

# Sustainable Investment

## 2020 Annual Report



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# Welcome from our Managing Partner

I am delighted to be introducing our first annual Sustainable Investment (SI) report.

## Presenting our Sustainable Investment journey

At Piper we have always sought to grow the brands in our portfolio as sustainably as possible and since 2016 have been working to a formalised sustainable investment system led by Partner, Dan Stern. After implementing this approach for over five years we feel we now have a sufficient track record and KPIs to present the results of our efforts.

Within this report, we are proud to present a summary of the way we integrate ESG factors into the way we do business, our journey to date, and ESG performance reporting and KPIs for Fund VI. This is the first Piper Fund in which we have full application of our ESG integration approach.

## Our investment in B Corp

As an extension of our Sustainable Investment programme, we have also invested in a commitment to supporting B Corp certification for ourselves and for those brands in our portfolio that feel it fits well with their business growth journey. We have dedicated part of this report to explaining the benefits that belonging to the B Corp community brings to forward-looking businesses and the ways we are supporting our brands to achieve certification. By the time we issue next year's report we aim to have achieved B Corp certification ourselves, and join Proper, Mindful Chef and Wild Nutrition in the B Corp community.

## 2020 - A year like no other

Covid 19 presented a range of different challenges to our portfolio companies; from temporarily shutting restaurants and gyms and furloughing staff to pivoting sales models from multi-channel to purely online. It has been an exceptional time to be running a consumer facing business and we are proud of the way our companies responded with speed, agility and compassion, striving to look after their teams, their customers and communities while focusing on keeping their businesses fit for the future. We have included some of the stories from this remarkable time. Even more impressive is the way that the focus on ESG management has kept going through the crisis and we expect to be able to report even more on progress and performance next year.

Next year you will also see more reporting on carbon emissions as we focus on this important global challenge.

Peter Kemp-Welch

Managing Partner

**PIPER**



## Fund V

Oct 2014

Family-friendly BBQ smokehouse restaurants bringing the flavours and hospitality of the Deep South to local communities in the NW and Midlands.

Aug 2016

Starting out as Propercorn, Proper is now a leading healthy snacking brand. We exited in January 2021.

**Turtle Bay**  
Caribbean social

**HICKORY'S**  
SMOKEHOUSE

**MONICA**  
VINADER

**PROPER**

**BARKING HEADS**

**FLAT IRON**

**FRANZ**

Jun 2013

A fun and experiential Caribbean bar and restaurant chain with cocktails, fresh and spicy food, reggae music and that 'being on holiday' feeling.

Feb 2017

Fast-growing omni-channel fun and quirky premium natural dog and cat food with a focus on quality, clarity and natural products.

Feb 2016

Fast-growing D2C demi-fine jewellery brand renowned for designs that inspire personalisation and stacking.

## Fund VI

Mar 2017

A disruptive steak restaurant brand with a casual environment serving a simple menu of the best quality steaks at great prices.

Dec 2017

Wellbeing brand with a beautiful product range that improves peoples' lives with 100% natural essential oils.

Dec 2018

The UK's favourite healthy recipe box brand. We sold to Nestle in November 2020.

Aug 2019

Global D2C tech accessories brand famous for its ecosystem of protective products that allow you to do more with your tech.

Dec 2020

World's best-connected smart indoor training bike. Matching intelligent design & user data to deliver the optimal fitness experience.

**NEOM**

**BLOOM & WILD**

**Mindful Chef**

**Bruce's**

**MOOSE**

**THE THINKING TRAVELLER**

**wattbike**

Sep 2018

European online flower gifting brand that enhances the joy of receiving flowers through an incredible tech-enabled customer experience.

Nov 2020

A travel brand with a curated collection of high-end villa experiences in the Mediterranean & an exceptional thoughtful concierge service.

Jul 2019

UK's leading dog day care brand that enriches the lives of dogs by providing a safe place for them to socialise, relax, and challenge themselves.

