

Draper Esprit plc Modern Slavery and Human Trafficking Statement for the Financial Year ending 31 March 2021

1. Introduction

Draper Esprit plc (“**Draper Esprit**”), for and on behalf of itself and its broader group is committed to carrying out business responsibly, which includes ensuring that modern slavery and human trafficking are not taking place in any part of our business or supply chain.

This Statement is provided by Draper Esprit plc, for and on behalf of its corporate group (collectively referred to in this Statement as the “**Draper Esprit Group**”, “**we**”, “**us**” or “**our**”) in accordance with the UK Modern Slavery Act 2015 to describe the steps we have taken to combat modern slavery and human trafficking in in our organisation and our supply chain during the Financial Year ending 31 March 2021 together with some of the actions we propose to take for the year ahead.

2. What is Modern Slavery?

Modern slavery is an international crime which affects an estimated 40 million individuals around the world but remains a largely hidden blight on our global society. Victims of any age, gender, and ethnic background have been, and continue to be, forced to work illegally against their will across many different sectors including construction, retail, hospitality, agriculture and manufacturing. We have a responsibility to be alert to the risks, however small these may be, in our business and in our wider supply chain.

3. Our Business

Draper Esprit is a leading European venture capital business investing in European high growth technology companies to generate capital growth for shareholders and investors, with a focus on four sectors of the digital economy: Enterprise; Digital Health & Wellness; Hardware; and Consumer Technology.

The Group comprises FCA-regulated fund managers, alternative investment funds and operational entities, all of which sit underneath Draper Esprit plc whose shares were during the period quoted on the AIM market of the London Stock Exchange and the Irish Stock Exchange’s Euronext Growth market¹. Draper Esprit’s shareholders include institutional investors, including private and public pension funds and insurance companies.

As at 31 March 2021, Draper Esprit’s gross portfolio value is £984m with a net asset value of £1,033m and a team of 40-45 people working predominantly out of London, with a small presence in Dublin.

4. Our Policies & Commitments

We do not tolerate any form of modern slavery or human trafficking in any part of our business and we are committed to implementing and improving our practices designed to combat modern slavery and human trafficking in our supply chains and our investment activities.

Our policies and commitments, along with the due diligence, training, and future plans described in this Statement reflect our ongoing commitment to act ethically and with integrity in our business relationships and to monitor our internal systems to prevent modern slavery and human trafficking in our business and supply chains.

We observe all international standards and principles relating to human rights within our business, including the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work, and the Children’s Rights and Business Principles.

As an investor with a stated commitment to responsible investment and integration of Employment Social and Governance (“**ESG**”) considerations into our activities, we recognise the importance of engaging with the companies in which we invest to encourage them to take steps to adopt responsible supply chain processes.

In furtherance of our commitment to ESG, we are signatories to the UN Principles of Responsible Investment (“**PRI**”) and filed our first annual report to the PRI during the period (results are awaited

¹ Post-period end, on 23 July 2021, Draper Esprit plc de-listed from the AIM Market and listed its share capital was admitted to trading on the LSE main market and on Euronext Dublin.

as at the date of this Statement). We continue to implement our Group ESG Policy, a copy of which can be found on the newly created 'Sustainability' section of our website at <https://draperesprit.com/investors/sustainability>). Our ESG Policy confirms that we will not invest in sectors, businesses or activities which have modern slavery, human trafficking, forced or compulsory labour, or unlawful / harmful child labour as their objective or direct impact.

5. Key risks & risk management strategies

We strive to ensure that any risks and opportunities associated with modern slavery or human trafficking are managed consistently across the Draper Esprit Group and that our policies are implemented across our companies, locations and suppliers. We regularly review the implementation of our standards to identify and address areas for improvement.

During the period to which this Statement relates, we have assessed that the likelihood of direct modern slavery risks for **our own people**, including prospective hires, continues to remain low, due to the nature of our business, our regulatory requirements and our internal vetting and onboarding process. As part of our onboarding and ongoing HR process we ensure that all our staff have the right to live and work in the UK and adhere to certain minimum standards of conduct. Further details of the policies and standards we apply for our all our people are set out below.

In respect of **our suppliers**, we have assessed the risks of modern slavery or human trafficking arising and do not consider that any of our key relationships with professional or business service suppliers give rise to material risks. It is therefore also considered to be low risk. The most pertinent area of risk in our supply chain exists in connection with our facilities management, catering and courier services, which we manage through usage of reputable suppliers under suitable contractual terms. More details are set out below.

