCFD Report. Principal climate risks are documented in the Corporate Risk Register, which the Executive Team regularly review and update for presentation to the Audit, Risk and Valuations Committee and the Board. The Group Compliance Officer is responsible for assessing regulatory compliance matters in relation to climate change.

Climate Risk and Opportunity Management



Strategy - mid-long term risks & opportunities

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

We apply the TCFD Framework categories to structure our identification of climate-related risks and opportunities. Climate change inherently requires long-term thinking, and to that end, we assess risks and opportunities across multiple time horizons including short (0-5 years), short-medium (5-10 years), medium-long (10-20 years) and long term (20+ years). Please refer to the Risk and Opportunities table on pages 62-63 which describes the risks and opportunities that we are or could become exposed to.

Strategy - Scenario analysis

Describe the resilience of the organisation's strategy taking into consideration different climate-related scenarios including a 2°C or lower scenario.

We understand the importance of scenario analysis to test the resilience of our strategy to possible future climate change outcomes. For this initial TCFD report, we selected two scenarios for analysis, based on the International Energy Agency's (IEA) World Energy Outlook Scenarios:

1. IEA Sustainable Development Scenario – Advanced economies reach net zero emissions by 2050 due to immediate and sustained action. The worst physical impacts will be avoided at the expense of higher transition impacts.
2. IEA Stated Policies Scenario – Slower progress is made, based upon existing governmental policies, ultimately failing to reach a below 2-degree warming target. This pathway will result in lower transition impacts but fails to avoid significant physical impacts.

We evaluated our current and future climate-related actions and mitigations to gauge their resilience against both climate change scenarios. Molten Ventures is a low climate risk organisation and our strategy is considered to be resilient under both future outcomes. We will evolve our scenario analysis in subsequent years to add further detail and quantification, and we will continue to evaluate our resilience against the changing risk landscape.

Scenario analysis must capture the inherent uncertainties associated with future climate change projections. We chose two scenarios with varying levels of severity in terms of physical and transition risks to challenge our assumptions about the future and explore alternative pathways to consider the extent of impact likely to be experienced by our business and the business of our portfolio companies. The two IEA scenarios were selected specifically because of their focus on transition risks, the climate risk category to which Molten Ventures is most exposed. A number of analytical choices were also made to tailor the scenarios to our specific risk and opportunity exposure so we could stress test the assumptions underlying our Climate Risk and Opportunities Register.

Strategy - Business and financial planning impact

Describe the impact of climate-related risk and opportunities on the organisation's business, strategy, and financial planning.

Through the TCFD exercise undertaken during the year, we have assessed how climate change will impact the business, strategy and financial planning of Molten Ventures and our portfolio companies alike, both directly and through management actions to reduce risks and realise opportunities.

Business operations:
Increased carbon and climate-related stakeholder expectations and compliance requirements necessitate the adaptation of our business operations, including through the development of a Climate Strategy to reduce our Greenhouse Gas (GHG) emissions; efforts to improve our energy efficiency, and a continued commitment to source renewable energy.

Investment process:
We understand that our portfolio companies are exposed to many of the same climate-related risks and opportunities as we are. Our investment process is evolving to fully integrate climate change considerations, and we are committed to supporting our portfolio companies to identify and mitigate risks and reduce their GHG emissions through financial and non-financial means.

Investment strategy:
In response to identified climate-related opportunities, we are continuing to pursue a climate tech thesis focused upon identifying and realising investment opportunities that are energy and carbon-focused or efficient. Investments aligned to this strategy during the year include Cervest, BeZero Carbon, and Satellite Vu, details of which can be found on page 23.

Financial planning:
This year's qualitative analysis has highlighted a range of potential financial impacts, including the cost (in time and money) of implementing a Climate Strategy and of complying with carbon-related regulations, as well as potential positive and negative impacts on our portfolio valuations. We intend to begin quantitative analysis in future years to further integrate climate change into our planning.

