



Sustainable Investment

2023 Annual Report

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Welcome

Now in its fourth year, our annual Sustainable Investment report is an opportunity for us to share with you how we and our portfolio have been improving our impact in 2023. Whilst there is always more that can be done, we are proud to continually uplift our partner brands, ourselves, and our community to be better businesses. Throughout this report, you will see the UN Sustainable Development Goals we are focused on, see our update on our SDG work on page 12.

Our sustainable portfolio

In 2023 we invested in another certified B Corp business, Ancient + Brave, and welcomed two of our existing partner brands to the B Corp community as well, Bloom & Wild and The Thinking Traveller. This means that five brands, 38% of our portfolio, were certified B Corp by the end of 2023. We don't require our investment brands to certify, but we certainly advocate the B Impact Assessment as a great tool to shape sustainability strategies.

As we invested in Ancient + Brave at the end of 2023, we have not included their data in our ESG KPI highlights, but we have accounted for our share of their GHG emissions since the investment and included that in our report. Our other investment of 2023, Monica Vinader is included in this year's data reporting, and it is inspiring to watch them tackle the jewellery industry's traceability challenge head-on with their pioneering Product Passport programme that makes 300+ of their designs fully traceable from source.

Beyond our new investments and B Corp partner brands, the rest of our portfolio has been making significant efforts as well. On the next page, you can read about the social impact they have made in 2023. We wanted to particularly highlight our hospitality brands, Turtle Bay and Flat Iron who both created sustainability strategies in 2023, with Turtle Bay partnering with Ethical Power to build a new solar farm and Flat Iron achieving a 3-star rating from the Sustainable Restaurant Association, the maximum rating possible.

Investing in our community

We believe that brands need to grow in the right way that suits their purpose and business model, and we tailor our support to suit each of our partner brands to achieve this. Through our NED roles on the board and with the independent Chairs we place, we help brands build governance and processes that foster sustainable stable growth. With our value-add experts in brand, digital and people, we help teams focus on what drives value. And with our knowledge and insight sharing ethos we foster collaborations. In 2023 we hosted our first Sustainability Roundtable for our sustainability champions, and we also held events for our senior leadership teams, and finance and people leads, to connect and learn from experts and each other.

We are also investing time and experience into the wider brand community, which you can read more about on page 10. As a signatory of the Investing in Women Code, we read the British Business Bank's 2023 report Pathways to Improve Diversity in Venture Capital Investment with interest and it has caused us to step up and develop our inclusivity processes and projects.

Our work on sustainability is increasingly feeding back to improve Piper, and we are hugely proud of everything we've achieved and everything we have plan to achieve in 2024.

Dan Stern

Partner



Our brands at a glance

– 2023 in Social impact

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GENDER EQUALITY


8
DECENT WORK AND ECONOMIC GROWTH


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REDUCED INEQUALITIES


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RESPONSIBLE CONSUMPTION AND PRODUCTION


13
CLIMATE ACTION


Fund V

Implemented efficient kitchen designs for refurb and new sites to reduce energy usage, also developed behaviour change processes and training for staff to bring everyone together on the journey.



Fund VI

In line with their purpose and their partnership with the Mental Health Foundation, NEOM use an internal Ethical Advertising Checklist to ensure that marketing is trustworthy, valuable, and does not target vulnerable customers.



A brand that is part of its local communities, Bruce's is committed to working with local schools and colleges to offer work experience and placements to students and young adults in education.



Not only used by the world's greatest athletes for training, the Wattbike Health Assessment on the Wattbike Hub tests cardiorespiratory fitness allowing users to make targeted improvements to enhance overall wellbeing.



Launched a series called 'In the workshop with', shining a spotlight on their product design engineers' work on research, development, testing and refining that goes into designing their ingenious products.

Fund VII

Their pioneering traceable designs allow customers to know the origins of their jewellery and protect the people making it. They choose to work with only a handful of factories all of which are transparently listed on their website.



In 2023 Flat Iron reduced team attrition by 20% and increased employee NPS score from 28 to 43. Half of their managers are promoted from within and following a dedicated effort to listen, have overhauled benefits based on staff feedback.