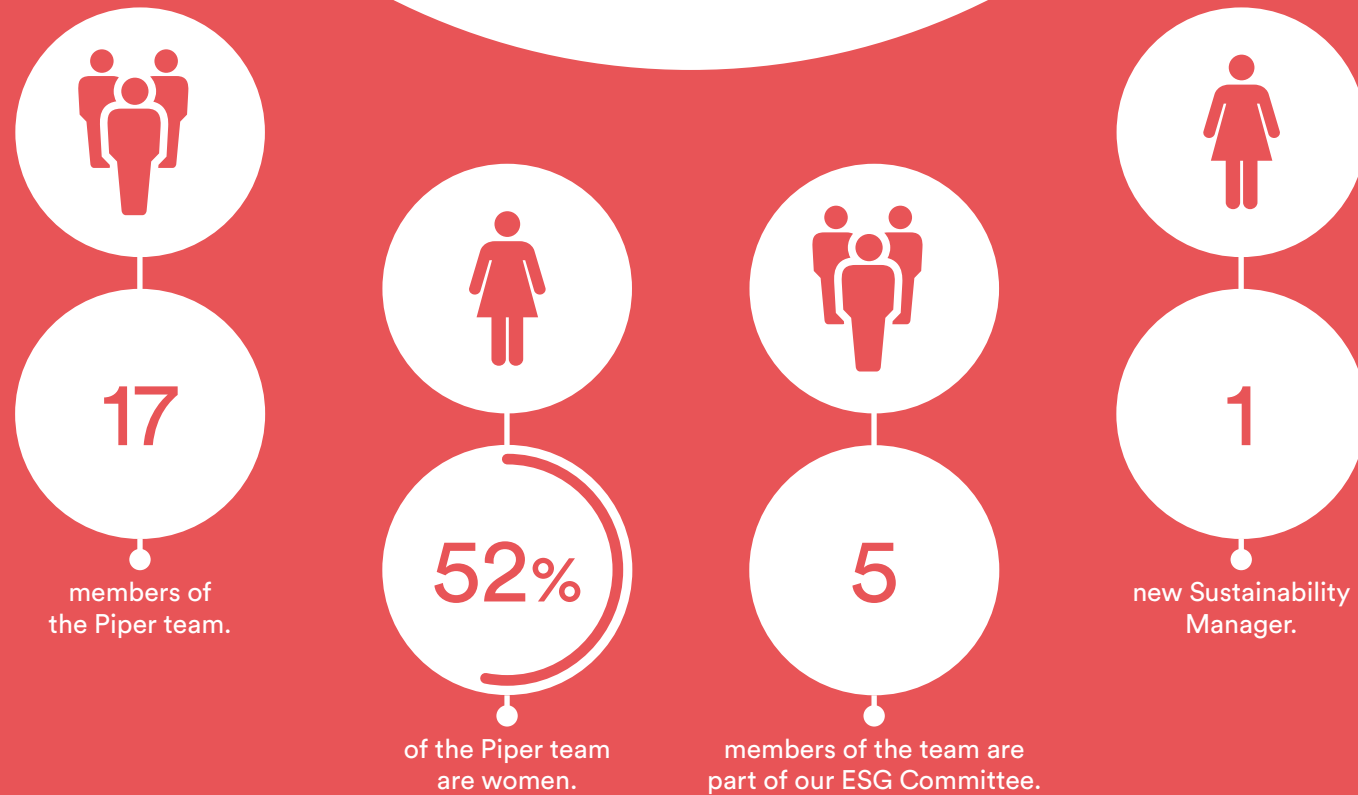
Oct 2017

Fun and feel-good fitness classes in their studios and via their online platform.