Operational objectives and KPIs have been developed with the aim of minimising climate-related risks and realising opportunities. Our objectives span a wide range of business functions including corporate, investment strategy, deal origination, due diligence, investment management and engagement, and exit. Please see the climate-related metrics and targets section on page 61 for further information.

TCFD report continued

Risk Management - Risk identification and assessment

Describe the organisation's processes for identifying and assessing climate-related risks.

Climate-related risks and opportunities were identified and assessed in FY22 through workshops of a sub-committee of the ESG Working Group, facilitated by ITPEnergised, our ESG consulting partner. Consistent with our Corporate Risk Register, identified risks are scored based on their impact and likelihood, both with and without mitigation. The residual risk score presents the level of risk that remains once existing mitigations and additional actions have been implemented and determines whether that level is acceptable or in need of further mitigation.

In connection with Molten Ventures' investment activities, the Investment Committee is responsible for assessing ESG risks and opportunities, including consideration of GHG emissions, as part of its due diligence. This year, we worked to further integrate ESG within our investment process and the Investment Team received training from ITPEnergised on applying the ESG Framework that we introduced during the period to identify risks and opportunities that inform investment decisions. During the ownership stage, we monitor portfolio companies' risk exposure through annual distribution of our ESG Framework and evaluate the carbon footprint of our portfolio using the data acquired. In the coming years, we will work to further integrate climate change considerations throughout the investment process, including the evaluation of a broader range of physical and transition climate risks.

Risk Management - Risk management and integration

Describe the organisation's processes for managing climate-related risks and how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Specific mitigations and actions are identified to manage risks and capitalise upon opportunities. Please refer to the Risk and Opportunities tables on pages 62-63 which describe the mitigation actions. These are recorded in our Corporate Risk Register and are assigned to specific teams or individuals for implementation. The Corporate Risk Register is presented at every meeting of the Audit, Risk and Valuations Committee and to the Board at least annually, along with other business risks.

We aim to help portfolio companies manage their specific ESG risks and opportunities by providing tools and guidance. The ESG Framework generates tailored KPIs on an annual basis to help companies identify strategic actions to manage their risks and opportunities. We provide additional guidance in the form of access to relevant resources, one-on-one sessions, and bespoke ESG events. This year, ITPEnergised delivered a portfolio-wide training session focused on carbon to enhance portfolio companies' understanding of the topic and give them practical guidance on collecting their GHG emissions data. We are working to further evolve our engagement with portfolio companies on climate-related risk and opportunity management in future years.

Metrics and Targets - Assessment

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

GHG emissions are monitored annually using both intensity metrics and absolute values (see table on page 56). A key focus in the FY22 has been the roll out of the ESG Framework, designed to enhance the Platform Team's engagement with portfolio companies and help them to understand their ESG performance. The framework requests primary data from the portfolio companies relating to their GHG emissions and business activities that generate emissions. Where primary data is unavailable, or the framework is not completed, available data is aggregated across the portfolio, or estimations are made using secondary data from industry benchmarks in accordance with the GHG Protocol Corporate Value Chain (Scope 3) and Accounting and Reporting Standard.

Organisations with significant emissions are likely to be more adversely impacted by transition risks so our metrics currently focus on GHG emissions as a measure of climate-related risk exposure of our business and portfolio. We will focus in future years on tracking additional metrics, including quantitative financial metrics relating to the broader landscape of risks and opportunities in which we operate.

Metrics and Targets - Scope 1, 2 & 3

Disclose Scope 1, 2 and if appropriate, Scope 3 GHG emissions, and the related risks

Measuring our scopes 1, 2 and 3 GHG emissions remains a key focus area and enables us to better understand our environmental impact and meet our Streamlined Energy and Carbon Reporting (SECR) obligations. Our latest carbon footprint is presented in the table on page 56 and includes Scope 3 GHG gas emissions (predominantly consisting of GHG emissions from our purchased goods and services and portfolio companies) for the first time.