The **portfolio companies** in whom we invest are typically early or growth stage technology-focussed businesses with global ambitions, some of which may have a hardware element to their product/service offering. The nature of these growth-driven business models will often involve a multi-jurisdictional aspect, either by virtue of direct business operational requirements, or indirectly through supply-chain exposure. Depending upon the countries to which portfolio companies are exposed, there may be an increased risk of modern slavery or human trafficking.

This is an area of focus for Draper Esprit and we are committed to building awareness and monitoring risks associated with modern slavery throughout our portfolio.

6. Our People

We recognise the value of human relationships and put people at the heart of our business. We seek the brightest and the best, whoever they are and whatever their background, and seek to treat all staff fairly and consistently by operating a workplace and business environment that is open, transparent and trusted.

Aligned with this approach, all members of the Draper Esprit Group are required to conduct their activities in accordance with our codes and policies, including our Anti-Harassment and Bullying Policy, Acceptable Use Policy and Equal Opportunity Policy. We also have a Whistleblowing Policy for staff to raise any suspected wrongdoing in the organisation in place which was updated during the period to make it easier and clearer for personnel to raise concerns.

We require our personnel to act according to the highest standards of honesty and integrity as well as comply with all legal and regulatory requirements, which extend to the protection of human rights and the prohibition of forced labour and human trafficking.

7. Our Supply Chains

Draper Esprit expects its suppliers to treat workers and employees with respect and fairness; to have suitable anti-modern slavery and human trafficking policies and procedures in place; and to act and in accordance with applicable laws.

As a venture capital business, our supply chain is not particularly extensive, and comprises predominantly business and professional services. To ensure alignment between our values and ethics and those of our suppliers, we use reputable suppliers, typically established in the UK under suitable contractual terms of engagement.

If we find breaches of anti-human trafficking and anti-modern slavery laws within our supply chain, we will look to support businesses in their efforts to comply with such legislation, or if we discover a any matter that we believe may constitute a supplier's serious or irremediable breach, we would, upon legal advice, consider suspension or termination of the impacted relationship.

During the reported period, we introduced a clause into the majority of new/renewed material supply agreements which obliges our providers to contractually commit to the prevention of modern slavery and human trafficking. We have also requested an associated "right to audit" clause to allow for oversight of compliance with these provisions.

We will continue to monitor and engage with our suppliers on modern slavery and further embed this into our supplier engagement and procurement processes. We remain committed to conducting a review of the locations and practices of our suppliers, which was not completed during the previous period.

8. Our Investment Activities & Portfolio Companies

For the companies which we invest in, we carry out legal, commercial and compliance due diligence at the point of investment, including consideration of the nature of business operational activities undertaken and the engagement of personnel directly or through the supply chain.

During the period, we successfully rolled out our new ESG Policy and deal checklist (including dedicated ESG section) for all investments made by the Draper Esprit Group. The evolution of our deal process continues to build upon our existing practices to better capture and understand the engagement of our portfolio companies with issues associated with modern slavery and the requirements of the Modern Slavery Act.

The full text of our ESG Policy can be found at <https://draperesprit.com/investors/sustainability> and sets out our approach to the various stages of the process from pre-investment through to exit.

9. Training & Reporting

To ensure appropriate understanding of the risks of modern slavery and human trafficking in our supply chains and within our business, Draper Esprit is committed to the ongoing education of our employees, officers, and other individuals who work for us about modern slavery; the Modern Slavery Act 2015 and the means of recognising, preventing and reporting suspected instances of modern slavery.

10. Further Steps

The Draper Esprit Group is committed to maintaining high ethical standards, protecting human rights, and acting with honesty and integrity in everything we do. As described above, we endeavour to understand where there are risks of modern slavery within any part of our business; our supply chain and our portfolio so that we can address them appropriately and sustainably.

We will continue to monitor and improve our practices and supply chains to develop and strengthen our commitment to human rights matters including the elimination of modern slavery and human trafficking.

Due to the relatively low level of modern slavery risk that we have assessed as being applicable to our business model (including our supply chain), we do not currently adopt key performance indicators (KPIs) in our business in connection with the matters set out in this Statement. Our position on KPIs shall remain under review as our business scales.

This Statement is made by Draper Esprit plc for and on behalf of its broader group for the financial year ending 31 March 2021 in accordance with section 54(1) of the Modern Slavery Act 2015 and will be reviewed and published on an annual basis. It has been approved by Draper Esprit's Board.

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Martin Davis

CEO, Draper Esprit plc