# Our brands at a glance

# PIPER

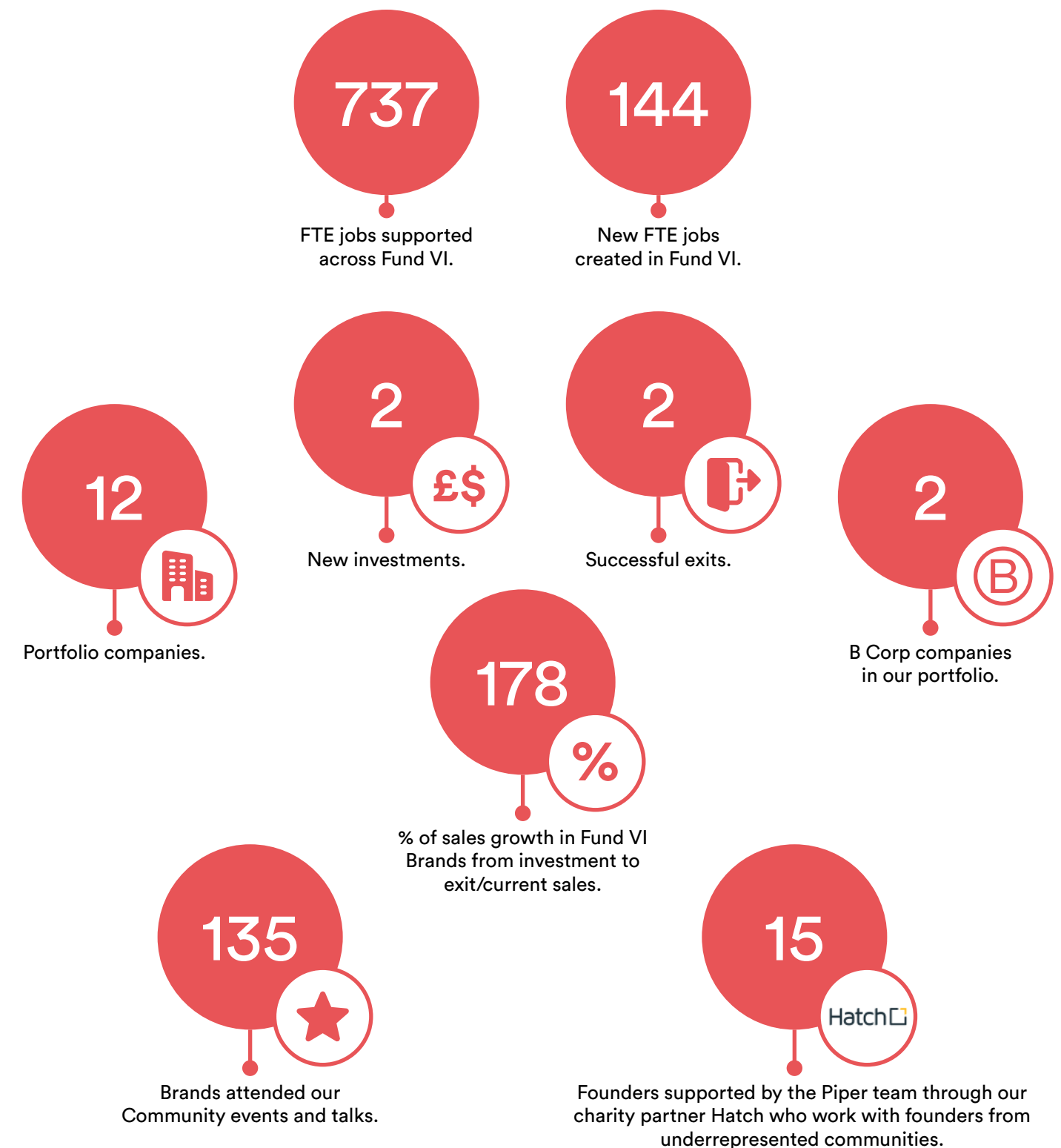
## 2020 in numbers



Purpose-led, inclusive cultures are fundamental to growing brand legends.

Our commitment to empowering leaders to put their team and the environment at the forefront of growth means we must change and develop as well.

We are the investor-partner of choice for founders building brand legends that make people's lives healthier, happier and more fulfilling, while helping them minimise their impact on the environment. This is our purpose.





# Our brands and Covid-19



## NEOM

Neom’s purpose has always been to make people feel great, so in response to the incredible work of the NHS during the pandemic, Neom knew they wanted to help give little moments of calm to NHS staff too. They started with a give-back hand gel, donating one pack to the NHS for every pack bought, but then went further and partnered up with 25 NHS Trusts & Hospitals to donate 20k+ products for their Wellbeing Cafes and Respite rooms for staff.



## FLAT IRON

When the Hospitality industry ground to a halt and Flat Iron had to shut their doors to customers and furlough most of their staff, they took the opportunity (and the new free time) to expand their existing partnership with The Felix Project, a food redistribution charity in London fighting food waste and hunger. They reopened one of their kitchens to provide over 9,000 meals for vulnerable people and used takeaway popups to raise over £20,000, enough food for over 130,000 meals.



## HICKORY'S SMOKEHOUSE

Hickory’s Smokehouses pride themselves on being part of their communities. They have an ongoing charity partnership with Cash for Kids that supports vulnerable children in those areas. And so when Covid-19 forced them to shut their doors, they kept their furloughed staff active with bake sales, raffles, physical challenges, pop-up stalls and even car washes that raised an incredible £137,485 to help out local children in need.



## FRAME

Frame’s exercises classes are all about fun and getting a boost of endorphins to make you feel great, and they didn’t let a pandemic stop them from doing that. After pivoting their entire business online and launching a range of home on-demand classes, they announced that their entire catalogue would be free to NHS staff and keyworkers; to give back to the heroes of Covid-19.



## Mindful Chef

With supermarket queues & food shortages being a big problem at the start of the pandemic, Mindful Chef’s healthy recipe box delivery service was the perfect solution to keep people eating well without leaving the house. Mindful Chef expanded rapidly, meeting demand by hiring many people who had lost other food industry jobs. They knew their service could also be a much-needed help to keyworkers so they started offering a discount, and for those isolating they created care boxes so that people could send a delicious healthy meal to loved ones in need.

# Our approach to Sustainable Investment

### Why sustainability matters to us

At Piper we have long held the belief that our brands need to intersect with the sustainability agenda in order to grow successfully. Many of the founders that we meet express a strong desire to build a brand that has a clear purpose, where people are drawn to work and do their best because the business is committed to doing the right thing.

We believe that having made a similar clear commitment ourselves is one of the reasons we have attracted some of the brightest and best brand-led growth companies in recent years.