Metrics and Targets - Measurement and performance

Describe the targets used by the organisation to manage climate-related financial risks and opportunities and performance against targets

Targets have been developed which align with our wider business objectives, and action is currently underway to pursue the following:

- Continue to issue an annual TCFD report
- Continue to develop an annual SECR submission
- Continue to calculate our carbon footprint annually (including portfolio)
- Develop a Climate Strategy inclusive of a Carbon Reduction Strategy containing a path to net zero/net negative
- Ascertain and offset no less than 100% of our Scope 1 and 2 carbon emissions annually and support portfolio companies financially and with best practice guidance in respect of their own carbon reduction and offsetting programmes
- Continue to use 100% renewable energy sources for supply of electricity to our London office
- Periodic review of green electricity tariff options
- Review climate change reporting requirements as a standing item on the ESG Committee and ESG Working Group agendas
- Develop further carbon emission reduction strategies associated to our business operations
- Revisit scenario analysis annually based on the latest scientific consensus and economic modelling to develop more in-depth quantitative scenarios for identified key material aspects
- Perform more detailed portfolio company level analysis feeding into our valuations process and further integrate climate change into our financial planning

TCFD report continued

Climate risks and opportunities

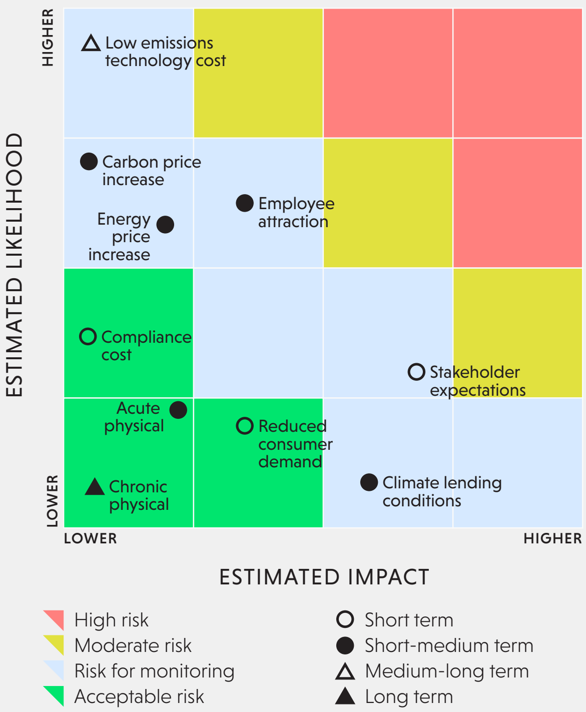
As part of our alignment with the TCFD recommendations, we have completed a materiality assessment of climate-related financial risks and opportunities that are likely to impact the business and our portfolio companies (at the portfolio level), presented in the matrices on page 63.

Identified risks have been categorised according to TCFD typology, falling within either transitional (policy and legal, market, technology or reputational) or physical (chronic or acute) risk categories. The Risk Matrix further breaks down risks based on likelihood of taking effect and the relative impact of said effect.

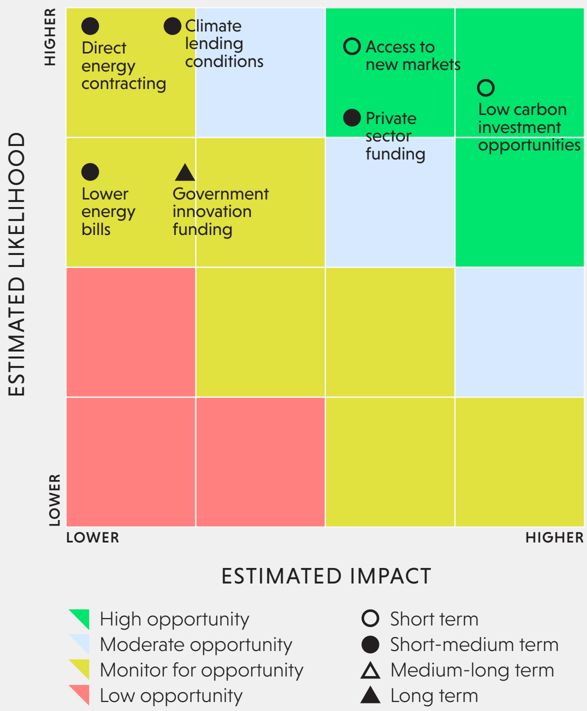
Climate-related opportunities were also categorised according to TCFD typology, including but not limited to products and services, markets and energy efficiency. Access to new markets, low carbon investment opportunities and private sector funding were identified as the most material opportunities for Molten Ventures to consider.

