Molten Ventures plc Sustainability Report

REGISTRATION NUMBER: 09799594

Molten

Make More Possible

Contents

Welcome to our Sustainability Report for FY24

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 values and environmental, social and governance (ESG) considerations in developing best-in-class technology companies.

ESG at Molten in numbers

This year...

95%
of portfolio companies have completed our ESG Framework for at least one iteration

75%
of portfolio companies have had at least one 1:1 ESG engagement with our ESG Lead

39%
female representation across the Molten team

18
languages are spoken among FTEs who reported data

48%
of portfolio companies measure their full carbon footprint

64
portfolio companies mapped to at least one UN SDG

94%
of our employees* completed Bullying and Harassment training

201 tco_2e
offset which represents 100% of our Scope 1 and 2 and select Scope 3 emissions for calendar year 2023

*100% of full-time employees completed the training post period end (excluding those on parental leave).

Our sustainable approach

Our sustainability principles

Innovation & Ambition:
A model to do things differently and better. We help our entrepreneurs to change the world with our depth of experience, expertise and drive.

Honesty & Integrity:
Trust is built on doing the right thing for the right reasons. We act with integrity and give it straight, even when it isn't easy to hear.

Inclusivity & Diversity:
We embrace our differences to build a better, fairer future for all. We seek the brightest and the best, regardless of race, nationality, ethnic origin, religion, gender, sexual orientation, age, or disability.

Collaboration & Community:
We're a team of teams working with our community and stakeholders to get the best results and inspire the next generation of entrepreneurs. It's always a group effort.

Long-term & Accountability:
The long-term future requires action and accountability now. Our evergreen outlook allows us to see the bigger picture. Our governance structures keep us aligned and accountable to our long-term values and goals.

Our approach to responsible investment

As responsible investors, we are committed to developing best-in-class technology companies which are grounded in ESG principles and practices and believe that our greatest influence as an investor is to educate, upskill and engage with our portfolio companies to ensure they are able to realise ESG commercial opportunities and mitigate against ESG-related risks. Our ESG Policy (available on our website) sets out how we aim to achieve this by actively engaging with companies from deal sourcing through to ongoing monitoring and support during the lifetime of our holding period. As signatories to the Principles for Responsible Investment (PRI), we understand our role in the fostering of good governance, integrity and accountability to help ensure the development of an economically efficient and sustainable global financial system.

Our ESG responsibility as a VC

We recognise the central role that venture capital plays in building the tools to facilitate a transition to a low carbon economy, create equal opportunities for all, and in the development of a fairer, more resilient society. We have the unique opportunity to invest in companies pioneering innovative technologies, services and products which not only have a positive impact on the world, but also deliver sustainable, long-term growth for investors. At Molten, we actively encourage the realisation of business-specific ESG opportunities throughout the life of the investments that we make and look to see year-on-year improvement of our sustainability performance at a corporate and portfolio level.

Forward Partners Acquisition
Please note that the Forward Partners portfolio which Molten acquired in March 2024 has been excluded from our analysis having regard to the proximity of this acquisition to FY24 year-end and our resulting inability to meaningfully engage with these companies during such a short period.

Looking ahead, in light of the meaningful expansion of our portfolio following this acquisition, as well as the broader need for bespoke tailoring of our approach, we have developed a materiality threshold for future ESG engagement with our portfolio. Our threshold includes materiality considerations relevant to the size, sector and relative value of the businesses in the context of our wider portfolio, as well as contemplation of our level of influence.

Activities in the year

Sustainability at Molten Ventures

At Molten, our corporate purpose is to advance society through technological innovation; by identifying and empowering the best innovators and providing them with the tools they need to transform the way the world works.

As responsible investors, we have a unique position to fund and champion innovative technology companies with strong ESG credentials and integrate ESG across all facets of the business, including our investment strategy, which aligns with our corporate purpose, alongside generating stronger returns for our investors. By actively supporting and nurturing companies in their ESG efforts we aim to realise opportunities, mitigate risks, enhance operational efficiency and drive long-term value creation.

The flow diagram below provides an overview of our sustainability highlights throughout the year including action we have taken both at a corporate level and portfolio level.

May 2023

- Programme launched by Molten and Oliva (employee mental health platform and portfolio company) providing Molten sponsored mental health and wellbeing support to all directly held investments founding teams.

Jun 2023

- Participation in the BVCA's High Growth conference as part of a panel considering the topic of *Growth in the age of ESG; what's changing?*
- Formal launch of the Esprit Foundation (read more on page 23).
- Offset 177 tCO_2e attributed to Molten's CY22 Scope 1, 2 and select Scope 3 emissions through UK-based peatland restoration and tree planting projects with IUCN and VCS accreditations.

Jul 2023

- Second full Climate Change questionnaire was submitted to CDP.
- 13 members of the Molten team participated in the J.P. Morgan Corporate Challenge, which supports the charity Centrepoint.

Aug 2023

- Appointed to the judging panel of the BVCA Excellence in ESG Awards and contributed to the BVCA ESG publication of *The unique challenges of applying ESG in Venture Capital.*
- Lara Naqushbandi appointed as new independent Non-Executive Director.

Sep 2023

- Reported to the UN Principles for Responsible Investment (PRI) for the second time.
- Delivered a panel presentation at ESG_VC's The Road Ahead event hosted at Mansion House on the topic of *Empowering ESG Best Practices in the Portfolio.*
- Investment Team participation in a mentoring masterclass hosted by law firm Travers Smith and Foundervine to under-represented entrepreneurs on *Pitching for Investment*
- Saif Hameed, founder of portfolio company Altruistiq (carbon management platform) delivered an ESG training session for the Molten team.

Oct 2023

- Oliva (employee mental health platform and portfolio company) offered to 100% of Molten FTEs for 1:1 therapy and coaching, group workshops, personalised self-guided content and exclusive talks.

Nov 2023

- Delivered a panel presentation at St. Jame's Place's ESG event on the topic of *ESG Best Practice.*
- Molten joined the ESG_VC Steering Group for more active participation in the VC community.

Dec 2023

- Became a member of the VentureESG community for greater involvement within the VC community and understanding of best practice.

Jan 2024

- Reported second iteration of data as signatory to the Investing in Women Code (read more on page 21).
- Recognised as a Sustainalytics 2023 Top-Rated Company at industry and regional level.
- Provided feedback for the CGI's development of template terms of reference for ESG and Sustainability Committees.

Feb 2024

- Company-wide compliance training was delivered with third-party compliance consultants, IQEQ.
- Participated in the industry-wide ESG data gathering exercise led by ESG_VC and the BVCA in order to report on industry trends in aggregated portfolio performance in ESG.

Mar 2024

- Educational climate workshops hosted by Molten and Accenture (appointed sustainability advisors) with four portfolio companies identified as suitable for material climate engagement (read more on page 13).
- Delivered a panel presentation at Hello Tomorrow's event on the topic of *The importance of diversity and emerging funds in deep tech innovation.*

Sustainability overview

Progressing our ESG journey

Throughout the year, we have maintained momentum in our ESG roadmap, evident both at a corporate level and across our portfolio. Our corporate purpose, to advance society through technological innovation, provides strategic direction for our long-term goals and empowers us to continually develop our ESG agenda towards tangible, positive change.

As a thought leader in this space, navigating the landscape of ESG metrics and success measurement is an ongoing learning process for Molten and we remain dedicated to refining our approach to ESG performance monitoring.

FY24 ESG KPIs

Our ESG KPIs make up 10% of bonus entitlement for all staff and Executive Directors (see further details on pages 91 and 92 of our Annual Report).

We have made significant progress at an operational level which is demonstrated by Molten's strong performance against our FY24 ESG KPIs, which were designed to be suitably ambitious, measurable and strategically impactful as an evolution of the ESG KPIs delivered in previous financial years. This year, five of the seven ESG KPIs have been achieved in full, demonstrating our commitment to positive growth in ESG, including in climate literacy across our portfolio and within Molten's investment processes.

FY25 ESG KPIs

The FY25 ESG KPIs make up 10% of bonus entitlement for all staff and Executive Directors (see pages 91 and 92 of our Annual Report). These KPIs have been developed as part of the evolution of our Sustainability Strategy towards longer-term, strategic, quantitative and holistic target setting aligned to our wider approach to ESG; and our Climate Strategy.

1. Discussion of ESG opportunities and risks in at least one Board meeting during FY25 across 75%+ of In-Scope Portfolio Companies*.
2. All voting IC members to engage with one In-Scope Portfolio Company* to (i) conduct an ESG performance deep-dive, and (ii) perform a formal evaluation of Board effectiveness.
3. Engage with 75%+ of key recurring suppliers to assess climate maturity and alignment to the Net Zero transition.
4. Improve portfolio climate literacy and alignment to Net Zero through targeted engagement with five mature In-Scope Portfolio Companies*.

* "In-Scope Portfolio Companies" means directly held portfolio companies on which Molten Ventures plc holds a Board seat and which represents not less than £3 million of NAV to the Company as at 1 April 2024 (c.74% by value of the directly held portfolio as at 1 April 2024).

Key: Fully achieved | Partially achieved

		FY24 ESG KPIs	Completion update	Status
Portfolio level	Demonstrate the value of strong ESG performance at both the fund and portfolio level to help ensure ESG is fully supported by key internal stakeholders.	Demonstrate engagement with 75%+ directly held portfolio companies (held throughout the period) at Molten's internal February 2024 Portfolio Strategy Day through the identification of at least one component aspect of ESG with each portfolio company that is understood to present an actionable commercial opportunity to help build business and accrue value in support of wider corporate targets.	ESG-related commercial opportunities specific to individual portfolio companies have been identified and detailed by investment managers in the February 2024 Portfolio Strategy Day for 78% of directly held investments.	Fully achieved
		Inclusion of an ESG agenda item and evidence of a material discussion of ESG topics in at least one Board meeting during FY24 across 75%+ of directly held portfolio companies (held throughout the period) in which Molten has an appointed Director.	ESG has been included in at least one Board meeting during FY24 for 72% of directly held portfolio companies.	Partially achieved
		Deliver improved aggregated portfolio ESG performance across directly held portfolio companies for which an ESG Framework assessment was carried out in FY22 and use data outputs to establish key champion areas that will be communicated to portfolio management teams at an annual ESG engagement and training event.	This event took place in December 2023 for members of the Investment and Executive Teams and explored ESG performance across the portfolio.	Fully achieved
Plc level	Effectively embed Molten's corporate purpose and Climate Strategy on a Company-wide level to ensure holistic understanding of their synergies and strategic direction.	All new investment opportunities assessed for alignment with our corporate purpose and Climate Strategy as part of the new investment case brought to Investment Committee.	This assessment for alignment has been carried out by investment managers for 70% of new investments brought to IC during the FY24 period.	Partially achieved
		All core portfolio companies assessed on their alignment to our corporate purpose and Climate Strategy.	This assessment has been completed for all core portfolio companies (composition of core portfolio as at 31 March 2024).	Fully achieved
Climate Strategy	Implement our Climate Strategy and take action both internally and across the portfolio to drive carbon reduction through education and opportunity realisation.	Introduce internal carbon reduction initiatives targeting the reduction in our Scopes 1, 2 and/or 3 (categories 1–14) carbon emissions.	Novel carbon reduction initiatives introduced throughout the period focus on sourcing and disposal of capital goods and business travel. These have been captured in a formal Sustainable Procurement Policy.	Fully achieved
		Identify any material "carbon intensity hotspots" within all of our directly held portfolio, and positively engage with 75%+ of the relevant management teams or appropriate dedicated personnel in those identified, to support them in their assessment/understanding of their carbon emissions and reduction pathway.	Engagements have taken place with 80% of identified portfolio companies through in-depth educational workshops with climate consultants Accenture.	Fully achieved

ESG Committee Report

“We believe that besides investing in Climate Tech companies, our most effective role as an investor is one of upskilling and building literacy around ESG matters.”

Gervaise Slowey
Chair of the ESG Committee

On behalf of the Board, I am pleased to present the report of the ESG Committee (the "Committee") for the year ended 31 March 2024.

I have been encouraged and impressed by the ongoing commitment of management and staff to the continued integration of ESG considerations across the business. This has been particularly evident at an investment committee level in the decision-making process and also in meaningful engagements with portfolio companies where we believe that besides investing in Climate Tech companies, our most effective role as an investor is one of upskilling and building literacy around ESG matters through the provision of tools, resources and climate risk and opportunity analysis.

Over the past number of years, the Company has evolved to become a recognised industry leader in the field of ESG within the venture capital ecosystem. An example of this is our tied first place as a Top VC Performer in ITPEnergised and Orbis Advisory ESG Transparency Index in 2022. It is my pleasure to introduce our inaugural Molten Ventures' Sustainability Report, which has been published online today alongside our annual results, a copy of which can be found at investors.moltenventures.com/sustainability.

Our Sustainability Report sets out the Group and Portfolio's sustainability achievements, together with our third voluntary TCFD Report, and an update on the Company's performance against our published Climate Strategy. The Board's decision to issue a standalone Sustainability Report – outside of the Company's Annual Report – at the recommendation of the Committee, represents a "threshold moment" in the execution of our ESG roadmap, and is reflective of the expanded scope of both the Company's activities in this area, and its related reporting obligations. We believe that this is the most appropriate way to communicate our ESG activities in line with many other UK listed companies, who are also adopting this approach. All sustainability-oriented mandatory disclosures have been retained, and can be found on pages 46 to 55.

Progress at an operational level is best illustrated by the strong performance of the Company against the FY24 ESG KPIs – which were designed to be suitably ambitious, measurable and strategically impactful, and an evolution of the ESG KPIs delivered in previous financial years. I am pleased to report that five of the seven FY24 ESG KPIs have been achieved in full, demonstrating our commitment to delivering on our ESG priorities, which includes climate literacy across our portfolio, and within Molten's investment processes. The achievement of these objectives has seen material ESG discussions at the boards of our investee companies, further improvement in aggregated portfolio ESG performance and additional assessments of companies against our corporate purpose and Climate Strategy. Our Climate Strategy KPIs were met through the introduction of new carbon-reduction initiatives across the Company, including a Sustainable Procurement Policy, and engaging with portfolio companies that were identified as suitably mature for the incorporation of climate action.

