

Bethnal Green Ventures

Operational Impact Report

2022



BGV Investment Management Ltd is an Appointed Representative of Midmar Capital LLP, which is authorised and regulated by the Financial Conduct Authority in respect of UK investment advisory or arranging activities.



We're Bethnal Green Ventures -
Europe's leading tech for good VC.

We're for founders who understand **real problems**. Whether **researched, witnessed, or lived**. With **big** ambitions to build solutions **at scale**. We help them take the first jump, then join them on **the journey**. We're a team with **integrity** who walk the walk. Sharing our founders' vision for impact and helping to **deliver on it**. Because **the world's most valuable companies** will be the ones that **improve millions of lives**. We're here to create a better future with **tech for good**.



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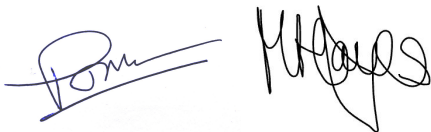
A message from the Managing Partners

Being a B Corp is really important to us at Bethnal Green Ventures. Our mission is to invest in and support startups that use technology to solve important social and environmental problems. The B Corp process holds us accountable and means we maintain high standards for our actions towards all our stakeholders.

This report outlines what we did in 2022 as a B Corp. It covers our Governance, Workers, Community, Environment and Customers. Each section also looks at what we want to do next.

Being part of the B Corp community isn't just a badge for us. It lets us learn from others and work together on big challenges. We hope you take something away from this report and do let us know if you have feedback or suggestions.

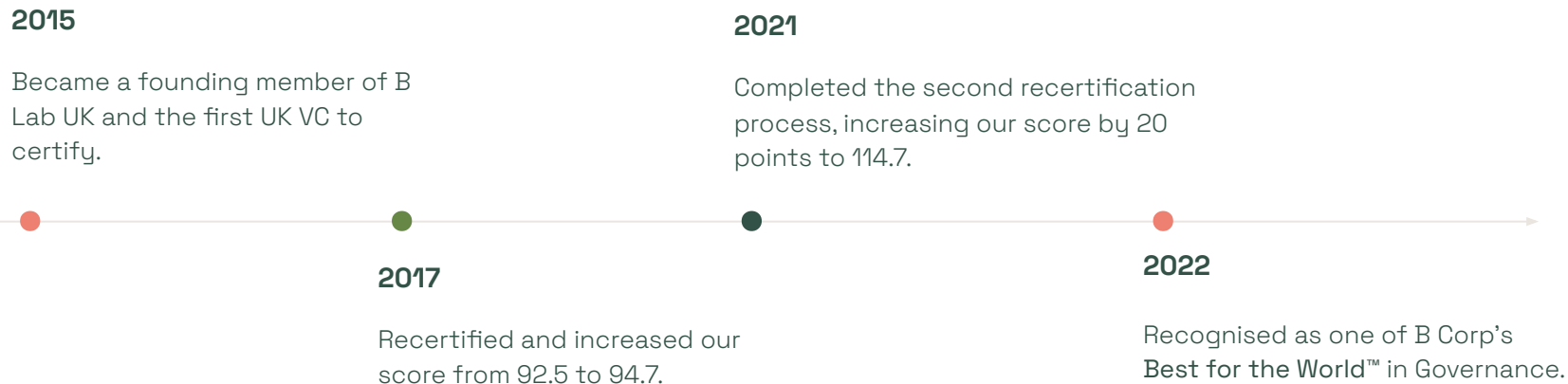
With best wishes,
Paul Miller and Melanie Hayes



Paul Miller and Melanie Hayes

Our journey to certification

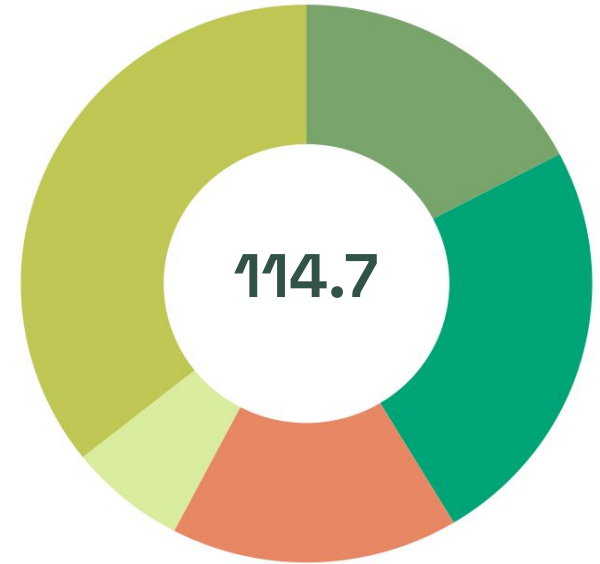
BGRV was founded with an impact-driven mission, but we always knew that our mission alone was not enough to demonstrate our work.