### Our journey in sustainable investment

In 2016 we decided to formalise our approach by undertaking a facilitated process, guided by specialist advisors, to establish our sustainable investment strategy and policy, build a well defined and workable SI system and put all the necessary tools and training in place for effective integration into the way we do business.

At this time, we also established our SI Committee, shown overleaf, to support the implementation of our strategy and lead on periodic review of its effectiveness and further development, always mindful of the evolving nature of the wider ESG and sustainable investment agenda.

### Our Sustainable Investment Principles

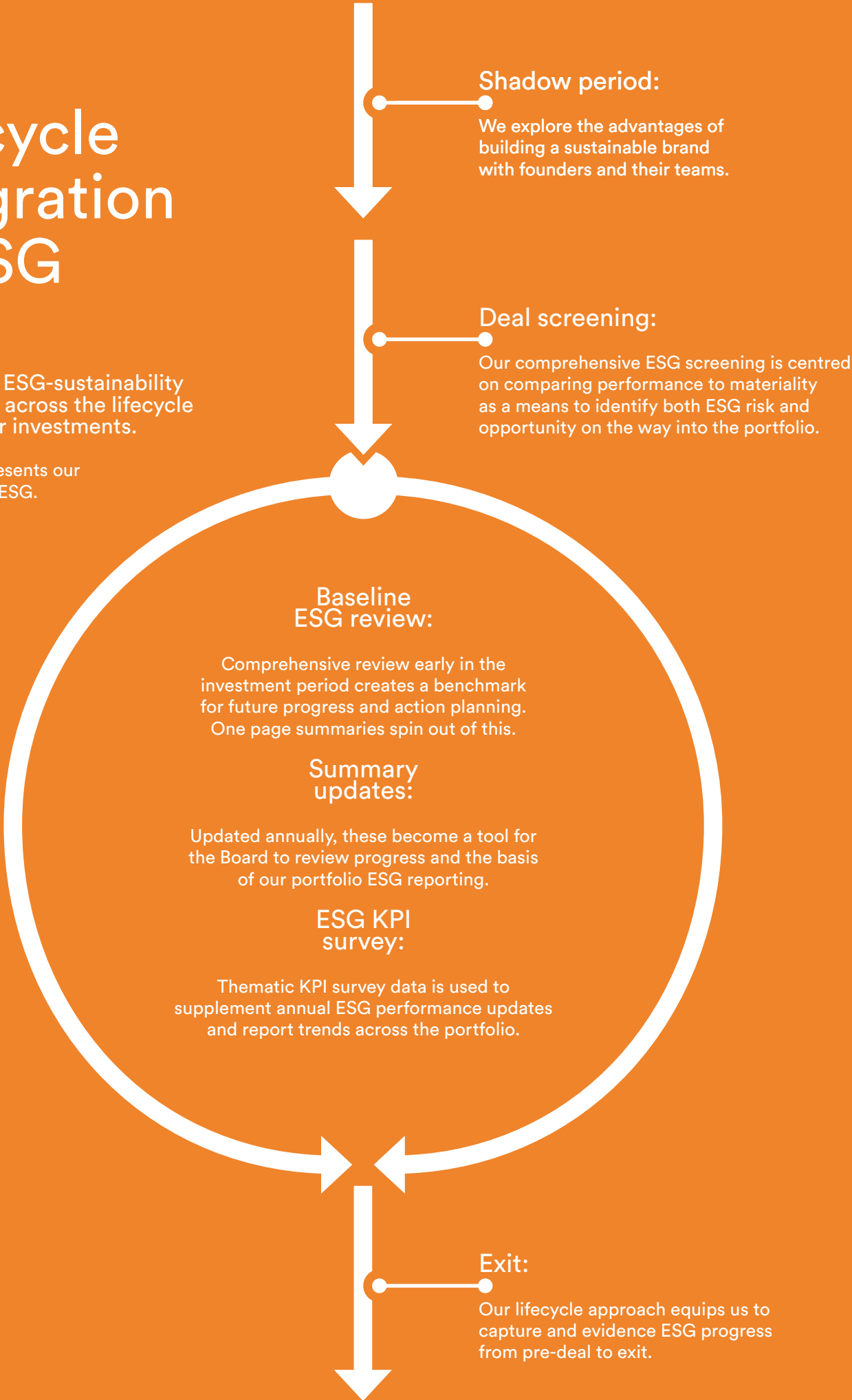
These principles head up our policy as follows:

- To build future-proof brands that will be successful and resilient, creating a legacy beyond our investment.
- To assess and understand impacts on the environment, people, society and the business itself in all key decision-making.
- In particular, to take steps to recognise climate change related matters in our investment decisions and support our companies to address climate change risks and impacts in their business operations and strategies.
- To meet all relevant compliance requirements proactively and steer our companies to do the same.