While we did not reach the 100% completion required on two of the KPIs, considerable progress has been made and these will continue to be ongoing objectives for the Company. The Sustainability section of the Strategic Report provides a more detailed explanation of the main activities, which contributed to KPI performance and effected bonus outcomes, and which is included in the Remuneration Report.

Looking ahead to FY25, the Committee has decided to streamline the ESG KPIs to four ambitious objectives, driving a multi-disciplinary focus that demonstrates the value of strong ESG performance at a portfolio level, while implementing our Climate Strategy through engagement and education as we support the transition to Net Zero. The Committee also recommended the inclusion of an overarching culture-related KPI in the strategic projects category of the Company's FY25 KPIs. This KPI could have been retained as an ESG KPI under its social remit, and the role that the ESG Working Group will play in its implementation and success. However, given the strategic nature of Culture, as distinct and separate from ESG (as recognised by the UK Corporate Governance Code) and the all-employee effort required – the Remuneration Committee considered it more appropriate as a strategy-linked KPI. In my additional role as the designated Non-Executive Director for employee engagement, I look forward to seeing the progress made in the financial year ahead, as Molten further embeds its corporate purpose and values across all levels of the Company.

This year has seen further development of the ESG expertise and capabilities of the Board at Molten, through the addition of fellow independent Non-Executive Director Lara Naqushbandi to the Committee's membership, and in the evolving sustainability-oriented activities and processes at an operational level within the business. Lara's career to date has included finance and sustainability roles at several blue-chip companies, and she is currently the CEO of ETFuels Limited, a green fuels company focused on decarbonisation of hard-to-abate industries. Since joining the Committee in November 2023, Lara has brought impressive insight and industry experience to the activities and strategic direction of the Committee, and she has my gratitude for the considerable positive impact already made since her arrival.

It has been encouraging to see the thought leadership emerging from the Corporate Governance Institute in developing template terms of reference for ESG and Sustainability Committees (at the request of the Financial Reporting Council), which the Company participated in. As well as this, FY24 saw the inaugural publication of the Sustainability Committee's: Structure and Practices Report, which focuses on the key developments and likely trajectory of this increasingly common component of governance in UK Plcs. The report was helpful in providing ideas on how to continue improving the discourse at Committee meetings, as well as helping to further define an appropriate remit at Molten; the interdependence with other Committees; the ESG Working Group and the Board. We will report on any changes implemented in my report next year.

I welcome any input or feedback on the work of the ESG Committee from our Shareholders and can be contacted by email: esg@molten.vc.

Gervaise Slowey
Chair of the ESG Committee

11 June 2024

Our ESG policy in action

Our corporate purpose is to advance society through technological innovation, to invent a future that is sustainable, fair and accessible to all.

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

External engagement and benchmarking

At Molten we recognise the importance of demonstrating our commitment to ESG and responsible investment by actively engaging with external standards and frameworks on a voluntary basis. Our aim is to continue to gather longitudinal data to establish a foundation for tracking and reporting progress over time.

UN Sustainable Development Goals (UN SDGs)

We assess our entire portfolio against the UN SDGs and evaluate their alignment with specific targets and indicators as identified as part of our due diligence process. Read more on page 18.

Principles for Responsible Investment (PRI)

As signatories to the UN PRI we report annually to demonstrate our recognition of the role we play and responsibilities we hold in building a more sustainable financial system.

Investing in Women Code

As signatories to the Investing in Women Code we highlight our commitment to female empowerment by working to improve female entrepreneurs' access to tools, resources and finance. Read more on page 21.

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

We are supporters of the TCFD and report annually to improve our understanding and management of the risks and opportunities presented by climate change, climate-related policy and emerging technologies. Read our TCFD Report on pages 6 to 11.

Streamlined Energy and Carbon Reporting (SECR)

We report against the SECR, indicating our dedication to reducing our carbon emissions year on year through the implementation of energy efficiency measures. Read our SECR Report on page 19.

Climate Disclosure Project (CDP)

We report against the CDP Climate Change questionnaire to disclose our greenhouse gas emissions and other voluntary metrics in order to build transparency around our environmental impact.

ESG_VC

Molten sits on the Steering Group of ESG_VC which is a community-led organisation of funds and industry bodies designed to support early-stage companies and their investors to understand, measure and improve their ESG performance.

VentureESG

We are a member of VentureESG, which is a community-based non-profit organisation from VCs for VCs to support the ecosystem with meaningful ESG integration.

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

Our approach to identifying and managing climate-related risks and realising climate-related opportunities is guided by the recommendations of the TCFD, which allows us to assess and mitigate the growing impact of climate change on Molten Ventures and our portfolio.

Last year, the focus of our TCFD implementation was on the enhancement of our risk impact assessment and categorisation through the identification of five impact channels that could materially influence the fair value of the portfolio. We also expanded our climate scenario analysis to include an additional scenario and improved the granularity of our portfolio-focused analysis of climate risks and opportunities.

This year, our focus has been on engaging with our portfolio companies with the aim of assessing and enhancing their understanding and capacity for climate risk and opportunity management. This engagement adopted the following approach:

01

Portfolio company selection

We selected portfolio companies for engagement using our NZIF:PE and SBTi:PE aligned methodology (outlined on page 12 of our Climate Strategy) to ensure collaboration with suitably mature companies that are appropriate for climate-related engagement based on their materiality to Molten's financed emissions.

02

Climate action exploration

Initial assessments and workshops explored the identified portfolio companies' ambitions, capabilities and confidence in integrating climate considerations into their business activities, as well as topics that they had indicated would be valuable for consultation support on.

03

Climate capacity enhancement

For each identified portfolio company, we provided bespoke training, resources and tools to support their ability to realise opportunities for meaningful integration of climate considerations into their decision making framework and to demonstrate climate action.

In the coming years, as guidance continues to mature for the VC industry, we will seek to further develop our analysis and understanding of the quantification of financial impacts of climate change on our business and our investments.

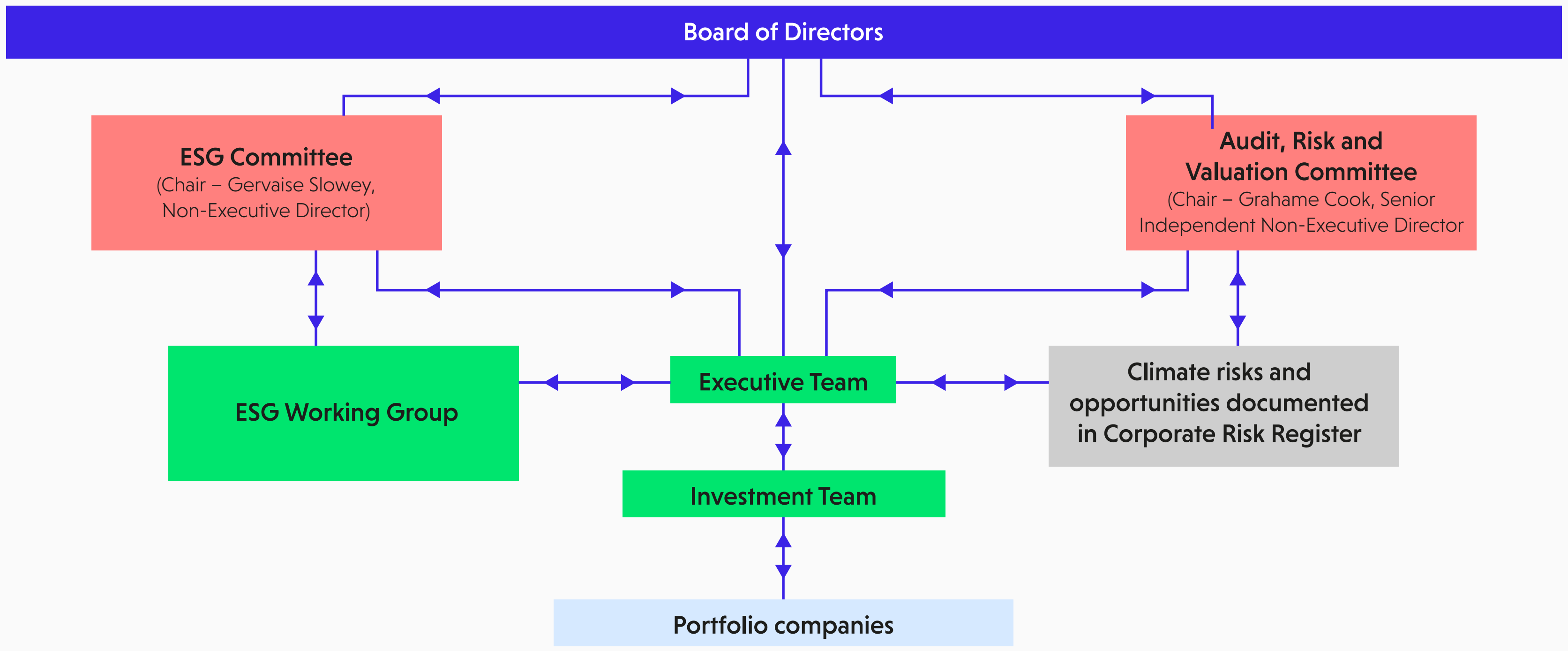
This year, although not mandatory at the time of this report's publication, we have begun to incorporate elements of the IFRS' accounting standards S1 and S2[1] into our disclosure, where supplementary to the TCFD guidance. Wherever possible, we aspire to continue to align our disclosures with the most up-to-date reporting requirements in order that we are suitably prepared for when these become mandatory requirements for Molten Ventures.

[1] In June 2023, the ISSB issued IFRS S2 Climate-related Disclosures. The requirements in IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB) integrate, and are consistent with, the four core recommendations and 11 recommended disclosures published by the Task Force on Climate-related Financial Disclosures (TCFD). Areas where IFRS S2 differ from the TCFD recommendations reflect differences between IFRS S2 and the TCFD's guidance, not the TCFD's core recommendations or recommended disclosures.

Governance

In accordance with the TCFD recommendations and supplementary guidance for the financial sector, this section describes Molten's governance structure as it relates to climate-related risks and opportunities.

Climate risk and opportunity management



Board oversight

We take a top-down approach to the governance and management of climate change, with the Board of Directors holding ultimate oversight. Board members with relevant expertise are Gervaise Slowey, who has completed the Sustainability Leadership Programme at the University of Cambridge, and newly appointed independent Non-Executive Director Lara Naqushbandi who has a background in operational sustainability and is the current Founder and CEO of ETFuels Limited, a green fuels company focused on decarbonisation of hard-to-abate industries and prior experience as an investor at Climate Change Capital.

Climate change is recognised as one of the Company's principal business risks, this is integrated into our existing risk management process (please see page 58 of the FY24 Annual Report).

Our ESG Committee of the Board was formed in March 2022 and is chaired by Gervaise Slowey. This Committee has delegated authority from the Board to ensure that the Company has in force and maintains a Group Responsible Investment & Sustainability Policy (and associated strategy) that remains fit for purpose, with a remit to monitor, review and challenge progress against our climate targets; and to oversee and support the work of the multi-disciplinary ESG Working Group.

The Committee meets no fewer than four times a year, and reports to the Board on its activities. In FY24, five ESG Committee meetings took place.

Management approach

Company level

The ESG Committee and the Company's multi-disciplinary ESG Working Group are accountable for the assessment and operational management of climate-related risks and opportunities within the business and the portfolio.

ESG (including climate, and climate reporting), is a standing item on the Board agenda and each of the management boards of the Group's regulated fund managers. Principal climate risks are documented in the Corporate Risk Register (see page 62 of the FY24 Annual Report), which the Executive, Legal and Compliance Teams review regularly 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.

Portfolio level

Members of our Investment Team are appointed Board Directors on 84% of directly held investments' Boards, which allows for targeted engagement and active participation in our portfolio companies' climate action. In FY24, one ESG KPI required the material discussion of ESG topics (including climate) in at least one Board meeting during the period, which was achieved for 72% of companies on which Molten had an appointed Director.

This year, we have seen an increase in the number of portfolio companies hiring a dedicated climate or sustainability professional or setting up an ESG Working Group or taskforce with Molten's support and guidance to help improve the governance of ESG within those businesses. We ensure that our investment managers are closely acquainted with the near-term objectives of the sustainability leads within portfolio companies, and in this vein, are providing ESG training to the Investment Team in FY25 to support them in using their role on Boards to drive positive ESG engagement that adds value and creates opportunities.

George Chalmers, our Head of Climate, oversees the application of our existing Climate Tech investment thesis. Across the Molten Group, follow-on investments were made in two existing Climate Tech companies, SatVu and Altruistiq in FY24 and post-period end respectively, and we also plan to close two new climate investments in early FY25.

Climate Strategy

Since Q1 2023, Molten has been working with external sustainability consultants, Accenture, to continue developing our Climate Strategy, which encompasses our operational targets; portfolio and supplier engagement targets; and our strategy for climate risk mitigation and transition adaptation.

This year, we have focused on designing and executing our engagement strategy with our portfolio. One objective of this engagement is the informal assessment and enhancement of portfolio companies' understanding and capacity for climate risk and opportunity management. Our Climate Strategy is explored in more detail below and can be found in full on pages 12 to 14.

The support offered to each portfolio company in the programme was tailored to their level of climate maturity. Given the typical size of these companies, analysis of their climate-related risks and opportunities is in early stages of development. We believe that our most effective role as an investor is one of upskilling and building literacy around climate risk and providing climate opportunity analysis. The portfolio companies engaged with are not yet at a stage where they are able to share climate risk and opportunity data nor metrics.

Through this engagement and future engagements, Molten aims to establish more frequent sharing of qualitative information on climate-related risks and opportunities across our portfolio. Subsequently and once available, Molten will be in a better position to incorporate company specific, quantitative data into our own risk management processes.