Our 2022 B Corp score

● Governance	19.8
Mission and engagement	2.6
Ethics and transparency	7.1
+ Mission locked	10.0
● Workers	27.5
Financial security	9.1
Health, wellness and safety	4.8
Career development	5.4
Engagement and satisfaction	5.8
● Community	18.6
Diversity, equity and inclusion	8.7
Economic impact	6.0
Civic engagement and giving	1.1
Supply chain management	0.5

● Environment	7.6
Environmental management	1.4
Air and climate	1.6
Water	0.0
Land and life	2.7
● Customers	40.8
Customer stewardship	3.4
+ Mission lock	4.1
+ Past performance	6.0
+ Current fund	6.5
+ Positive impact	7.1
+ Portfolio reporting	4.5
+ Capacity building	6.0
+ Fund governance	2.2



BGV B Corp score breakdown (2022)

Impact area: Governance

'Governance' evaluates a company's overall mission, engagement around its impact, ethics, and transparency.

What we did

Since we first became certified in 2015, we have not only adopted a purpose clause into our Articles of Association, but also made it a prerequisite for investment, ensuring that every portfolio company protects its mission over time. Last year, we continued refining our investment process to protect, scale, and validate our portfolio's impact (see next page for a summary of our approach).

In 2022, we were recognised as one of the Best for the World™ B Corps in Governance, placing us in the top 5% of 5,000 B Corps in this impact area.

Plans for the next 12 months

As we launch and scale a new fund, we plan to:

- Engage external auditors to verify BGV's financial information.
- Appoint a new Board member from the BGV portfolio to increase stakeholder representation and engagement.



Operationalising impact



Our investment process was designed to protect, scale, and validate our portfolio's impact.

	Deal sourcing and deal structure	1st stage investment: programme	Follow-on investments	Portfolio management and Exit
Outcome	Identify and invest in high-potential impact startups	Maximise impact potential and mitigate adverse impact	Advance impact credibility and maturity	Preserve long-term impact and exit responsibly
Tools	<p>Alignment with BGV Impact Areas and UN SDGs.</p> <p>Detailed screening and due diligence to understand impact thesis, potential, and risks.</p> <p>Adoption of purpose clause within Articles of Association and a set of 'Responsible Business Principles' as a condition of investment.</p>	<p>Programme sprint on impact measurement and management covering:</p> <ul style="list-style-type: none"> *Setting a Theory of Change *Building an Impact Strategy *Responsible Product Design. <p>Platform support through resources (e.g. Impact for Startups Guide) and additional expertise from BGV team and mentors.</p>	<p>Impact Risk assessment against BGV's investment model.</p> <p>Depending on impact maturity, impact terms may be included as Conditions Precedent or Subsequent in the investment offer and/or transaction documents.</p> <p>Bespoke support on impact to help ventures progress along our investment model.</p>	<p>Portfolio impact reporting based on industry-recognised frameworks.</p> <p>Platform support on impact to help ventures progress along our investment model.</p> <p>Board level support on achieving impact outcomes.</p>

Impact area: **Workers**

'Workers' evaluates a company's contributions to its employees' financial security, health & safety, wellness, career development, and engagement.

What we did

2022 was a tumultuous year – from war in Ukraine and political turmoil in the UK to climate-related disasters and supply chain chaos all around the world. When times are tough, good people shine through – so most of our efforts this year were focused on our team.

We ran a team session to roadmap our people initiatives for the next few years, implementing new working hours, enhanced flexible working, and L&D guidance. We also created a new pay and reward strategy, benchmarking our salaries against the market to ensure fair pay and including Associates in our carry scheme.

Plans for the next 12 months

- Implement an updated team learning and development system with an increased budget and more team-wide training on core skills.
- Design and implement a sabbatical policy.



The BGV Team, Feb 2023

Benefits

- **25 days of annual leave** with an additional day for every full year worked at BGV, a week over December holidays and a five days carry-over allowance.
- A great work environment and an **inclusive team culture**.
- An amazing experience **working alongside startups** solving important social and environmental problems.
- Exposure to our **extensive network** of founders, mentors, and investors.
- Flexible working arrangements with **one month 'work-from-anywhere'** allowance.
- **Team-created progression framework** and development opportunities.
- Opportunities to learn and participate in the **Tech for Good programme**.