Focus Area	Specific Risk	Mitigation	Timeframe
Transitional risks			
Policy and Legal	Increased regulations and reporting requirements with higher associated compliance costs.	Preparing for new regulatory pressures e.g. the FCA's Sustainability Disclosure Requirements, TCFD reporting, carbon footprinting and balancing, and complying with SECR.	**Short term**
	Government intervention in carbon pricing resulting in higher power prices may increase operating costs.	Aim to improve energy use and efficiency in our offices and encourage and incentivise portfolio companies to follow suit.	**Short-medium term**
Market	Lending conditions are increasingly tied to climate resilience and carbon performance.	Development of a TCFD report, calculating our carbon footprint, complying with SECR, and plan to commence CDP disclosures in 2022.	**Short-medium term**
	Market conditions may cause increased energy and operating costs.	Aim to improve energy use and efficiency in our offices and encourage and incentivise portfolio companies to follow suit.	**Short-medium term**
Technology	Additional cost to transition to lower emissions technologies.	Development of a carbon reduction strategy to monitor emissions reductions supported by a cost-benefit analysis within the organisation and proactive engagement with portfolio companies.	**Medium-long term**
Reputation	Changing stakeholder expectations with consumers, portfolio companies and investors increasingly making decisions based on carbon performance and climate resilience.	Actively working to fulfil stakeholder expectations, including by direct engagement with stakeholders on ESG topics, making CDP disclosures from 2022 and continuing to be a signatory to the UN PRI.	**Short term**
	Portfolio companies may face reduced revenue due to damage to brand value and loss of customer base as customers increasingly factor climate change considerations into their decision making process.	Integrate reputational risk into our pre-investment due diligence questionnaire.	**Short term**
	Increased interest in working for "climate aware" organisations may impact employee attraction and retention, leading to reduced revenue.	Communication of our ESG standards to new and existing employees and portfolio companies and aim to demonstrate strong performance in climate resilience and carbon reduction.	**Short-medium term**
Physical risks			
Acute	Event-driven impacts arising from increasing frequency and severity of extreme weather events. The specific risks will be contingent on the business operations of portfolio companies but may include increased capital costs due to damage to infrastructure, increased insurance premiums, supply chain disruptions and impacted access to resources such as clean water.	Molten Ventures will integrate acute physical climate risk into the pre-investment due diligence questionnaire and leverage our influence as investors and active managers to help portfolio companies mitigate risk.	**Short-medium term**
Chronic	Overall shifts in climatic behaviour resulting in long term changes in temperature and precipitation patterns. The specific risks will be contingent on business operations but may include scarcity of natural resource supplies causing increased operational costs and global political tensions.	Molten Ventures will maintain suitable risk mitigation strategies in its operational activities and integrate chronic physical climate risk into the pre-investment due diligence questionnaire and leverage our influence to help portfolio companies mitigate risk.	**Long term**