Strategy

This section describes the known current and potential future impacts of climate-related risks and opportunities on Molten's business, strategy and financial planning.

Our methodology for identifying climate-related risks and opportunities remains unchanged from last year, with a particular focus on the fair value of our portfolio.

Definition	FY22	Adjusted for FY23 onwards
Short term	0–5 years	0–2 years
Short–medium term	5–10 years	2–5 years
Medium–long term	10–20 years	5–15 years
Long term	20+ years	15+ years

We have identified defined timeframes to prioritise action in line with our typical business planning cycles in order that necessary mitigation measures are actioned in advance of 2030 – a key global milestone for decarbonisation.

We have categorised identified risks and opportunities into five impact channels that could materially influence the fair value of the portfolio (£1.314 million as at 31 March 2024, excluding the Forward Partners investment portfolio), each of which is detailed below and explored further on pages 9 to 11.

Materiality has been informed by the existing risk management framework used within the Corporate Risk Register, and assessment of material business risks more widely. Next year, we intend to further refine our materiality thresholds to be more sensitive to the potential magnitude of individual impact channels. These refinements will take into account the significant changes to the composition and fair value of our portfolio as a result of the acquisition Forward Partners and their investment portfolio.

Climate risks and opportunities identified

Impact channel	Type	Description	
Changes in demand	Risk 1	Demand destruction	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
	Opp 1	Demand creation	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"
	Opp 2		Enhanced government innovation funding for low carbon projects and technologies will lower the cost of innovation and improve portfolio companies' success
Changes in price of energy	Risk 2	Cost of energy and carbon pricing	Government intervention in carbon pricing resulting in higher power prices may increase operating costs
	Risk 3		Market conditions may cause increased energy and operating costs
	Opp 3	Energy 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 and our portfolio companies
	Opp 4		Development of our Climate Tech thesis 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
Changes in physical weather events/ patterns	Risk 4	Increasing costs due to extreme weather	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
	Risk 5		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
Changes in stakeholder expectation	Risk 6	Reputational damage limiting access to capital	Changing stakeholder expectations with consumers, portfolio companies and investors increasingly making decisions based on carbon performance and climate resilience
	Opp 5	Access to green linked capital	Engagement in commitments to improve our climate resilience and reduce our carbon emissions may lead to increased access to private sector funding.
Changes in technology	Risk 7	Cost to transition to new tech	Additional cost to transition to lower emissions technologies
	Opp 6	Technological climate solutions	Portfolio companies focused on developing technology-based climate solutions critical to the Net Zero Transition and detection and management of extreme weather events will be likely to benefit from a rapidly expanding market

Our assessment of risks and opportunities and supporting climate scenario analysis focus primarily on our portfolio as the area with the greatest material exposure to climate risk and opportunity. Risks identified at a corporate level, such as an increase in mandatory reporting requirements, are outlined within our Principal Risks on pages 59 to 65 of our FY24 Annual Report. Molten's own corporate footprint and exposure to climate-related risk is relatively limited, key figures around this are highlighted below.

100%
renewably sourced electricity in our London office

52%
waste recycled, compared to 44% last year and zero waste to landfill

73%
of employees commute by public transport

16%
of employees either walk or cycle to work

TCFD Report continued

Financial planning

Our qualitative analysis has highlighted a range of potential financial impacts associated with mitigating and adapting to an uncertain climate future. These include the cost (in time and money) of implementing a Climate Strategy and complying with carbon-related regulations as well as potential positive and negative impacts on our portfolio valuations.

Though the level of measurement variation is currently too high to meaningfully quantify the financial impact of climate-related risk on our total portfolio value, we recognise this should not delay our strategic planning to capitalise on the climate-related opportunity. This year, we have continued to explore Climate Tech as a key investment area and will continue to do so through the year ahead, with plans to close two new climate investments in early FY25.

There are also costs associated with supporting our portfolio in the development of their own carbon management and climate strategies. In FY24, we invested in our portfolio engagement workstream with the support of external sustainability professionals, Accenture, and also provided financial support to new investments towards their carbon accounting.

We intend to begin quantitative analysis on certain aspects of our portfolio in future years to further integrate climate change into our financial planning.

Scenario analysis

Our climate scenario analysis was carried out in FY23 and includes three climate scenarios (Orderly Transition, Disorderly Transition and Hot House) in line with FCA requirements. We utilise trends and data from both IEA and NGFS climate scenarios, which are rooted in IPCC pathways, to ensure relevance for Molten and our portfolio companies. By embracing both frameworks, we enable a more fluid analysis of climate risk, which integrates insights and updates from multiple sources.

Climate scenarios

Our chosen climate scenarios are as follows:

Orderly

NGFS Net Zero 2050/IEA Sustainable development (1.5°C / <2°C)

Immediate introduction of stringent climate policies and ambitious innovation to limit global warming to 1.5°C by reaching Net Zero emissions by mid-century.

Disorderly

NGFS Delayed Transition (+2°C), new scenario

Global emissions to not decrease until 2030, when strong policies are adopted to limit warming to well below 2°C and make up for lost time, leading to higher transition risks.

Hot House

NGFS Current Policies/IEA Stated Policies (+3°C)

Limited action on climate change leads to significant global warming and greatly increased exposure to physical risks.

Risk management

This section describes how Molten identifies, assesses and manages climate-related risks.

Identification and assessment

Our risk identification and assessment took place in workshops facilitated by external sustainability professionals in FY23 with a sub-committee of the ESG Working Group. Consistent with our Corporate Risk Register, identified risks are scored based on their impact and likelihood, both with and without mitigation. The residual risk scores (see table below) present 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.

Classification	Risk/opportunity score	Risk/opportunity assessment
Extreme	10–12	High risk/opportunity
High	6–9	Moderate risk/opportunity
Medium	3–5	Monitor for risk/opportunity
Low	1–2	Low risk/opportunity
Zero	0	No risk/opportunity

In line with the climate-related financial disclosure requirements, climate scenario analysis need only be updated every three years. We intend to take learnings from this year's engagement programme and incorporate them into a formalised scenario analysis refresh in FY25 – particularly once the recently acquired Forward Partners portfolio has been fully integrated into our analysis.

For more information on how this year's portfolio company engagement programme corroborated our prior year climate scenario analysis conclusions, please see below.

Management and integration

Specific mitigations and actions have been identified to assist Molten in managing risks and capitalising upon opportunities – please refer to the Risk and Opportunities tables on page 7. Mitigation actions are assigned to teams or individual owners and recorded in our Corporate Risk Register, which is presented at meetings of the Audit, Risk and Valuations Committee and to the Board at least annually.

This year, we increased our support offering and engagements with portfolio companies through our provision of tools, resources and best practice guidance and 1:1 meetings with Molten's internal ESG Lead. To date, 1:1 meetings have been held with 75% of directly held investments (up from 52% last year) for discussion of ESG and climate topics. In FY24, these have evolved into monthly meetings with five portfolio companies.

We also offer financial support to new portfolio companies towards the measurement, reduction and offsetting of their carbon footprint, in recognition of the fact that financial capability may be a barrier to these smaller stage investments beginning their carbon management strategies.

> "It is critical that all venture-backed companies understand how to manage climate-related risks and opportunities as they grow over time and mature into a dynamic economy in which climate and CO_2 emissions will play a greater role."

FAQs document, Venture Climate Alliance, April 2023

Metrics and targets

In this section, we set out the metrics and targets Molten uses to assess and manage relevant climate-related risks and opportunities.

Assessment – Scope 1, 2 and 3

Measuring our Scope 1, 2 and 3 GHG emissions remains a key focus area to enable us to better understand our environmental impact; our corporate and portfolio level exposure to transition risk; and in order to meet our Streamlined Energy and Carbon Reporting (SECR) obligations. Our Scope 1 and 2 emissions are minimal, reflective of the size (in headcount) and nature of the business of our Company, however, we remain committed to monitoring and reporting our full carbon footprint annually, using both intensity metrics and absolute values (see table on page 19).

We recognise the challenges and nuances associated with measuring Scope 3 emissions – particularly Purchased Goods and Services and Investments – and we are committed to the year-on-year refinement of our methodology by the most accurate means in accordance with the GHG Protocol Corporate Value Chain (Scope 3) and Accounting and Reporting Standard, using primary data wherever possible.

We have, for the second year, undertaken a verification exercise with an independent third party to help ensure the robustness of our GHG emissions calculations and associated methodology. We have been provided with limited assurance that our Scope 1, 2 and 3 (Category 15: Investments) emissions calculations are accurate, complete, consistent and free of material errors or omissions.

Climate risks and opportunities

As part of our alignment with the TCFD recommendations, in FY23 we completed a materiality assessment of climate-related financial risks and opportunities (categorised into impact channels) that are likely to impact the fair value of our portfolio.

Sector and sub-sector assumptions were applied to identify portfolio companies whose size and sector reflect a greater level of exposure to climate risk assessed by materiality to Molten indexed to our holding and level of influence in each investment. Analysis was carried out at an individual portfolio company level, paying particular attention to our core companies, given their higher fair value and increased materiality of risk to Molten. We also focused on our emerging companies given the forward-looking nature of our analysis.

All identified impact channels have been analysed against our three chosen climate scenarios on a qualitative basis as the level of measurement uncertainty is currently too high to accurately separate the financial impacts of individual climate risks and opportunities on the total portfolio value. In future years we aim to incorporate portfolio company-specific climate considerations into our investment strategy once the quality of data and measurement accuracy is sufficiently robust.

The following charts reflect the risks and opportunities identified through each impact channel across our four defined time horizons, split by climate scenario. We do not believe the risks and opportunities within the impact channels have changed materially within the last year and have used the learnings from our portfolio company engagements this year to corroborate prior year's findings. These engagements have further validated a number of our impact channel assessments and informed our understanding of certain climate risks through the engaged portfolio companies sharing their specific experiences. We intend to expand our engagement programme so both Molten and our portfolio companies can continue to gain a more granular understanding of the climate risks and opportunities faced.

We plan to refresh our analysis in FY25 once our newly acquired portfolio of Forward Partners investments has been fully embedded into our stable of companies.

Orderly – changes in demand, changes in energy price, changes in stakeholder expectations

An orderly climate transition is reflective of a Net Zero 2050 scenario where there is a smoother transition to a decarbonised economy; the associated opportunities to profit from changes in demand and stakeholder expectations; and the least disruption to weather conditions and energy prices.

Changes in demand

Shifting customer preferences towards sustainable products and services are driving demand changes. Portfolio companies will be impacted differently by changes in consumer demand, either positively or negatively, based on their sector of operation. Market diversification towards sustainability offers new opportunities for revenue, while businesses in carbon-intensive industries, such as cryptocurrency (by virtue of energy consumption in the volume of associated compute required) or fashion, face negative scrutiny.

In addition to sustainability-conscious products and services, demand risk is also influenced by brand perception as customer bases become increasingly attentive to a company's overall climate ambitions and efforts.

Orderly – Changes in demand, changes in energy price, changes in stakeholder expectations

Risk mitigation and opportunity realisation

To mitigate our exposure to industries impacted by decrease in demand as the economy transitions to Net Zero, all potential investments are formally screened against our Exclusion List, which contains assets operating in carbon-intensive industries such as fossil fuel mining. Further data is gathered via our ESG Framework during pre-investment due diligence, and all investment papers include a summary of companies' wider ESG credentials and alignment to our Climate Strategy. While the timeframe for this process varies on a case-by-case basis, the sequencing of each element is detailed on page 15.

As part of supporting our portfolio companies in capitalising on changes in climate driven demands, climate opportunity measurement was discussed in the majority of our engagement workshops. By way of example, Schüttflix explored the benefits of investing in the measurement of the carbon savings they afford to their customers in the construction industry through delivery route optimisation and promotion of the use of more sustainable materials.

During our portfolio engagements, we explored best practice with regards to current perception and market expectation of voluntary climate-related reporting. With Schüttflix, Thought Machine and ICEYE, we discussed the importance of rigorous GHG measurement and reporting, as well as the credibility associated with aligning targets with the Science-Based Target Initiative (SBTi). Similarly, with Form3, we discussed how to achieve best practice in disclosure to CDP, as well as the reputational opportunity of measuring the carbon savings of its customers. These engagements aim to put our portfolio companies in a more informed position to appropriately manage the impact of their public facing sustainability reporting and realise the associated opportunities.

TCFD Report continued

Orderly – changes in demand, changes in energy price, changes in stakeholder expectations (continued)

Changes in energy prices

In all future scenarios, the price of energy, and therefore carbon, is expected to become more volatile meaning that carbon intensive businesses will be more exposed to both increases in energy prices and future carbon taxes from government intervention. Risk will be more material to portfolio companies operating in energy intensive industries including aerospace, manufacturing and those with heavy reliance on data centres.

Companies improving energy efficiency will be able to cut costs and gain a competitive edge. SaaS businesses in particular could benefit significantly from close monitoring and management of energy use in either owned or leased data centres, as well as innovations in green coding which could reduce the reliance upon cloud services and therefore energy needs.

Risk mitigation and opportunity realisation

Our portfolio engagements outlined the use of climate targets as catalysts for energy efficiency and reduction measures. With both Thought Machine and Form3, we discussed the opportunities inherent to investing in energy saving measures for data centres, such as smart metering or efficient cooling systems. Through this engagement, we anticipate that both portfolio companies are better placed, and encouraged, to respond to the risk of changing energy prices, as well as capitalise on relevant opportunities.

In addition to the support offered through our climate engagements, our ESG Framework collects data on the implementation of energy-efficient measures in portfolio companies' buildings and offices to ensure that companies can be supported towards the adoption of green energy solutions wherever possible. We also offer financial support to new portfolio companies, which can be used towards the implementation of energy efficient methods or switch to a green electricity tariff.

Changes in stakeholder expectations

Changes in stakeholder expectations could lead to reputational damage in the event of inaction, particularly with increasing expectation for companies to demonstrate reputable climate commitment through robust carbon measurement, disclosure and target setting. The materiality of this risk to our portfolio will be primarily driven by the larger companies who are likely to face increased stakeholder pressure as they grow and potentially look to IPO, as well as companies operating within or connected to energy intensive, high-impact sectors.