# Lifecycle integration of ESG

We integrate ESG-sustainability management across the lifecycle of each of our investments.

This graph represents our 'deep dive' into ESG.





# A framework driven approach

We use a set of key frameworks within our SI system to drive rigour and consistency:

Our lines of enquiry and assessment, action planning and reporting are organised around a set of ESG themes, shown below. We assess performance against a 5 point scale representing increasing commitment, integration and innovation. Finally, we factor in how material each thematic topic is on a scale of 1 to 5 to help assess where our brands should focus their efforts and resources.

Governance & Ethics	Employment & Staff Care	Marketplace Responsibility	Carbon Pollution & Waste
Risk Management & Compliance	Supply Chain Sustainability	Community Care & Engagement	Natural Resources & Input Materials

## Piper thematic ESG-sustainable investment framework

### The Piper Sustainable Investment Committee

This has been established for the past 5 years to represent senior leadership, the investment team and members of the wider team responsible for building and maintaining relationships with our brands. Partner Dan Stern heads the committee and leads on our commitment and development to our SI and ESG management.



Dan Stern  
Partner & Committee Chair



Chris Curry  
Managing Partner and Chairman



Peter Kemp-Welch  
Managing Partner



Georgia Jones  
Sustainability Manager



Yasha Estraiikh  
Associate Partner

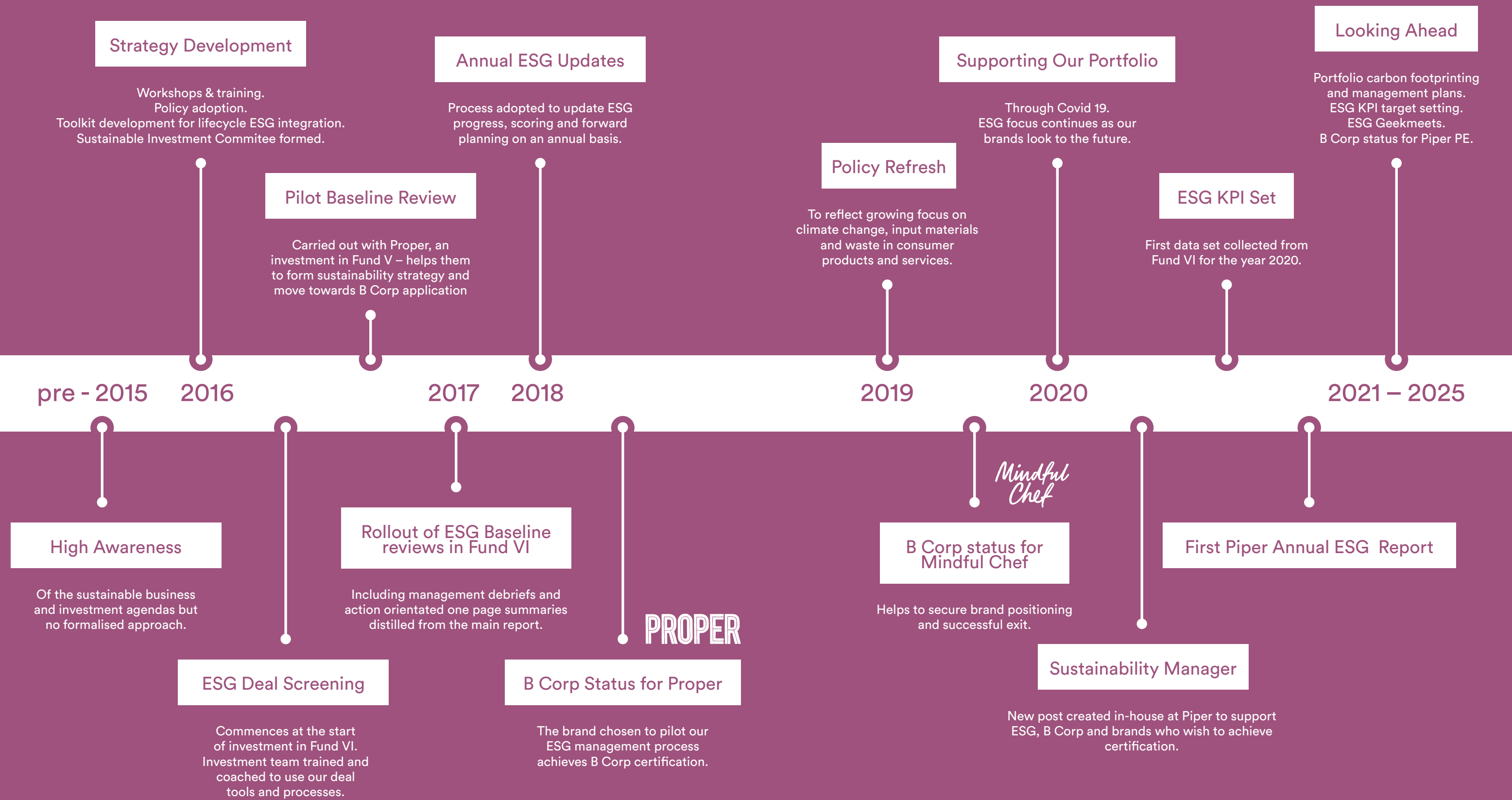


BLOOM & WILD

Bloom & Wild care about how each flower is grown and are working to reduce the CO<sub>2</sub>e per bouquet.