Risk matrix



Opportunity matrix



Focus Area	Opportunity	Timeframe
Resource efficiency	Improved energy, water and waste efficiency could result in reduced operating costs and improved reputation among customers, staff, prospective staff and investors of Molten Ventures and our portfolio companies.	**Short-medium term**
Products and Services	We intend to build on our climate tech thesis (see pages 22-23) by continuing to pursue investment opportunities that are energy and carbon focused or efficient as part of our wider investment strategy, thereby enhancing return on investment.	**Short term**
Markets	Engagement in climate-related commitments may lead to increased access to private sector funding. We actively seek to address and improve our climate resilience and carbon emissions.	**Short-medium term**
	Enhanced government innovation funding for low carbon projects and technologies will lower the cost of innovation and improve portfolio companies' success. We will review funding opportunities and engage with relevant government departments through lobbying where appropriate.	**Long term**
	Increased low carbon investment opportunities due to shift in consumer demand for low carbon products and the growing potential of the "climate-conscious customer base".	**Short term**
Energy source	Continued usage of renewable or low energy sources may result in reduced energy bills and reputational enhancement. We already have a green electricity tariff provided by our landlord, but will explore direct energy contracts and encourage portfolio companies to procure green electricity.	**Short-medium term**
Resilience	Securing direct energy contracts through corporate Power Purchase Agreements (PPAs) with energy generators will protect against price fluctuations and demonstrate a commitment to low carbon energy.	**Short-medium term**

Social and D&I

Our D&I vision

A widened perspective for our team, our founders and our industry.

A different approach for our team, our founders and our industry.

A team and portfolio that **reflect the society** we live in.

A sector that **better serves the world** it is trying to change.

A world where everyone can see themselves in **tomorrow's leaders.**

During FY22 our ESG Working Group ran a series of collaborative workshops to define Molten's D&I Vision and Mission Statements.

The process also helped us to establish what changes needed to be initiated, why and how to achieve these and considered the challenges that might be encountered as part of this process.

Diversity and Inclusion Statistics

Gender	Execs	Non-Execs	Investment Committee	Total workforce
Female	–	60%	22%	46%
Male	100%	40%	78%	54%
Transgender	–	–	–	–
Non-Binary	–	–	–	–
Prefer not to say	–	–	–	–
Ethnicity	**Execs**	**Non-Execs**	**Investment Committee**	**Total workforce**
White	100%	100%	89%	81%
Asian/Asian British	–	–	11%	10%
Black/Black British	–	–	–	2%
Mixed	–	–	–	3%
Other	–	–	–	2%
Prefer not to say	–	–	–	2%
Age	**Execs**	**Non-Execs**	**Investment Committee**	**Total workforce**
18-24	–	–	–	5%
25-34	–	–	–	35%
35-44	33%	–	56%	28%
45-54	33%	40%	33%	21%
55+	33%	60%	11%	11%
Disability	**Execs**	**Non-Execs**	**Investment Committee**	**Total workforce**
% Employees with a disability	–	–	11%	5%
Prefer not to say	–	–	–	4%

Our D&I mission

The venture capital industry has a diversity problem. We all know that VC funding is concentrated in a small segment of the population leaving other segments largely under-funded.

For our industry

As investors, we are committed to discovering and supporting entrepreneurs who build the future. Yet, talent is still lying dormant in many under-represented communities, marginalised groups and underfunded ideas. The world needs tech created by people from all backgrounds to serve a wide set of needs. The true winners will be those that can feel pride in creating a world of opportunity for future generations of diverse entrepreneurs.

For our teams

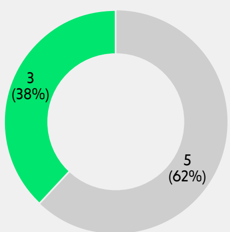
Our lived experiences shape who we are and how we think. We respect each other, our varied experiences and believe that the differences in our backgrounds lead to richer insights and broader perspectives.

We know that diversity of thought positively impacts team performance; investor teams or boards are no exception. We believe that hiring from a wider talent pool will not only lead to better investment decisions but also enrich us as people.

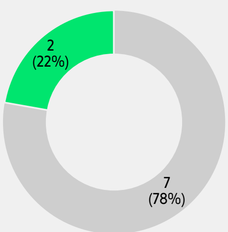
For our business

At Molten, we make more possible. Since day one, democratising venture capital has been at the core of our business. To fulfil this goal, we continue to commit ourselves to a culture with Diversity, Equality and Inclusion ("DEI") at its core. This is the right thing to do and just better business.