Conversely, there is an opportunity through "clean growth" to allow companies to obtain funding from government-backed initiatives, for example at the end of 2023 the UK government distributed nearly £4 million in funding for green AI innovations, as part of the UK government's £1 billion Net Zero Innovation Portfolio.

Risk mitigation and opportunity realisation

Engagement with portfolio companies explored potential avenues for them to bolster their climate reputation and credentials, not least through consideration of alignment to the SBTi, robust reporting and subsequent disclosure through CDP, as well as adoption of the gold standard framework for climate transition plans established by the Transition Plan Taskforce (TPT). For example, we explored the reputational opportunities inherent to carrying out sustainability-focused behavioural campaigns among employees with Form3. Through discussions like these, portfolio companies will be able to demonstrate commitment to sustainability practices, ultimately attracting and retaining investor support as stakeholder expectations evolve[1].

[1] GOV UK (2023), AI to help UK industries cut carbon emissions on path to Net Zero. Available online here: https://www.gov.uk/government/news/ai-to-help-uk-industries-cut-carbon-emissions-on-path-to-net-zero.

Disorderly – Changes in technology

Disorderly – Changes in technology

A disorderly climate scenario will have significant implications for the "changes in technology" impact channel, particularly when considered through the lens of our portfolio composition of high-growth early-stage companies, as fast paced technological change materialises amidst an uncoordinated and uncertain policy backdrop.

Changes in technology are anticipated to result in exposure to both climate risk and climate opportunity for our portfolio companies, largely dependent on the industry within which they are operating.

Portfolio company examples

Our portfolio company engagements explored the costs associated with upgrading technologies to respond to physical and transitional climate impacts whether that be funding necessary energy saving measures for data centres (Form3) or implementing low-carbon logistics tracking mechanisms (Schuttflix).

Portfolio companies operating in the space tech industry (ICEYE) are also likely to experience increased materiality of risk within the disorderly scenario. While fast paced commercialisation of space tourism and the exploitation of space-based networks are already underway, there is an accelerated need for space tech companies to be trialling more efficient launch methods and fuels, potentially resulting in unpredictable or varied cost as these technologies emerge.

Disorderly – Changes in technology (continued)
Conversely, portfolio companies developing technology-based climate solutions critical to the Net Zero Transition will benefit from a rapidly expanding market. Examples include ICEYE's ability to monitor and assist responses to major weather events; Gardin's solution to difficulties managing crop yields through digital monitoring of growth rates and nutrition; or the increasing demand for accuracy and consistency of GHG accounting, which creates opportunities for digital solutions such as Altruistiq and BeZero Carbon.

Risk mitigation and opportunity realisation
We have continued to expand our portfolio of Climate Tech investments and have also backed a number of climate and sustainability-focused seed fund managers through our Fund of Funds programme. Across the Molten Group, follow-on investments were made in two existing Climate Tech companies, SatVu and Altruistiq in FY24 and post-period end respectively, and we also plan to close two new climate investments in early FY25 as a continuation in our ongoing investment in Climate Tech companies.

Hot House – Changes in physical weather events/patterns
When modelling our Hot House climate scenario, the impact channel determined to be of greatest materiality in likelihood and impact was "changes to physical weather events/patterns" due to their increased frequency and severity in this pathway. Specific risks will be contingent on the business operations of portfolio companies but may include:

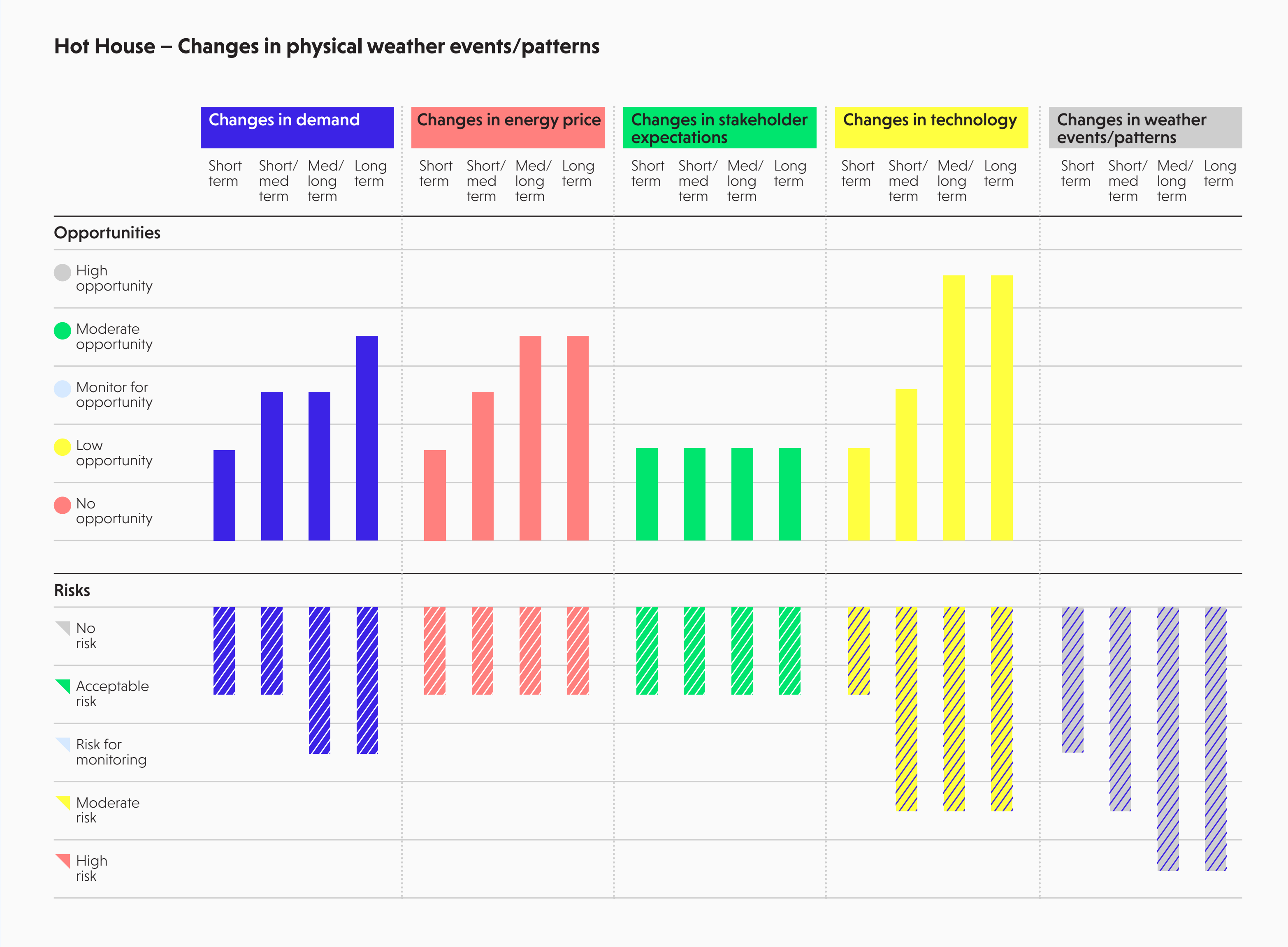
- Increased capital costs due to damage to infrastructure
- Increased insurance premiums
- Disruption to supply chains
- Impacted access to resources such as clean water or raw materials for manufacturing

Portfolio company examples
Portfolio companies that are heavily reliant on supply chains for their procurement of semiconductors and key rare Earth metals (for production of microchips and other advanced technologies) are likely to be most significantly impacted under this climate scenario due to disruption caused by extreme weather events and droughts. Engagement with Schüttflix explored similar risks associated with increased flooding causing damage to warehouses storing key materials.

Additionally, portfolio companies heavily reliant on data centres may be impacted by the increased occurrence and severity of heatwaves causing data centres to overheat, putting their conventional cooling systems under extreme strain, and raising the likelihood of failure.

Risk mitigation
Our ESG Framework includes questions on the locality of the company's supply chain and screening of suppliers for carbon efficiency, which allows us to better understand our portfolio companies' exposure across different regions and encourages the localisation of operations where this is commercially and practicably possible.

To advance this mitigation, we will include more explicit questions in the ESG Framework around exposure to physical climate risk and aim to use our influence as an investor to help portfolio companies recognise, navigate and wherever possible mitigate this risk. We plan to introduce these changes within the FY25 period.



Summary of FY24 TCFD exercise and plans for FY25

Our scenario analysis and assessment of climate risks and opportunities within our portfolio demonstrates the varying materiality of these impact channels across three climate scenarios and over a range of time horizons. Undertaking this analysis and doing so at a sector, sub-sector and individual portfolio company level has allowed us to gain insight into more specific impact areas, the most relevant mitigations to focus our actions and indeed the opportunities arising through technological innovation in climate solutions, which we aim to support our portfolio in realising.

We will continue to report against the TCFD recommendations annually and build on the extent of our analysis and maturity of our risk and opportunity identification, assessment and management processes.

Molten Ventures Climate Strategy

Molten's approach to climate action

There is increasing expectation on investors and businesses alike to transition their business models towards value creation opportunities consistent with, or through the enablement of, a low carbon economy. At Molten, we are committed to ensuring our actions are driven by our Corporate purpose – to advance society through technological innovation – and to embedding climate action within our operations and across our portfolio.

Our Climate Strategy sets out our approach and roadmap for meaningful climate action. This publication represents our second Climate Strategy disclosure and captures how we will continue to improve our climate action maturity while evolving our transition finance activities as a responsible investor. This year, we are building on our disclosure and integrated newly published guidance notes for transition finance, which are explored in more detail throughout this disclosure.

Looking back: Climate in 2023

Physical and transition risks associated with the climate crisis are becoming increasingly evident, with 2023 marking the warmest year on record above pre-industrial levels. Multiple records were broken, including greenhouse gas (GHG) emissions levels, and climate disasters continued to disrupt supply chains; cause infrastructure damage; and in the most acutely affected geographies, lead to the displacement of people, jobs and industries.

Notwithstanding policy makers globally have expanded measures to promote energy efficiency in 2023[1], numerous studies have published key statistics that highlight the work still needed:

- The World Economic Forum references a study that projects the global cost of climate change damage to infrastructure, property, agriculture and human health to be between US$1.7 trillion and US$3.1 trillion per year, by 2050[2].
- In its 2023 Progress Report, GFANZ shared that while there are initial indications of the climb in technology and investment curves necessary to achieve Net Zero, there remains an investment gap totalling almost US$200 trillion by 2050 —nearly US$7 trillion a year.

[1] IEA50 (2023) Strong Policy Progress on Energy Efficiency seen in 2023.
[2] World Economic Forum (2023) Climate change is costing the world US$16 million per hour: study.

Climate action at Molten: aligning to industry best practice

We continue to lean on the authority and guidance of best practice frameworks and established industry bodies to assess our climate maturity and to guide both operational and portfolio level target setting.

Investor Agenda's Climate Action Plan (ICAP)

Governance		
• Policy • Accountability	• Board reporting • Planning and evaluation	• Skills assessment

Investment	Corporate engagement	Policy advocacy	Investor disclosure
• Alignment target • Strategy • Risk management • Asset allocation • Additional target setting	• Collective/ collaborative engagement • Bilateral engagement • Corporate escalation and Shareholder engagement	• Investor statements • Lobbying • Advocacy	• Commitments, objectives and targets • Carbon emissions • Portfolio assessment • TCFD alignment • Assessment of disclosures

As new guidance, methodologies and standards for navigating the Net Zero transition emerge, we intend to update and continuously improve our climate approach to maintain alignment with the latest science and best practice for the VC industry. To this end, the publication of the VCA's Net Zero Aligned Venture Methodology, launched for consultation in late 2023 has helped to inform the evolution of our Climate Strategy, specifically the methodological approach we have taken to assess our portfolio companies' climate maturity. Updates to our methodology are explored in further detail in the latter half of this section of our Climate Strategy Report.

In furtherance to the updates provided in the Sustainability section of our FY23 Annual Report, we continue to lean on the Investor Agenda Climate Action Plan (ICAP) Expectations Ladder framework to assess and guide our climate action strategy and identify opportunities for Molten to further enhance and evolve our approach on climate change.

A holistic review of our climate journey for FY24 has demonstrated increasing positive alignment in our approach across ICAP's core focus areas: Investment; Corporate Engagement; Policy Advocacy; Investor Disclosure; and Governance, noting that Policy Advocacy is not strictly relevant to VC firms under the current ICAP guidance.

Our progress has, in part, been driven by increased performance within the Corporate Engagement pillar by:

i. Increasing our involvement in a number of industry bodies including the BVCA, ESG_VC and VentureESG.

ii. Increasing regular discussion of sustainability at portfolio company Board meetings from 18% to 34% through the period.

We will continue to review our performance against these focus areas and strive for continuous improvement across them, particularly through integration of these themes within our FY25 ESG KPIs and beyond.

Best practice guidance: what's new?

In our last disclosure, we acknowledged the current inadequacy of tailoring to the venture capital asset class in target setting frameworks for the financial services sector including:

i. the Net Zero Investment Framework guidance for private equity (NZIF:PE) and;

ii. the Science Based Targets Initiative guidance for private equity (SBTi:PE).

These frameworks include limitations in the threshold criteria for inclusion of portfolio companies that, when applied to the current composition of Molten's portfolio, would serve to exclude 100% of our directly held investments. To demonstrate our efforts to take meaningful climate action at a portfolio level, we created our own more ambitious portfolio threshold criteria (read more on page 17 of our FY23 Sustainability Report) to allow us to scope-in material emissions contributors within the portfolio.

The release of the Venture Climate Alliance (VCA) Net Zero Aligned Methodology, in December 2023, provided the opportunity to adopt elements of their target setting guidance that have been tailored specifically for venture capital. To this end, Molten has adopted the VCA's "maturity criteria" and taxonomy of "climate practices", which together define a standardised set of climate actions that are deemed suitable for sufficiently mature companies.