# Our Sustainable Investment journey





# Our commitment to B Corp

## B Corp reflects our purpose of helping to build Brand Legends

Brand Legends are brands that make people's lives healthier, happier and more fulfilling, while helping them minimise their impact on the environment.

Having researched B Corp as a benchmark for sustainable business, we consider it a powerful and effective one-stop shop in an increasingly complex and crowded sustainability landscape. We are advocates of the B Corp movement not only because it feels the right thing for us to do, but because we believe it is the best holistic framework to encourage continuous improvement both within our own business at Piper and in our portfolio brands as they grow into Brand Legends.

By enshrining a balance between purpose and profit and by changing our Members Deed to ensure that we act on behalf of all stakeholders, we are complementing the way we have built our ESG programme and furthering our commitments to date.

## Joining the B Corp community in 2021

As part of our commitment to sustainable investment, we are delighted to be in the process of joining the B Corp community and aim to be certified by the end of 2021. We will be joining a fast-growing community of 3,500 brands in 48 countries. We are looking forward to using our B Corp certification as a benchmark to make annual improvements to how we do business.

## Helping our brands become B Corps

By balancing purpose and profit, we have seen how strongly B Corps resonate with people looking for brands that they are proud to be associated with and that represent their own values.

With three of our brands having already achieved B Corp status – Proper, Mindful Chef and Wild Nutrition – we are currently supporting a number of our brands to achieve certification, led by Piper's Sustainability Manager, Georgia Jones. Neom and The Thinking Traveller have both started the journey to certification and we hope to be able to report on their progress in next year's report.

## Growing the B Corp community

We held two invite-only virtual skills-sharing events in 2020 with founders of 50 brands to encourage them to become B Corps and will be following up with others in the year ahead. We also look forward to working with the investment community to promote the benefits of B Corp.

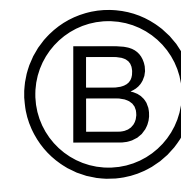


## Female Founders supported by our charity partner

**Hatch** 

Hatch empowers underrepresented entrepreneurs to imagine, launch and grow sustainable and impactful businesses through tailored support, community and partnerships.

**Certified**



**Corporation**

Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose. B Corps commit legally to consider all stakeholders affected by their business, not just shareholders. B Corps are accelerating a global culture shift to redefine success in business and build a more inclusive and sustainable economy.





“Piper’s B Corp assessment has been an incredible learning experience for the whole team. The thorough process has caused us to look inward and make significant changes, but also take note of the existing good work we were already doing. We are looking forward to the next stage of this journey that comes with certification, and doing more and more to have a positive impact.”

Georgia Jones  
Sustainability Manager

“We are extremely proud of being a B Corp. Since starting Mindful Chef we have always tried to use our business as a force for good. Piper embraced this idea of balancing purpose with profit and supported us in our journey. We are really pleased that they have chosen to join us in the B Corp community.”

Myles, Co-founder of Mindful Chef

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## Why B Corp?

As a critical force for positive change, B Corp is fast becoming a highly regarded symbol among consumers:

- 8% of UK consumers are already aware of it.\*
- Retailers such as Waitrose, Ocado and Boots have launched B Corp aisles (virtual or otherwise).
- Strategic buyers are actively seeking B Corps opportunities – e.g. Unilever now has eight B Corp brands under its wing, Danone is on track to become the world’s biggest B Corp.
- In the UK, B Corps grew 28 times faster than the national economic growth rate, with an average annual growth rate of 14%.\*
- The UK is home to the second largest B Corp community in the world, with over 22,000 employees and a combined revenue of over £4.3billion.

\* Internal B Labs consumer research



# Fund VI ESG KPIs Highlights from 2020

## Introduction

This is the first year that Piper has collected ESG KPIs from its portfolio, a practice that has now been introduced annually for all companies from Fund VI onwards. The data here relates to the 8 companies in the Fund at the end of 2020. We added this exercise to our Sustainable Investment programme in 2020, firstly because we think it is right to report on such data to our investors and others, and secondly, because we believe it will help to drive ESG performance in the brands we have invested in.