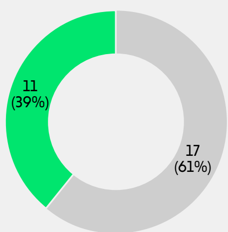
plc board



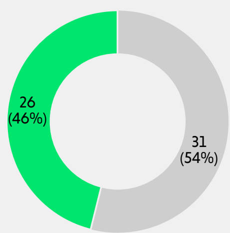
Investment Committee voting members



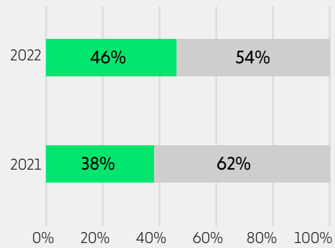
Investment Team (Exec, Partnership, Platform)



All Group personnel



Gender split of all Group personnel



Male Female

Gender split across groups shown as number of persons and %.

Success, for us, means looking at our team and portfolio, knowing that we invested in the best people.

Diversity, Equality and Inclusion

We are committed to equal opportunities for everyone throughout recruitment, selection and career development. In accordance with our DEI Recruitment Policy released in August 2021, all applicants are treated equally regardless of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation.

This year, we established a Group-wide DEI & Equal Opportunities Policy which outlines our commitment to fostering, cultivating, and preserving a culture of DEI throughout the business on a Group-wide basis.

Diversity VC Standard

This year, Molten participated in the Diversity VC Standard assessment and in February 2022 was awarded a level 1 certification. The standard sets a benchmark for best practice on diversity and inclusion within venture capital and demonstrates our commitment to DEI in recruiting, internal culture, dealflow sources and portfolio guidance.

Investing in Women Code

In February 2022, Molten was proud to become signatories to the Investing in Women Code which is the UK Government's initiative supported by the BVCA and the British Business Bank. By participating as signatories, Molten confirmed its commitment to support the advancement of female entrepreneurship in the UK and to work with co-signatories to gather and share annual D&I data about our own operations and the pipeline of deals that we see.

Mental health and wellbeing

Molten has a number of measures in place to support the mental health and wellbeing of staff and to ensure that they feel safe, healthy and included in the performance of their role. These include:

- The Perkbox app offers free online workouts and wellness classes and is available to all employees
- All staff have discounted access to Nuffield Health Fitness & Wellbeing Gym to encourage good physical health
- A flexible working policy is in place to permit and encourage employees to work where and when they prefer with regard to their own personal needs
- Organisation of monthly social events to encourage relationship building in an informal environment away from the office
- Conducted a Work/Life Balance survey during the period across all employees to gather a better understanding of the challenges our staff face in finding this balance and how we can reduce these
- Establishment of a Board employee engagement programme, led by Non-Executive Director Richard Pelly allowing staff to disclose feedback and opinions to the Board
- Private health insurance and private medical healthcare for all staff, including on-demand access to GPs and counsellors
- Enhanced maternity, paternity, adoption and shared parental leave policies

Learning and development

We have introduced employee coaching through the CoachHub platform to improve individual performance, develop high potential team members and offer both individual and organisational development opportunities. More information about CoachHub can be found on page 33.

Regular performance reviews aligned with career development are conducted for all permanent employees. SMART targets are set and tracked within our HR portal with appraisals occurring immediately after year end.

During the year, mandatory compliance training was conducted for all employees (including the Executive Directors), on topics including: anti-bribery and corruption, anti-money laundering, data protection and cyber security, Senior Managers and Certification Regime and anti-modern slavery.

Additionally, 38 employees attended an unconscious bias training session led by Reboot, a smaller engagement session was delivered to our ESG Working Group on implementing DEI into our culture through best practice guidance, and ESG training was provided to the Investment Team, further details of which are set out on page 53.

During the year, all permanent employees received at least 1 training day.

Charitable endeavours

Molten believes that giving back to the community is a key aspect of our social responsibility.