These industry best practice frameworks guide Molten's provision of educational support to portfolio companies, as set out in our FY23 Climate Strategy disclosure and portfolio engagement target. These engagements aim to assist our portfolio companies in progressively increasing their alignment to Net Zero demonstrated through the satisfaction of a growing number of "climate practices" as defined by the VCA, consistent with expectations across the SBTi:PE and NZIF:PE alignment criteria.

We continue to remain actively attuned to industry updates in order to anchor our portfolio climate action to credible and fit-for-purpose industry frameworks as they become available to the VC industry.

Climate action: investments

We seek to use our platform as venture capitalists to invest in, and assist to scale, technology innovators. A component part of our investment thesis is a Climate Tech Strategy that is aligned to our corporate purpose and the ICAP investment focus area on asset allocation and strategy development for the realisation of low-carbon opportunities.

We are committed to working with all portfolio companies, Climate Tech or otherwise, to gain an understanding of their operational emissions and opportunities to realise climate-driven value creation through the products and services that each are pioneering.

At Molten, we believe that we can assist and accelerate society's transition to a low carbon economy by enhancing the climate literacy of our existing portfolio and making direct investments into tech companies that deliver digital-enabled, lower-carbon efficiencies that are critical to the transition to Net Zero. Given our position as responsible investors, our portfolio composition and the context of an emerging arena of Net Zero target setting practices for VC, we have decided not to set a Net Zero target on our investments and will instead continue our approach of meaningful engagement, education and upskilling for our portfolio.

Molten Ventures Climate Strategy continued

These case studies illustrate the tailored approach to our engagement initiatives this year, which we have designed in order to maximise pragmatism, meaningfulness and effectiveness of the translation of climate topics into our portfolio companies' specific business operations.

SCHÜTTFLIX®

▲ Schüttflix app and vehicle

Schüttflix is a German logistics company revolutionising construction material and waste management through a digital platform. They connect construction companies with recycling facilities, aiming to increase recycling rates, reduce landfill use, and streamline material reuse and waste disposal processes. Compared to traditional construction companies, Schüttflix emphasises transparency and digitalisation. By optimising waste transportation through their platform, Schüttflix aims to decrease the number of vehicle trips required, thereby reducing CO_2 emissions and environmental footprint.

We have engaged with Schüttflix to support them in strengthening their climate literacy; assisting the company to appraise the requirements behind setting a Science-Based Target (SBT) and critically assess what decarbonisation pathways for its most material emissions sources would entail. By incorporating climate targets into its future plans, Schüttflix can begin to set the foundations for increasingly robust data collection and reporting processes, which we believe will benefit the company by strengthening their sustainability reporting and better equipping them for robust climate risk and opportunity management.

ICEYE

▲ ICEYE CEO inspecting hardware

ICEYE, a Finnish space tech company, uses a constellation of miniature radar imaging satellites to provide high-resolution Earth observation data. This data empowers various sectors including disaster management, infrastructure monitoring and maritime security. Recognising the environmental and socio-economic challenges faced globally due to climate change, ICEYE integrates sustainability efforts into their operations and one of the use-cases is to leverage their technology for positive environmental impact.

We have engaged with ICEYE to explore ways that they can increase the accuracy and robustness of their supply chain emissions footprint as well as augment the company's understanding of what is required to set and implement a credible Net Zero commitment. In addition to this, ICEYE has explored how it can augment its existing understanding of transition planning as a mechanism to drive greater integration of climate considerations into its wider business strategy. As a result, ICEYE plans to conduct a double materiality assessment; undertake a full carbon footprint calculation; and establish a climate transition plan with short- and long-term targets by the end of FY25.

FORM3

Form3 is a leading provider of cloud-based solutions for the financial services industry. They empower banks and other financial institutions to operate more efficiently and securely, providing a contribution to a more sustainable financial system. Form3 leverages data centres using 100% renewable energy, along with other sustainable technologies including evaporative cooling and LED lighting, for their cloud-based platform.

We engaged with Form3 to support them in identifying areas to strengthen their climate maturity, including exploration of opportunities to increase their CDP score and developing understanding of the processes involved in identifying, assessing, managing and monitoring climate-related risks and opportunities. Additionally, Form3 has reviewed practical steps they can take to decarbonise their supply chain emissions, including ways to augment data quality and coverage through supplier engagement activities.

▲ Form3 Executive Team

Thought Machine

Thought Machine builds core banking and payment technology for banks and financial institutions. It aims to be a sustainable and responsible business, incorporating environmental and social elements of their product offering. This includes minimising theirs and their clients' environmental footprint by offering an energy-efficient alternative to always-on in-house infrastructure.

We have engaged with Thought Machine to support them in identifying ways to enhance transparency across its sustainability reporting and appraise the value of identifying and measuring the climate-related opportunities and benefits that the company's products and services represent for its customers. While Thought Machine's direct emissions (Scope 1 and 2) are a smaller portion of their overall footprint, they are also exploring opportunities to craft educative disclosures that evidence how they are taking responsibility for the management of their operational climate impact while articulating to stakeholders some of the critical limitations that restrict Thought Machine's power to influence decarbonisation activity across a number of their material emission sources, such as data centres.

▲ Offices at Thought Machine

Molten Ventures Climate Strategy continued

Consideration for Scope 4 – avoided emissions

Our engagement efforts endeavour to support our portfolio companies to enhance their climate literacy, however, we are conscious of the challenge this operational decarbonisation agenda represents to fast-growing start-up companies. Our intent to demonstrate the climate impact of our investments may therefore be best measured not by a reduction in either our portfolio emissions footprint nor in the footprints of our portfolio companies' operations, but rather through quantifying the climate impact of these companies' products and services compared to their incumbents.

The path to Net Zero emissions requires a significant shift towards innovative solutions, and we recognise that Climate Tech is a key driver of the transition. To this end, we are monitoring emerging and evolving methodologies and taxonomies such as Scope 4 "avoided emissions" carbon accounting practices, which look to quantify the reduction in GHG emissions that occurs outside of a product's life cycle or value chain, as a direct result of using that product or service.

We are also monitoring for updates to the "Climate Solutions" definition provided by the EU taxonomy, with the intent to find the most meaningful, accurate and credible way of quantifying the positive climate impact our portfolio companies' products and services are able to deliver.

Portfolio footprint

In line with industry best practice, we are committed to measuring and reporting on the GHG emissions of our investment activity by disclosing our portfolio carbon footprint. A breakdown of our financed emissions is located below.

Breakdown of Molten Ventures' Scope 3 Category 15: Investments emissions (CY23):

Key performance indicators	
Total Scope 1 emissions for portfolio (tCO_2e)	199.9
Total Scope 2 emissions for portfolio (tCO_2e)	290.8
Total Scope 3 emissions for portfolio (tCO_2e)	9,151.9
Total emissions for portfolio (tCO_2e)	9,642.6
Total Scope 1 & 2 intensity for portfolio (tCO_2e/£m invested)	3.9
Total Scope 1, 2 & 3 intensity for portfolio (tCO_2e/£m invested)	75
Total Scope 1 & 2 WACI for portfolio (tCO_2e/£m revenue)	64

It is our view that setting near- and long-term GHG emission reduction targets at an aggregated or individual portfolio company level is not the most suitable nor impactful approach for tech-focused venture capital-backed firms having regard to the typically small emissions footprints of the young, rapidly growing businesses in which investments are made and the difficulty in anticipating the future GHG emissions trajectory of individual companies in their infancy, which can create drastic variability when aggregated at a portfolio level.

Portfolio engagement target

As set out in our FY23 Climate Strategy disclosure, we are committed to providing support for our investments in increasing the alignment of their business models to a Net Zero economy by:

i. Enabling the identification and management of climate-related value-creation opportunities associated with the integration of climate considerations across the operations, products and services of the business; and

ii. Enhancing the climate literacy of the investee companies through tools, resources, and best practice guidance

Details on our performance against this commitment during the FY24 period are outlined in the form of engagement case studies on the prior page, which were selected based on their satisfaction of five out of six of the threshold criteria set out in the NZIF:PE and SBTi:PE guidance as well as their footprint materiality to Molten through financed emissions.

In the coming year we intend to continue our focus in this area and, accordingly, one of our FY25 ESG KPIs sets out our commitment to:

Improve portfolio climate literacy through novel or continued engagement with five sufficiently mature In-Scope Portfolio Companies identified through the NZIF:PE and SBTI:PE aligned methodology set out in Molten's Climate Strategy, in order to increase portfolio alignment to a Net Zero transition.

Climate action: operations

We are committed to demonstrating best practice for the management and reduction of our direct, operational emissions (Scope 1 and 2) as well as utilising our influence in the management of our indirect emissions (Scope 3, Categories 1–14). A breakdown of our carbon footprint and SECR Report are located on page 19. We have developed operational targets in line with the SBTi-FS guidance and the SBTi Corporate Net Zero Standard as the most relevant industry frameworks to our business.

Scope 1, 2 and 3 GHG emissions

Our Scope 1 and 2 emissions make up approximately 0.75% of our 2023 GHG footprint, cumulatively amounting to just 10.1 tCO_2e. These emissions are attributed to 57 full-time employees, 55 of whom operate out of our London office and two from a leased office space in Dublin. With this in mind, we endeavour to focus our climate action on engagement and strategic focus on our Scope 3 emissions, particularly those from our portfolio companies, suppliers, and business travel as our highest emissions categories.

Alongside our engagement targets set out below, we are committed to improving the methods used to measure Scope 3 emissions, recognising the challenges and limitations associated with current footprinting of indirect emissions. We have undertaken a GHG verification exercise with an independent third party for the last two years for external assurance of Scope 1, 2 and 3 (Category 15) methods and our resulting figures, and we intend to continue this exercise annually. This enables us to ensure accuracy and robustness of our emissions footprint through an independent third party. Read more on page 20.

Breakdown of Molten Ventures Scope 1, 2 and 3 (CY23)

	tCO_2e (CY22)	tCO_2e (CY23)
Natural gas	1.7	2.0
Vehicle fuel	–	–
Total Scope 1	**1.7**	**2.0**
Purchased electricity	6.5	8.1
Total Scope 2	**6.5**	**8.1**
Employee commuting & homeworking	34.7	22.7
Business travel	126.6	165.1
Investments[1]	1,086.3	490.7
Purchased goods & services	753.8	652.8
Capital goods	4.3	0.0
Waste generated	0.3	0.2
Other fuel & energy-related activities	2.6	3.0
Electricity transmission & distribution	–	–
Total Scope 3	**2,008.6**	**1,334.5**
Total Scope 1, 2 and 3	**2,016.8**	**1,344.6**

[1] Reported emissions for Category 15: Investments cover Scope 1 and 2 emissions of the investments but exclude Scope 3, consistent with our FY23 disclosure.

Operational target: Scope 1 and 2 emissions

We have reviewed the SBTi-FS guidance and SBTi Net Zero Standard for Corporates to inform the construction of our Scope 1 and 2 emissions targets. Last year, we committed to a Renewable Energy Target covering Scope 1 and 2 emissions. Setting this target involves aligning to the SBTi's ambition for 80% renewable energy by 2025 and a mid-term target of 100% renewable energy by 2030 ensuring that we remain committed to procuring our energy from renewable sources as our operations grow. We continue to monitor our performance against this target and currently use 100% renewable energy in our London office.

Operational target: Scope 3 (Excluding Category 15: Investments)

As a venture capital firm and financial institution, in line with existing target setting frameworks (SBTi/NZIF), there are currently no regulatory requirements for Molten to set a target across our Scope 3 Categories 1–14 emissions, however, to demonstrate our effort in earnest to climate action across our value chain, we are committed to the following engagement target for FY25:

- Identify and positively engage with 75%+ of key recurring suppliers (calculated by reference to total annual spend as at 1 April 2024) to assess climate maturity and positioning in the carbon accounting and Net Zero landscape.

Our expectation is that this target will enable us to gather more accurate GHG emissions data for robust calculation of emissions associated with our purchased goods and services, which we can build upon in future years.

▲ Ben Robson speaking at the BVCA High Growth conference

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 is important and helps enable us to fulfil our broader corporate purpose: to advance society through technological innovation. By investing in companies and entrepreneurs who recognise and embrace ESG responsibility alongside innovation, we naturally gravitate towards businesses that we believe can help to build a more sustainable future. Our approach towards responsible investment is designed to build a portfolio that not only delivers strong financial results, but also contributes to resilient and sustainable business practices in the long term.

While we do not expect nor demand the finished product, upon investment we do ask for a commitment from founders and management teams to work towards our ESG targets with our support across the lifetime of our investment holding period. We believe that in doing so, this helps us in creating value for our Shareholders and makes our portfolio companies more attractive for investment against a backdrop of ever-growing expectations of investors, regulators, and consumers.

Early and transparent dialogue with our portfolio companies about our ESG expectations allows us to work collaboratively and identify their business-specific ESG risks and opportunities, while providing the tools and guidance to help remove obstacles and realise ESG-related commercial opportunities.

Molten team ESG training

We recognise the importance of ensuring that ESG is not siloed within the investment process, but is instead embedded throughout our business model, our investment strategy and in our corporate purpose. Our approach to ESG is designed to be holistic throughout the Company, and our ESG Working Group comprising representatives from across all of the Company, exemplifies the value of cross-team contributions and inclusive representation in our ESG efforts.

We are committed to providing training to our wider team (including the Executive Team) on ESG topics to ensure continued understanding of the meaning and value of ESG and the role we play as responsible investors within venture capital.

> At Molten, we recognise the importance of ensuring that ESG is not siloed within the investment process, but is instead embedded throughout our business model, investment strategy and corporate purpose.