## The findings

For some companies, some of the KPI questions have not been discussed at Board level before, which is one of the aims we are seeking as an outcome of this exercise. As a result, some of the findings from our ESG KPI survey have been thin in this first year, but this will enable us to hone in on trends where our portfolio appears to need support and guidance, especially where brands are at the start of their ESG journey. Some companies are further advanced, however, and in the report that follows, we present the data from selected KPIs as well as highlights of good and improving practice from the portfolio.



Bruce's employees are passionate about caring for the dogs because their employers care about making it a great place to work.



# Governance & Ethics

GE1 – Companies that followed good governance practice by having an independent Chair and other Non-Executive Directors.



87% of companies had a Non-executive Chairperson.

GE2 – Gender balance on companies' main Board of Directors.



89% of companies had at least 1 woman on the main Board of Directors including NEDs.

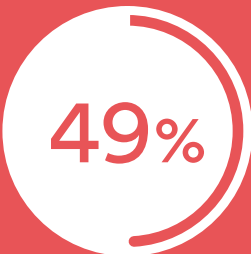
GE3 – Companies with women Board participants in addition to Company Directors.



100% of companies had at least 1 woman regularly attending Board meetings in a management capacity.



75% of companies had 2 or more women regularly attending Board meetings in a management capacity.



49% of people in Senior Leadership Positions across our Fund VI brands are women (that inc. NEDs, Directors & Heads of Dept.).

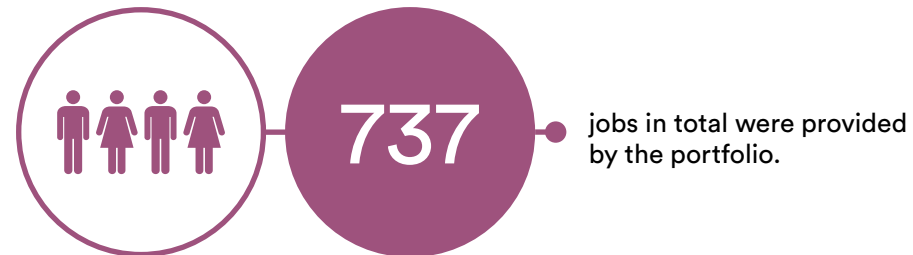
GE4 – Companies that trained their staff in business ethics policy.



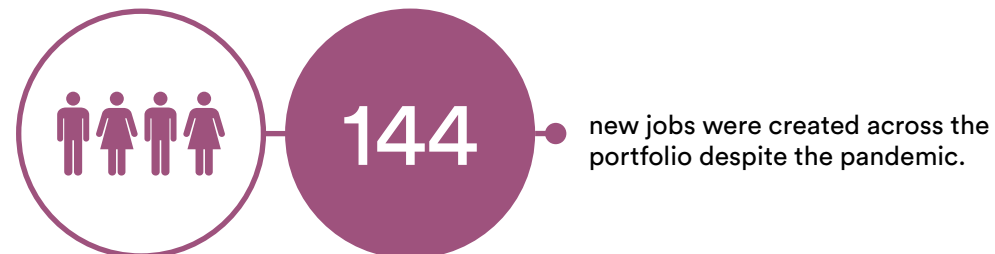
50% of companies had undertaken training in company ethics policies during 2020.

# Employment and Staff Care

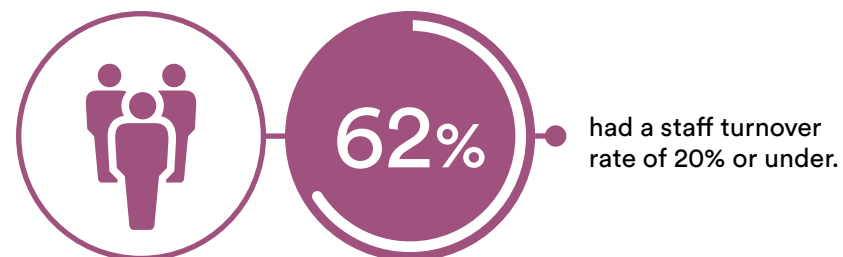
ESC1 – Permanent FTE jobs across the portfolio.



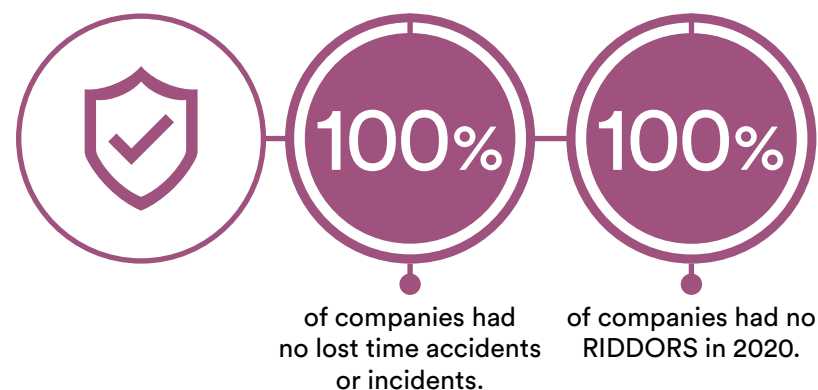
ESC2 – New permanent FTE jobs across the portfolio.