In August 2021, an application was submitted to the UK Charity Commission to establish a charitable incorporation, the Esprit Foundation, to enable further engagement work with the wider community in which Molten operates and support a range of charitable social initiatives. This was approved by the Charity Commission in March 2022. The Foundation will be independent of the Company and will focus predominantly on grant-making to charitable purposes including the advancement of education for the public benefit (especially for under 30s) for the use and application of technology and business and entrepreneurship.

The Company has agreed to match funding raised for the Foundation up to an amount of £150,000 per year.

All employees are entitled to take up to five paid days per year to undertake charitable activities of their choice and in the year ahead we are looking to build partnerships with local schools and charities to promote employee engagement in the form of volunteer days and school visits. The first of these days has been organised for post year-end and is a volunteer day led by The Royal Parks Trust where members of the Molten team will be working to support and maintain the wildlife at Regent's Park through planting new bulbs, removing invasive species and building shelters to protect the park's endangered species.

COACHHUB ▼
Employees have had the opportunity to use portfolio company, CoachHub's, platform

Governance

Molten Ventures strongly believes that conducting business in an honest, ethical, socially responsible manner supports the creation of long-term, sustainable value for our Shareholders and wider stakeholders, and the development of a better society for all.

Responsibility for governance

Good corporate governance is fundamental to Molten; our portfolio companies; and the way we conduct business.

Governance begins with the Board, but responsibility permeates throughout the whole Group reinforced by strong internal processes and regular training for all employees (including the Executive Directors) as more particularly set out on page 65.

Policies, procedures, systems and controls

This year, we publicly disclosed a summary document of all internal policies, procedures, systems and controls which can be found on our website across the following seven broad categories:

Category	No. of documents*
Governance & ESG	24
Compliance	39
Human Resources	26
Data Protection	19
IT and Cyber	08
Finance	17
Reports and Disclosures	10

* As at 31 March 2022.

UK Corporate Governance Code

Following the Company's move up from AIM to the Main Market of the London Stock Exchange in July 2021, Molten subscribes to the principles set out in the UK Corporate Governance Code. These principles set out standards of good practice around board composition and development, remuneration, shareholder relations, accountability and audit.

In line with the UK Corporate Governance Code, we have appointed a Designated Non-Executive Director to lead our employee engagement programme and improve Board stakeholder engagement.

Health and safety

All staff share responsibility for achieving safe working conditions through adherence to the Group's robust health and safety measures, both in the workplace and any homeworking environment. The Office Manager has overall responsibility for the implementation, operation and periodic review and update of the Group's health and safety policies and procedures to ensure that they continue to fulfil the key function they are designed for. During the period, no injuries, occupational diseases nor work-related fatalities have been reported. Currently, we have not introduced quantitative metrics, targets or an implementation timeline concerning our health and safety operations or reduction efforts, however this position is kept under review.

IT security, cyber resilience and data protection

Data protection and cyber security is considered one of the principal risks to the business and is therefore a Board-level concern and a standing agenda item at all formal meetings of the Board. The Group has a range of privacy, IT and cyber security policies and procedures in place which collectively set out the Group's commitment to these areas, and establish employee responsibilities and the process for risk identification. A summary of a number of the policies can be found on our website.

Data protection and cyber security are included as part of the Group's annual training programme, which was this year further enhanced by the introduction of ongoing staff phishing and cyber awareness training. We also introduced the implementation of an outsourced 24/7 Security Operations Centre, which actively monitors staff laptops and Office 365 and upgraded our anti-virus system and wider cyber resilience. The Company's cyber and IT resilience is being further bolstered by the addition of an outsourced fractional CIO function beginning in March 2022.

Our Business Continuity and Disaster Recovery Plan is key in identifying and addressing data security risks and providing the means of avoiding and recovering any cyber-related disaster events. As per our Internal Data Breach Register, no Molten data security breaches have been reported during the period. Additionally, no information security breaches have been experienced by Molten in the last three years.

Molten

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