ESG training in FY24

In December 2023, our internal ESG Lead led an ESG training event for the Investment and Executive teams which explored:

- Aggregated portfolio ESG performance across directly held portfolio companies
- The use of longitudinal data to highlight key champion and improvement areas within the portfolio
- Benchmarking exercises to surface trends and commonalities within the portfolio
- Practical guidance for the Partnership and wider Investment Team to utilise ESG data collected from the portfolio for both initial and ongoing performance tracking

ESG topics were also explored in a Company-wide session delivered by Saif Hameed, founder of Altruistiq, a carbon measurement platform and portfolio company. Saif led a training session that explored sustainability value creation and best practice for ESG Strategy development for tech-based start-up companies, as well as the mechanisms Molten can use to ensure that our portfolio companies are supported in their own ESG agendas through Board and management level buy-in and the provision of tools and resources.

ESG training in FY25

During the year ahead, we are committed to continuing our programme of ESG training (and internal communication), and plan to deliver externally led ESG training to senior members of the Investment Team focused upon ESG due diligence and the support that can be provided to portfolio companies on ESG matters in the context of wider market expectations of ESG themes.

01 Pre-screening

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

02 Screening

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

03 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.

04 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.

05 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.

06 Exit

We aim to capture the nature of ESG progress made through the lifetime of the investment by collation of historic monitoring and reporting data obtained during the investment.

Portfolio engagement in ESG

As active, responsible investors, we recognise the importance of engaging with our portfolio on ESG topics in order to help unlock value, foster sustainable growth and realise ESG-related commercial opportunities.

We believe that engaging with our portfolio companies on ESG matters can serve as a catalyst to bolster the resilience and competitiveness of our portfolio, and ultimately help to deliver strong financial performance and returns for our investors.

Our Sustainability toolkit

By actively supporting and nurturing our portfolio, we aim to identify ESG-related commercial opportunities, mitigate business-specific risks, and drive long-term value creation. The support required by our portfolio varies company to company, depending on factors such as sector-specific challenges, level of ESG maturity at the point of investment, and any particular discrete facet of ESG on which they may elect to focus their efforts.

As such, our Sustainability Toolkit includes a range of proprietary tools and resources and publicly available content that cater to the variety of sectors, size and ESG maturity levels of companies within our portfolio. Resources include 13 corporate policy templates, a staff survey for measurement of key D&I metrics and a job board directory to access more diverse talent pools. Depending on the specific needs of the portfolio company, selected resources may be shared as part of tailored support and project-specific collaboration primarily delivered on behalf of Molten by our internal ESG Lead.

ESG 1:1 engagements

While our efforts are directed towards adopting a more comprehensive approach to quantifying and reporting ESG metrics, we also see value in the richness of qualitative assessments of ESG performance. Establishing 1:1 engagements with our portfolio companies provides an opportunity for open dialogue regarding ESG-related challenges they may be encountering and specific opportunities or milestones they want to achieve. We aim to use our expertise and cross-portfolio experience to assist on a case-by-case basis, which may involve the development of tailored action plans for the relevant company to realise ESG opportunities and mitigate ESG risks that have been identified during the due diligence process.

▼ Stuart Chapman addressing portfolio representatives in November 2023

To date, 1:1 engagements with Molten's internal ESG Lead have taken place either in person or remotely with 75% of directly held investments. The outcome of a number of these engagements is explored below through case studies of ESG "champions" within our portfolio, which we believe help to demonstrate the value of strong portfolio ESG performance.

Portfolio ESG data

Our ESG Framework has been developed in collaboration with ESG_VC, a VC community-led initiative, and constitutes 48 questions across key ESG topics. For the third year in a row we have distributed our ESG Framework to our portfolio, initially during the due diligence process at the time an investment is initially contemplated and thereafter annually. This year, we have had our highest response rate yet, with 95% of directly held investments having completed at least one iteration of the Framework.

Gathering data around these topics enables us to build upon our understanding of material ESG risks and opportunities within the portfolio, particularly in relation to our TCFD reporting and Climate Strategy commitments. By monitoring and reporting ESG metrics across the portfolio, we are also able to provide feedback to our portfolio companies through an aggregated benchmarking exercise of ESG performance against peers of a similar size and sector.

This year, we have been able to compare ESG performance across the portfolio between 2022 and 2023 and have identified the following highlights:

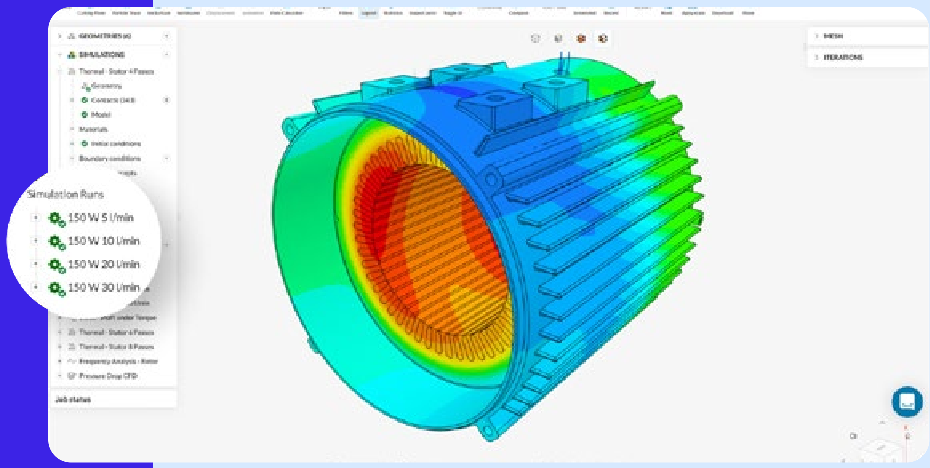
48%
of portfolio companies measure their full carbon footprint
(FY23: 33%)

44%
of portfolio companies have an ESG Policy in place
(FY23: 33%)

25%
average ethnic minority representation of portfolio companies' workforce
(FY23: 19%)

34%
of portfolio companies include sustainability as a regular Board agenda item
(FY23: 18%)

Portfolio engagement in ESG continued



▲ SimScale simulation

SimScale

SimScale operate a SaaS application for simulation. By providing instant access to computational fluid dynamics (CFD), finite element analysis (FEA), thermodynamics, and electromagnetics analysis to over 500,000 users, SimScale has moved high-fidelity physics simulation technology from a complex and cost-prohibitive desktop application to a user-friendly cloud application accessible via a subscription-based pricing model.

In an effort to boost their ESG performance, in November 2022 SimScale formed an ESG Taskforce tasked with driving the development of their short- and long-term ESG Strategy and Roadmap, both of which are captured in their company ESG Policy. The SimScale ESG Taskforce focuses on the delivery of initiatives such as corporate carbon footprint measurement and the implementation of their Health, Stress & Wellbeing Policy. In addition, SimScale has defined a Sustainable Travel guideline which aims to reduce their carbon emissions from business travel and has implemented Vanta for GDPR and SOC2 compliance monitoring, as well as training on security and data privacy.

Looking ahead

In the coming months, SimScale plans to introduce a number of new initiatives including a cycle-to-work scheme to encourage greener and healthier commuting options for employees. They are also improving their ESG communication channels, both through an internal newsletter and an external Sustainability page on their website. The company uses the B-Lab Assessment Tool to help identify gaps in their performance and plan improvement actions, with the aim of delivering pragmatic and meaningful action.

M-Files

M-Files is an intelligent information management platform that allows customers to organise their content to improve search efficiency, categorisation, and document security. The platform connects to existing folder networks and uses AI to help categorise information. M-Files continues to advance its platform to provide improvements in mobility and accessibility, as well as content collaboration and enhanced decision-making.

At M-Files, ESG receives Board-level oversight and has been established as a regular Board agenda item. Through strong governance, the company has implemented a range of initiatives across environmental, social and governance themes as follows.

▲ Members of the M-Files team

Environmental

M-Files has used an independent third party for full carbon footprint calculation since 2021, giving the company a strong understanding of emissions in its own operations and wider value chain. In 2023 M-Files' carbon footprint was 21% lower compared to their 2022 equivalent. Key focus areas for 2024 are preparing for the CSRD reporting requirements and deciding on an SBTi target commitment.

Social

The importance of Diversity, Equality and Inclusion (DEI) at M-Files is reflected through a number of initiatives that are operated by the business, including the publication of the *DEI at M-Files* booklet for employees; actively incorporating diversity in recruitment practices; and the introduction of the "Women At M-Files" Programme in 2022, which focuses on internal gender pay assessment.

Governance

M-Files continues to embed ESG across its business and has defined mandatory global policies covering key governance areas such as Anti-Bribery and Corruption, Whistleblowing and a Code of Conduct. The company has strong cybersecurity measures in place, which are certified annually for ISO 27001 and SOC2 compliance.

Material Exchange

Material Exchange is a B2B marketplace that is simplifying the way the fashion industry sources materials and products to be more efficient, transparent and sustainable. They aim to provide unprecedented transparency throughout the global fashion supply chain to help brands lower their impacts and meet regulatory requirements. By digitalising the fabric sourcing process, Material Exchange replaces the complex, fragmented relationships that exist between brands and suppliers to drive greater cohesion across the fashion supply chain.

Throughout 2023, Material Exchange has strengthened their ESG performance through ongoing and novel ESG initiatives under its Sustainability Policy. The company continued to measure their carbon footprint and began offsetting their emissions, while maintaining UN Global Compact membership, and continuing involvement in community projects.

New ESG initiatives that Material Exchange has embarked upon include the launch of Deadstock Depot, a pioneering scheme aimed at reducing textile waste and providing a circular solution for brands through the promotion of deadstock materials (i.e. items that are no longer being produced or sold but remain in inventory) and gender pay gap tracking and reporting to ensure fair compensation for all employees.

Looking ahead

Over the coming 12 months, Material Exchange plans to create and implement a formal carbon reduction plan; a Net Zero Policy; a Parental/Family Leave Policy; a Corporate Code of Ethics; and a Supplier Code of Conduct designed to help ensure they only partner with businesses that uphold suitable standards in their activities. They further plan to implement DEI training for all Material Exchange employees to help foster a positive culture of respect and diversity at all levels of the business.

▲ Material Exchange showcasing the Deadstock Depot

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.

Each year, and on an ongoing basis with new investments, we carry out an assessment of our portfolio to identify companies that are strongly aligned to one or more of the United Nations (UN) Sustainable Development Goals (SDGs).

We have seen an increase in our portfolio alignment from 77% mapping to at least one UN SDG in FY23, to 83% in FY24. For more detail on the methodology we follow to undertake this assessment, please refer to page 54 of Annual Report FY22.

2 ZERO HUNGER
Agritech, Foodtech
2 Companies aligned

3 GOOD HEALTH AND WELL-BEING
Digital health and wellness, Deeptech
10 Companies aligned

4 QUALITY EDUCATION
Digital health, wellness and quality education, Deeptech
3 Companies aligned

5 GENDER EQUALITY
Digital health and wellness, SaaS
1 Company aligned

8 DECENT WORK AND ECONOMIC GROWTH
Deeptech, Fintech
24 Companies aligned

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Deeptech
29 Companies aligned

10 REDUCED INEQUALITIES
Consumertech
2 Companies aligned

11 SUSTAINABLE CITIES AND COMMUNITIES
SaaS
6 Companies aligned

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
SaaS
5 Companies aligned

13 CLIMATE ACTION
SaaS
4 Companies aligned

15 LIFE ON LAND
Deeptech, Hardware
1 Company aligned

ESG – Environmental

In accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, we report annually on our GHG emissions and energy consumption, including 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 CY23.

SECR statement

Our fourth year of Streamlined Energy and Carbon Reporting (SECR) compliance has been carried out by Molten-backed Altruistiq, who have been engaged on an arm's length basis for the past two years to assist with the calculation of our energy consumption and GHG emissions. While emissions have previously been disclosed on a financial year (FY22) basis, this will be our second year of reporting based on calendar year (CY22) to better align our data gathering exercise and calculations with applicable reporting timelines. Given this like-for-like comparability we have been able to draw direct comparisons between our CY22 and CY23 GHG emissions footprint.

As per SECR requirements, energy and fuel use activities have been tracked in the UK and Ireland. The GHG emissions have been calculated using appropriate emissions factors from BEIS's 2022 Government Conversion Factors. This work has been completed in line with the GHG Protocol guidance and covers all material Scope 1 and 2 emissions produced by Molten under operational control. Molten does not have any GHG emitting vehicles under operational control and, due to our business model, Molten does not generate any process emissions. No fugitive emissions were recorded for the reporting year.

Table A below presents our CY23 global energy consumption and GHG emissions for SECR compliance. Our UK and Global (Ireland) emissions are reported as a combined figure for both CY22 and CY23. Our full carbon footprint is located in Table B.

Breakdown of CY23 carbon footprint

2.0 tCO_2e
Scope 1 total
(CY22: 1.7 tCO_2e)

8.1 tCO_2e
Scope 2 total
(CY22: 6.5 tCO_2e)

1,335 tCO_2e
Scope 3 total
(CY22: 2008.6 tCO_2e)

Table A: GHG emissions and energy use data for SECR

	CY22	CY23
Total global energy consumption used to calculate carbon emissions (kWh)	42,948	49,306
Emissions from employees working from home (tCO_2e) (Scope 3)	14.68	4.7
Emissions from combustion of natural gas in buildings (tCO_2e) (Scope 1)	1.69	2.0
Emissions from purchased electricity in buildings (location-based) (tCO_2e) (Scope 2)	6.52	8.14
Total organisational emissions (location-based) (tCO_2e)	8.21	10.14
Total organisational emissions (market-based, from 100% renewable electricity) (tCO_2e)	0.08	0.92
Carbon intensity ratio – carbon emissions per net asset value (NAV) (location-based) ($kgCO_2e$/£100k NAV)	0.61	0.86
Carbon intensity ratio – carbon emissions per net asset value (NAV) (market-based) ($kgCO_2e$/£100k NAV)	0.01	0.25
Carbon intensity ratio – carbon emissions per full-time employee (location-based) ($kgCO_2e$/full-time employee)	103.5	178
Carbon intensity ratio – carbon emissions per full-time employee (market-based) ($kgCO_2e$/full-time employee)	1.27	51

Table B: Full carbon footprint for CY23

	tCO_2e
Natural gas	2.0
Total Scope 1	2.0
Purchased electricity	8.1
Total Scope 2	8.1
Employee commuting & homeworking	22.7
Business travel	165.1
Investments*	490.7
Purchased goods & services	652.8
Capital goods	0.0
Waste generated	0.2
Other fuel & energy-related activities	3.0
Total Scope 3	1,334.5
Total Scope 1, 2 and 3	1,344.6

* Note reported emissions for Category 15: Investments cover Scope 1 and 2 emissions of the investments but exclude Scope 3, consistent with our FY23 disclosure.