ESC3 – Were companies able to manage staff turnover rates in 2020?

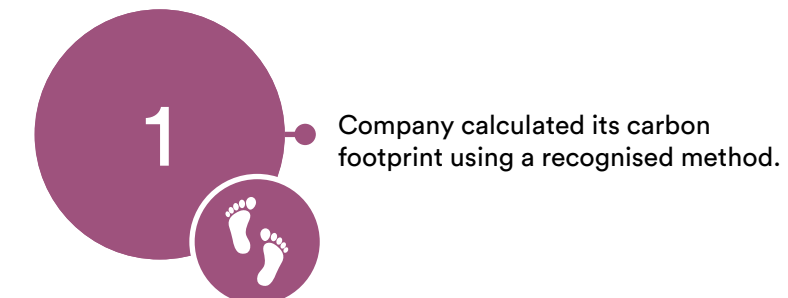


ESC4 – Were companies safe places to work?



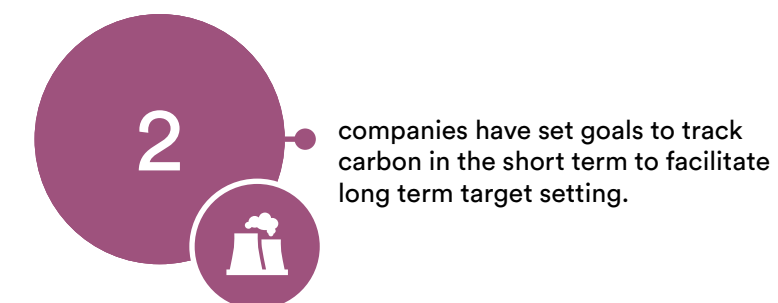
# Environment: carbon, input materials and waste

E1 – Companies that calculated their carbon footprint.



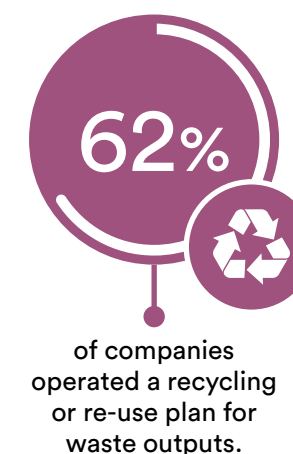
This was Bloom & Wild, who also published its first sustainability report. We aim to introduce carbon footprint calculation for all our portfolio in 2021.

E2 – Companies that set targets for reducing their carbon intensity and climate change impacts.



Piper plans to introduce carbon analysis and reporting for all our portfolio companies in 2021.

E3 – Companies that implemented a plan to support sustainable waste management.



E4 – Companies that took steps to reduce input materials and waste outputs.



E5 – Companies that removed single use plastic from their operations.





## Sustainability Case Study

Examining how a business that prioritises ESG can become a leader in their field.

## 2020 Achievements



Recyclable letterbox packaging

By making changes that are visible and communicated to the customer, Bloom & Wild are taking them on the sustainability journey too.



Waste to landfill

All waste from production sites is either recycled or converted to energy. Bloom & Wild are taking responsibility for their impact.



Amount of CO<sub>2</sub>e created by getting each bouquet to the customer that is now being offset

Bloom & Wild are working to reduce CO<sub>2</sub>e per bouquet and will report progress annually.



## Flowers

- Working closely with growers to grow flowers in natural conditions wherever possible, and using chemical pesticides only as a last resort.
- Use of 'hydroponic' systems to reduce water use, each bouquet only using the same water as a cup of coffee.

## Packaging

- Fully recyclable letterbox flower packaging has saved 60,784kg of plastic and polyester from going to landfill.
- Card and paper is FSC approved and recycled, and vegetable inks are used wherever possible.
- Investing in new packaging solutions to make their whole range recyclable by end of 2021.

## Transport

- Increasingly working with green couriers (who use bikes or electric vehicles) or couriers that offset their emissions.
- This saved 2,404 gallons of petrol.
- Aim to reduce their air miles by having more seasonal British bouquets.

## People

- Making head office a green place for employees with non-toxic cleaning products, recycled stationery, etc.
- Treating suppliers in Kenya equally, with paid maternity leave, 30 days annual leave, subsidised food & transport.
- Making their marketing more diverse & representative.

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# Want to know more about our Sustainable Investment Policy?

Have questions about becoming  
a B Corp or how to manage your ESG?

Get in touch

[georgia@piper.co.uk](mailto:georgia@piper.co.uk)

0207 727 3842