Perks

- Personal annual learning and development budget of £1,000.
- Access to therapy and mental health support through Spill.
- Four days of mental health days allowance.
- 5% employer pension contribution.
- Cycle-to-Work scheme.
- Parental pay and leave above statutory requirements.

Impact area: **Community**

'Community' evaluates a company's engagement with and impact on the communities in which it operates, hires from, and sources from.

What we did

In 2021, we were the first European VC to publish extensive portfolio diversity data in our Impact Report. In subsequent years, we built on our work by taking a more nuanced, intersectional approach, trying to understand how a combination of various demographic factors affected our founders' experiences within the BGV community (inclusion).

In 2022, we continued publicly reporting on [our portfolio data](#) and updated our [Diversity and Inclusion deck](#) with a summary of our latest team and investment practices. We also completed Mental Health Awareness and accessible communications training to enable our team to provide enhanced support to our founders.

Plans for the next 12 months

- Review and adopt our founder-facing communications and processes for accessibility.
- Increase representation within the BGV mentor network.



In practice: **Community**

Backing diverse teams

Solving pressing problems requires us to change the distribution of opportunity and increase diversity and inclusion among the founders we invest in. We take care to ensure founders from all walks of life can access capital from us.

“Approachability is what I think of when I think of BGV. They are true supporters.”



Maya Lingam, CEO and founder of Ecospot

Ranked second globally for our diversity and inclusion efforts in the Inclusive PE & VC Index 2020, 2021, and 2022.

Signatories to #MovingForward committing to a VC industry that is against harassment and discrimination.

Signatories to The Investing in Women Code committing to improving female founders’ access to tools, resources, and finance.

#MovingForward



BGV portfolio founder diversity

42%

women

38%

from ethnic minority backgrounds

17%

identify as LGBTQ+

*Data collected for portfolio in 2022

Impact area: Customers

'Customers' evaluates a company's stewardship of its customers through the quality of its products and services, ethical marketing, data privacy and security, and feedback channels.

What we did

As a tech for good VC, we consider both investors and founders as our customers.

How we engaged with investors

As in previous years, we invested 100% of our capital in impact. We also reported on our ventures' commercial and impact performance and published additional insights on tech for good investing in a dedicated newsletter, [The Practical Optimist](#).

How we engaged with founders

In 2022, we developed our platform and portfolio support strategy, providing monthly investor readiness events, deep-dive workshops, 1:1 coaching, and introductions to mentors and investors within our community. As of the end of December 2022, our portfolio NPS score was 62.

Plans for the next 12 months

- We will implement enhanced portfolio impact reporting for investors in our new fund to increase transparency and accountability around our data.



In practice: **Customers**

Unrivalled expertise and track record investing in and scaling tech for good businesses

We have invested in **177 ventures** of which **84 are active**.

Five had exited as of the end of 2022. Together, they impacted the lives of **16M users**, generating **£80M of revenue** in the year.

First VC globally

to map and share our portfolio's risks of 'unintended consequences'.

First VC in Europe

to share extensive diversity, inclusion and intersectionality data, on our portfolio.

First VC in UK

to become a certified B Corp in 2015.



Our portfolio ventures accelerate progress towards 15 of the 17 SDGs.



100% of BGV's Series A+ ventures are at [Standards of Evidence](#) level 3 or above.



We are part of the Better Business Act, advocating for a change in UK law for responsible business.

Impact area: **Environment**

Environment evaluates a company's overall environmental management practices as well as its impact on the air, climate, water, land, and biodiversity.

What we did

Last year we experienced several team changes, which made finding flexible and affordable office space the main priority. We moved offices twice, the second time to a building in the process of renovation. Due to multiple movements, we couldn't dedicate as much time to improving our environmental performance as we would have liked to, so it will be an important focus area for 2023.

Plans for the next 12 months

- Move into a new office after new fund launch, taking the environmental credentials of the building into consideration.
- Work with our portfolio company, Inhabit, to track our company's carbon footprint and create a plan to net zero emissions.
- Create a travel policy for the team to set out a process for staff attending meetings using transport.



Additional resources



[2022 Impact + Learning Report](#)



[Working towards radical inclusion](#) blog post



Bethnal Green Ventures

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