Energy efficiency actions

We have implemented a range of measures and energy efficiency actions, which are outlined in the carbon reduction section on page 20.

Greenhouse gas emissions

In CY23, we calculated our Group-wide carbon footprint, including our Scope 1, Scope 2 and all material Scope 3 emissions.

A key focus over the past few years, and one of our FY23 ESG KPIs, has been to continually aim to improve the accuracy of Scope 3 measurements (upstream and downstream). This has in part been achieved through the provision of more granular, primary data, particularly for purchased goods and services, capital goods, investments and other Scope 3 categories, in place of the use of industry benchmarks and estimates.

Given Molten's business activities, it is within our value chain that the most significant GHG emissions arise, rather than via our direct operations, and we see meaningful opportunities in this regard, through our portfolio and the positive impact our investments are achieving. Not only can we leverage our position as investors to help portfolio companies to measure and reduce their GHG emissions, we also aim to explore the positive impact of the tech products and services these companies are developing, which can ultimately create carbon efficiencies resulting in net avoided emissions.

Methodology

As with our SECR calculations, our carbon footprinting methodology is aligned with the GHG Protocol Corporate Standard and uses an operational control approach. A materiality assessment of our value chain determined which Scope 3 emissions to include within our carbon footprinting boundary that we report for calendar year 2023. These calculations have been measured via Altruistiq, which provides leading ISO14064 assured emissions measurement and reporting across Scopes 1,2 and 3 using a database of over 100,000 emissions factors.

In order for us to generate the most accurate calculations, we prioritise collecting primary data across our business and portfolio and apply an emission factor to convert our business activity data directly into associated GHG emissions. Where primary data is unavailable, we apply industry benchmarks and bespoke extrapolation techniques in order to estimate data.

Within our Scope 3 inventory, we have accounted for our allocation of portfolio companies' Scope 1 and 2 emissions based on our equity position in each company, in line with the Partnership for Carbon Accounting Financial (PCAF) guidance.

ESG – Environmental continued

We have continued our carbon offsetting programme, which will be our fifth year of offsetting commitments.

We used reported emissions from 23 portfolio companies – an increase of 11% on last year which demonstrates increasing engagement in carbon accounting across the portfolio and greater data accuracy as a result. In order for us to generate individual estimates for the remaining directly held investments for whom emissions data is unavailable we undertook a screening exercise using Climate Neutral's Brand Emissions Estimator tool. This assessment was informed by data on portfolio companies' financial activity, facilities, geography, sector and sub-sector to provide greater insight into the emissions of portfolio companies who are not yet at an appropriate level of maturity to undertake their own carbon footprint measurement exercise. We note that actual figures may differ from these estimates.

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 investments standing out within this as the main drivers (tCO_2e in aggregate). Business travel undertaken by our employees was also a meaningful contributor to our Scope 3 GHG emissions (165.1 tCO_2e).

As screening for Scope 3 category 15 was carried out at an individual portfolio company level, we have been able to identify higher emitting companies within the portfolio. Higher carbon intensities are reflective of certain portfolio industries, including AI, Deeptech and hardware, likely due to energy intensive computing power and manufacturing requirements.

When comparing CY23 GHG emissions to the prior year emissions one key difference is the reduction in our Scope 3 category 15 emissions. This is most likely due to an increase in the number of portfolio companies reporting their emissions as well as updates to emissions factors used for screening. As more companies begin to measure their carbon footprint we expect to see changes in this figure annually as more accurate data becomes available.

Summary

This carbon footprint provides transparency around our most significant emissions drivers and utilises data and methods that advance our goal of ensuring that this exercise is as accurate and robust as possible, noting the challenges in data collection and use of emissions factors and estimates where necessary. As part of this goal, we have for the second year undertaken a verification exercise with Accenture to help ensure the robustness of our GHG emissions calculations and methodology. This process provides us with limited assurance from an independent third party that our Scope 1, 2 and 3 (category 15: Investments) emissions calculations are accurate, complete, consistent, transparent and free of material error or omissions.

Members of the Molten team removing invasive species to promote biodiversity in Regent's Park as part of a corporate volunteer day

We will continue to encourage portfolio companies to measure their own carbon footprint, both through educational guidance and financial support, in order to continue to improve the quality of our Scope 3 category 15 emissions. As set out in our Climate Strategy on page 14, this year we also aim to gather emissions data from our key suppliers to be reflected in our Scope 3 (category 1: Purchased Goods and Services).

Carbon reduction

Although our Scope 1 and 2 emissions are minor contributors to our carbon footprint, we continue to ensure that our internal practices are aligned with resource efficiency and carbon reduction efforts. Our cycle to work scheme encourages staff to use greener commuting methods and this year, and in line with our FY24 ESG KPIs, we introduced a number of internal carbon reduction initiatives targeting a reduction in our Scope 1, 2 and 3 (categories 1–14) carbon emissions, which include updates to our Travel & Expenses Policy to encourage carbon reduction across our business travel emissions, where possible.

We have also introduced a number of sustainability practices under our new Group Sustainable Procurement Policy in the following areas:

- Sourcing of capital goods
- Disposal of capital goods and IT equipment
- Prospective Supplier Sustainability Credentials & Contractual Provisions
- Ongoing supplier engagement

These initiatives focus on waste reduction, carbon savings and engagement with suppliers to assess sustainability integration into their own operations.

Our London office continues to run on 100% renewable electricity and our waste to landfill is zero, with 52% recycled (up from 44% last year) via our environmentally guided recycling and waste management provider, First Mile.

Carbon offsetting

This year, Molten has continued our carbon offsetting programme, which will be our fifth year of offsetting commitments. While we recognise that carbon reduction is the overarching goal in order to reach Net Zero, we see merit in investing in carbon credits to balance the carbon that we have already emitted across Scope 1, 2 and select Scope 3 emissions that are in our direct control.

Based on these commitments, 201 tCO_2e have been offset for calendar year 2023 through investment in two carbon projects. We are supporting these projects for the third year, given our understanding of their quality and associated risks based on guidance from the BeZero Carbon Rating system. The first is a collection of woodland restoration projects in the UK, which we have supported through the purchase of Pending Issuance Units (PIUs) equating to the removal of 101 tCO_2e over future decades. The second project is 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. Through this project, we have offset 100 tCO_2e.

ESG – Social

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.

At Molten Ventures, we pride ourselves on actively seeking out diversity of all descriptions, through both the individuals we hire and the companies we invest in.

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 underfunded.

For our industry
As investors, we are committed to seeking out and backing entrepreneurs with the greatest potential to define a future that is sustainable, fair and accessible to all. Yet, talent is still lying dormant in many under-represented communities, marginalised groups and underfunded ideas. The world needs scalable tech created by people from all backgrounds to serve as role models for the future generation 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. Democratising venture capital is at the core of our business. To fulfil this goal, we continue to commit ourselves to a culture with Diversity, Equality and Inclusion ("DEI").

Diversity, Equality and Inclusion
We are committed to providing 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.

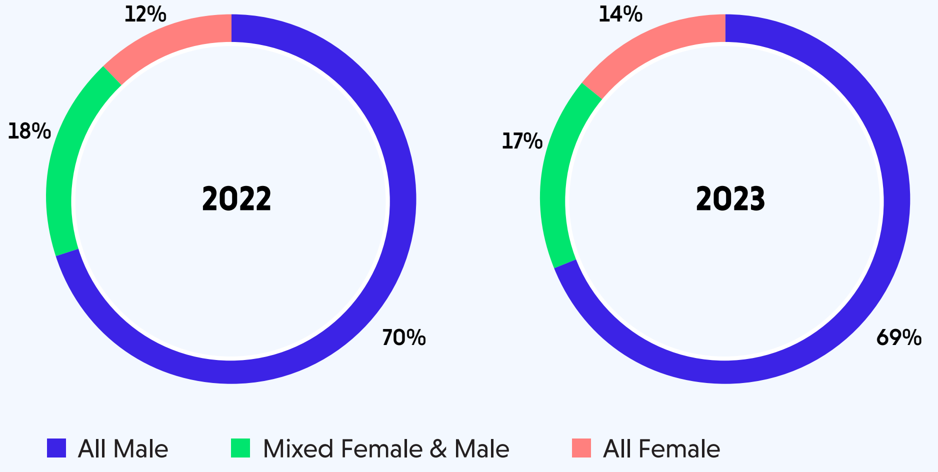
The importance of DEI is reflected as one of our sustainability principles and the policies and procedures we have in place including our Group DEI and Equal Opportunities Policy, Board D&I Policy and our DEI Recruitment Policy.

Investing in Women Code
In February 2022, Molten became a signatory to the Investing in Women Code, which is a UK government initiative supported by the BVCA and the British Business Bank for the advancement of female entrepreneurship in the UK. As part of Molten's commitment, this year we collected and reported our D&I data relating to our own operations and the pipeline of deals that we see.

Opposite are some insights into data on gender breakdown of pitch decks received, comparing our findings from 2022 with the 16 Oct 2023–24 Nov 2023 period. This data highlights the persistence of the challenge that under-representative deal sourcing presents, with only minimal improvement compared to last year. Gathering and analysing this data has provided us with valuable insights into the demographics of founding teams we are presented with and how we compare to other VCs in the market through the publication of the Investing in Women Code Annual Report. Over time, we will be able to track these metrics and understand what steps we can take to ensure our deal sourcing is as fair, unbiased and representative as possible.

▼ Members of the Molten Team

Founding teams' gender breakdown from pitch decks received during six-week period in 2022 (17 Oct–25 Nov 2022) and six-week period in 2023 (16 Oct–24 Nov 2023).



ESG – Social continued

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

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
- Discounted access to Nuffield Health Fitness and Wellbeing Gym to encourage good physical health
- A flexible working policy is in place to permit and encourage employees to work in line with their own personal needs
- Access to our office Multi-Faith and Wellbeing room in our London office which provides a private place for prayer, meditation, mindfulness and rest away from the work environment
- 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

In addition to these initiatives, during the period we also introduced Oliva Health as our mental wellbeing partner, offering 1:1 therapy and coaching, group workshops, personalised self-guided content and exclusive talks to 100% of Molten FTEs.

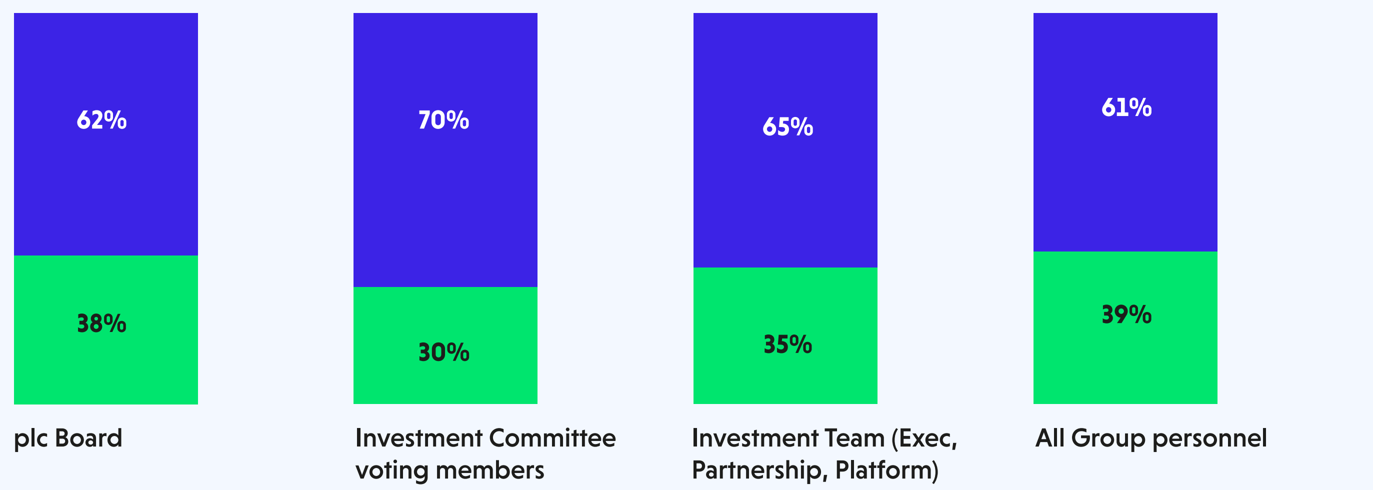
During FY25 for the first time since the COVID-19 pandemic, we have scheduled a Molten offsite for all employees to help encourage team building in an informal environment.

Diversity and Inclusion statistics

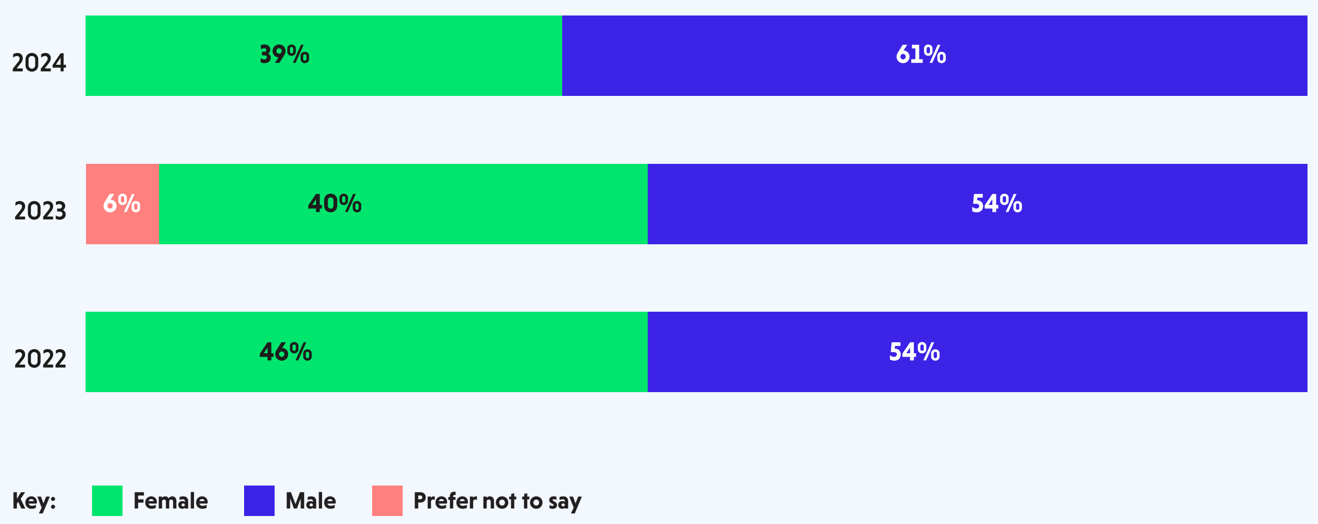
Gender	Execs		Non-Execs		Investment Committee		Total workforce	
	2023	2024	2023	2024	2023	2024	2023	2024
Female	–	–	50%	60%	30%	30%	40%	39%
Male	100%	100%	50%	40%	70%	70%	54%	61%
Transgender	–	–	–	–	–	–	–	–
Non-binary	–	–	–	–	–	–	–	–
Prefer not to say	–	–	–	–	–	–	6%	–
Ethnicity	**Execs**		**Non-Execs**		**Investment Committee**		**Total workforce**	
	2023	2024	2023	2024	2023	2024	2023	2024
White	100%	100%	100%	100%	80%	90%	77%	68%
Asian/Asian British	–	–	–	–	10%	10%	9%	16%
Black/Black British	–	–	–	–	–	–	4%	6%
Mixed	–	–	–	–	–	–	–	8%
Other	–	–	–	–	–	–	2%	–
Prefer not to say	–	–	–	–	10%	–	8%	2%
Age	**Execs**		**Non-Execs**		**Investment Committee**		**Total workforce**	
	2023	2024	2023	2024	2023	2024	2023	2024
18-24	–	–	–	–	–	–	6%	4%
25-34	–	–	–	–	–	–	29%	33%
35-44	33%	33%	–	20%	70%	70%	33%	37%
45-54	33%	33%	25%	20%	20%	20%	19%	22%
55+	33%	33%	75%	60%	10%	10%	13%	4%
Disability	**Execs**		**Non-Execs**		**Investment Committee**		**Total workforce**	
	2023	2024	2023	2024	2023	2024	2023	2024
% Employees with a disability	0%	0%	0%	0%	0%	10%	4%	10%
Prefer not to say	–	–	–	–	–	–	4%	2%

D&I Statistics as at 31 March 2024. Data was gathered during Q4 of FY23 from 78% of full-time employees.

Gender splits – FY24



All Group personnel – historic comparison



Learning and development

As a continuation of our training and development programme this year, employees have access to coaching through the CoachHub platform as a tool 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 of our FY24 Annual Report, in the Portfolio Review.

During the year, all permanent employees received at least one training day and mandatory compliance training was conducted for all employees (including the Executive Directors), on topics including: anti-bribery and corruption, anti-bullying and harassment, anti-money laundering, data protection and cybersecurity, Senior Managers and Certification Regime and anti-modern slavery. This year, we also introduced informal Lunch and Learn sessions to encourage learning and engagement between teams and promote strong internal communication of workstreams.

ESG – Governance

We believe that conducting business in an ethical, transparent and responsible manner provides the foundation for strong environmental and social agendas, while also creating long-term value for our Shareholders and wider stakeholders.

Responsibility for governance

Good corporate governance is fundamental to Molten; our portfolio companies; and the way in which 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 set out on page 71 of our FY24 Annual Report.

Governance at the portfolio level

At Molten, we support our portfolio companies to install and maintain strong corporate governance as they scale, to help them to avoid common governance pitfalls and meet the expectations from customers, investors, regulators and buyers.

As an active manager, members of our Investment Team are appointed Directors on 84% of directly held investments' Boards, which provides us with a level of influence in the governance of the business. With this in mind, one of our FY25 ESG KPIs sets out our aim for all voting IC members to engage with one of the portfolio companies on which they hold a Board seat and perform a formal evaluation of Board effectiveness.

We also see the value of implementing strong policies and procedures in order to enhance transparency, mitigate potential business risks and demonstrate responsible business conduct. We support our portfolio companies in doing so by sharing template policies and guidance for implementation.

Of 50 portfolio companies who responded to our ESG Framework in FY24:

Anti-Corruption and Bribery Policy	92%	(FY23: 88%)
Anti-Harassment and Bullying Policy	92%	(FY23: 88%)
Health, Stress and Wellbeing Policy	96%	(FY23: 81%)
Whistleblowing Policy	90%	(FY23: 83%)
IT Communications and Cybersecurity Policy	96%	(FY23: 84%)
Parental Policy	92%	(FY23: 84%)
ESG Policy	44%	(FY23: 33%)
Remote Working Policy	98%	(FY23: 96%)

Principles for Responsible Investment (PRI)

As signatories to the Principles for Responsible Investment (PRI) we understand our role in the fostering of good governance, integrity and accountability to help support the development of an economically efficient and sustainable global financial system.

Our 2023 score is disclosed opposite, which we aim to improve year on year. These scores all constitute four out of a maximum of five stars, demonstrating our dedication to integrating responsible investment practices, recognised across all PRI modules.

Public Governance and Strategy	76
Direct – Private Equity	69
Confidence Building Measures	80

UK Corporate Governance Code (the Code)

The Company has applied the principles of the 2018 UK Corporate Governance Code since listing to the Main Market of the London Stock Exchange in July 2021. The principles set out standards of good practice for board composition and development, remuneration, Shareholder relations, accountability and audit; and their effective application is supported by high-quality reporting on the provisions, which the Company has done in its last three Annual Reports. Wherever the Company is unable or has chosen not to comply with the UK Corporate Governance Code, explanations are provided in the Corporate Governance Statement. The 2024 Code is applicable to financial years on or after 1 January 2025 with certain provisions relating to internal control effective on 1 January 2026. Over the course of 2024 the Directors will be considering the new additions to the Code and their effective implementation, where relevant and appropriate to the Company.

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 Company's 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 their intended purpose. During the period, no injuries, occupational diseases nor work-related fatalities have been reported. Having regard to the size of the Group's workforce, the Company's strong health and safety track record, as well as the nature and location of duties being performed, the Company does not report 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

Cybersecurity is considered to be one of the principal risks to the business and is therefore a Board-level concern and standing agenda item at all formal meetings of the Board. The Group has a range of privacy, IT and cybersecurity 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 cybersecurity training (including simulated phishing modules and cyber awareness tutorials) continue to be part of the Group's annual personal development programme. During the period, we continued to receive support from our outsourced IT service provider ROCK who manage our day-to-day support alongside Softwerx who oversee our SOC environment for live threat detection and remediation. Our IT road map for FY25 includes the conclusion of our on-prem file system migration to SharePoint, moving Sage to the cloud and improving our cyber environment security posture by introducing N-able as our patch management solution. We are in the process of updating and enhancing our legacy systems in order to help improve business continuity.

We have continued to stress test our network via penetration testing, and we continually look to remediate any system weaknesses or vulnerabilities wherever these are identified. During the year, no Molten data security breaches were recorded. Additionally, no information security breaches have been directly suffered by Molten in the last three years.

Esprit Foundation

Esprit Foundation

The Esprit Foundation is a Charitable Incorporated Organisation (CIO) that was set up in March 2022 with the aim of providing grants to individuals, UK registered charities and other organisations that are aligned with its charitable purposes. Trustees of the Foundation are supported by the Operational Team in their decision-making for grant awarding and impact measurement of the grant itself, which is monitored and reported on a regular basis.

The Esprit Foundation's charitable objectives primarily focus on the advancement of education for the public benefit, especially to those aged under 30, with emphasis on the fields of technology, business and/or entrepreneurship. During the course of FY24, the Foundation awarded its first four grants to organisations strongly aligned to these objectives in order to support and enhance the impact that these organisations are having on the particular social causes that they are each working to address. Three of these are explored in more detail below.

The Esprit Foundation aims to continue its grant awarding activities during the course of the coming year in order to sustain meaningful and long-lasting positive impact.

▲ Cecil Adjalo, Co-Founder and COO at Foundervine

Social Mobility Foundation

The Social Mobility Foundation (SMF) is a charity dedicated to improving social mobility and providing equal opportunities for young people from disadvantaged backgrounds. They offer a range of programmes and support including mentoring, internships and skills workshops to help students and graduates access top universities and professions.

The Esprit Foundation grant has been used to support the development and delivery of the SMF's flagship Aspiring Professionals Programme for Year 12 and 13 students, which aims to provide disadvantaged young people with the knowledge, skills, networks and confidence needed to reach their potential and overcome barriers imposed by socio-economic factors.

Last year's programme saw 970 students placed in internships across 129 employers.

> "Foundervine exists to unlock social and financial barriers for under-represented founders building the amazing companies of tomorrow."
>
> **Cecil Adjalo,**
> Co-Founder and COO at Foundervine

Included VC

Included VC's mission is to work to change the face of the venture capital industry by helping young individuals from diverse or under-represented backgrounds to access jobs in the VC market, through education and support as part of their fully funded global-fellowship programme, which includes mentorship, networking opportunities, and strategic guidance. Included VC has interacted with individuals across approximately 120 countries and over the last three fellowship cohorts, over 80% of individuals broke into VC on its completion.

The Esprit Foundation's grant has been used to support the delivery of these vital fellowships, which are strongly aligned to our charitable objectives.

Foundervine

Foundervine is a social enterprise dedicated to empowering under-represented communities in entrepreneurship. Through various programmes and initiatives, Foundervine equips aspiring entrepreneurs with the skills, resources, and networks needed to turn their ideas into successful ventures, offering workshops, mentorship opportunities, and access to funding to help people from diverse backgrounds overcome barriers and thrive in the start-up ecosystem.

The Esprit Foundation grant has been used towards Foundervine's Black Venture Growth Programme, a dedicated 16-week programme to propel the growth of ventures and remove barriers to fundraising by providing targeted support and expert guidance for 20 Black and ethnically diverse founders in the UK.

▼ Nikita Thakrar (Included VC), Stuart Chapman (Chair of the Board of Trustees of the Esprit Foundation) and Cecil Adjalo (Foundervine)

Glossary

In this document, where the context permits, the expressions set out below shall bear the following meaning:

"AI"	Artificial Intelligence
"AUM"	Assets Under Management
"B2B"	Business to business
"BEIS"	Department for Business Energy and Industrial Strategy
"BVCA"	British Private Equity & Venture Capital Association
"CDP"	Climate Disclosure Project
"CFD"	Computational Fluid Dynamics
"CGI"	Chartered Governance Institute
"CIO"	Charitable Incorporated Organisation
"Company" or "Molten Ventures" or "Plc"	Molten Ventures plc (formerly Draper Esprit plc), a company incorporated in England and Wales with registered number 09799594 and having its registered office at 20 Garrick Street, London WC2E 9BT
"Core Portfolio" or "Core Portfolio Companies"	The companies that generally represent highest fair value to Molten, which account for approximately 62% of the overall portfolio value based on fair values as at 30 September 2023
"CSRD"	Corporate Sustainability Reporting Directive
"D&I"	Diversity & Inclusion
"DEI"	Diversity, Equality and Inclusion
"Directors" or "Board"	The Directors of the Company or of a portfolio company from time to time
"ESG"	Environmental, Social, Governance
"FCA"	Financial Conduct Authority
"FEA"	Finite Elements Analysis
"Forward Partners"	Forward Partners Group Limited, a private company limited by shares incorporated in England and Wales under registration number 13244370 with its registered office at 20 Garrick Street, London WC2E 9B
"FTEs"	Full-Time Employees
"GDPR"	General Data Protection Regulation
"GFANZ"	Glasgow Financial Alliance for Net Zero
"GHG"	Greenhouse Gas
"Group"	The Company and its subsidiaries from time to time and, for the purposes of this document, including Esprit Capital and its subsidiaries and subsidiary undertakings
"IC"	Investment Committee
"ICAP"	Investor Agenda Climate Action Plan
"IEA"	International Energy Agency
"IFRS"	International Financial Reporting Standards
"Investment Team"	The Partnership Team and Platform Team as described on the Company's website
"IPCC"	Intergovernmental Panel on Climate Change
"IPO"	Initial Public Offering
"ISSB"	International Sustainability Standards Board
"IUCN"	International Union for Conservation of Nature
"KPIs"	Key Performance Indicators
"NAV"	Net Asset Value
"NGFS"	Network for Greening the Financial System
"NZIF:PE"	Net Zero Investment Framework guidance for Private Equity
"PCAF"	Partnership for Carbon Accounting Financials
"PIU"	Pending Issuance Units
"PRI"	Principles for Responsible Investment
"QAS"	Quality Assurance Standard
"SaaS"	Software as a Service
"SBTi"	Science Based Targets Initiative
"SBTi-FS"	Science-Based Target Initiative guidance for Financial Services
"SBTi:PE"	Science Based Targets Initiative guidance for Private Equity
"SECR"	Streamlined Energy and Carbon Reporting
"Shareholder"	Shareholders of Molten Ventures plc
"SMF"	Social Mobility Foundation
"SOC2"	Service Organisation Control Type 2
"TCFD"	Task Force on Climate-Related Financial Disclosures
"tCO_2e"	Tonnes of Carbon Dioxide Equivalent
"TPT"	Transition Plan Taskforce
"UN SDGs"	United Nations Sustainable Development Goals
"VCA"	Venture Climate Alliance
"VC"	Venture Capital
"VCS"	Verified Carbon Standard
"WACI"	Weighted Average Carbon Intensity