Support the communities who grow their flowers by building long-term relationships with ethical growers in Kenya who go above and beyond – providing good working conditions and financial security to lift local communities out of poverty.

Launched Mous Collabs, a creative space for experimental case design created by independent artists and including a unique design created by Ukrainian pop duo Bloom Twins, 50% of the profits from this case design support War Child.

Operating within the ethos of ecotourism, The Thinking Traveller invests in local economies, participates in conservation projects, and raises awareness amongst our clientele to promote a sustainable, long-term approach to tourism.



In 2023 achieved its 6th Great Place to Work award for both wellbeing and women through its enhanced health and wellbeing benefits packages that includes job shares, varied hours and remote working to support work-life balance.

Combining ecotourism and volunteering opportunities, a few times a year Rabbies employees head up to the Isle of Skye and work with Staffin Trust on repairs to popular tourist attractions, helping keep beautiful destinations pristine.






Our Approach to Sustainable Investment

We are experts in building sustainable business models that focus on value not size, and recognise that brands have key inflection points as they grow from start-up to large scale, which we call 7,17,70. Good environmental, social and governance practices are signifiers of a business prepared to navigate and make necessary changes to grow through these inflection points in order to grow well and drive value.

Our lines of enquiry and assessment, action planning and reporting are organised around a set of ESG themes, shown below. We assess materiality and performance against these themes throughout the lifetime of our partnerships, establishing a baseline and annually reviewing where our brands should focus their efforts and resources.



The Piper Sustainable Investment Committee

Manages ESG			Strategy reviewed by		Oversight by	
						
Georgia Jones			Dan Stern		Chris Curry	
Sustainability Manager			Partner & Committee Chair		Managing Partner and Chairman	
						
			Yasha Estraiikh		Peter Kemp-Welch	
			Associate Partner		Managing Partner	



Integrating ESG across the lifecycle of our investments

Sustainability Communications Review
As a certified B Corp, we are committed to balancing people and planet with profit. Before considering any deal, we review a brand against positive & negative ESG criteria. We look at marketing, sector risks, and opportunities for positive impact, to make sure they align with our values.



Comprehensive ESG Due Diligence
Global standards-aligned data analysis supported by expert platform, Novata, feeds into a focused materiality assessment and an evaluation of wider business due diligence. The Investment Committee review key risks and opportunities as part of decision-making.

Deal Agreements
All investment agreements include requirements to take part in our ESG reviews and annual data collection, including GHG emissions reporting. This ensures an upfront commitment to sustainability improvements and processes.

ESG DD Feedback
Performance, as well as any risks and opportunities identified in the ESG DD, are fed back to the companies. This is used to set initial sustainability goals.



Sustainability Community
Brands nominate a Sustainability Champion at the board level. We welcome both the Sustainability Champion and any members of their sustainability team to our events and shared learning community.

Baseline Review
Comprehensive ESG review early in the investment period by expert providers, Waterman. This assesses materiality and performance to create a baseline for future progress and outlines practical next steps and long-term actions to improve.

Annual ESG Review
Updated annually by Waterman, these become a tool for the Piper NEDs and company board to review progress, guide strategy, and set targets. They are used to report portfolio ESG to investors annually.

Data Reporting
Now with enhanced support & benchmarking from expert platform, Novata. Annual data collection aligned with SFDR, EDCI and other global standards, monitors ESG KPIs and supplements annual ESG reviews.



GHG Emissions Reporting
Portfolio-wide reporting process where emissions experts, Carbon Responsible (or their own provider), support brands to collect and analyse Scope 1, 2 and 3 emissions. Focus on continual improvement of data quality and setting science-based reduction targets.

Access to our ESG Network
As well as our in-house sustainability knowledge, Piper has an extensive network of providers and consultants that can support portfolio brand partners to implement strategy and achieve best practice sustainability.

Transparent at Exit
Our lifecycle approach allows us to disclose the ESG progress of our partner brands from investment to exit to potential buyers.

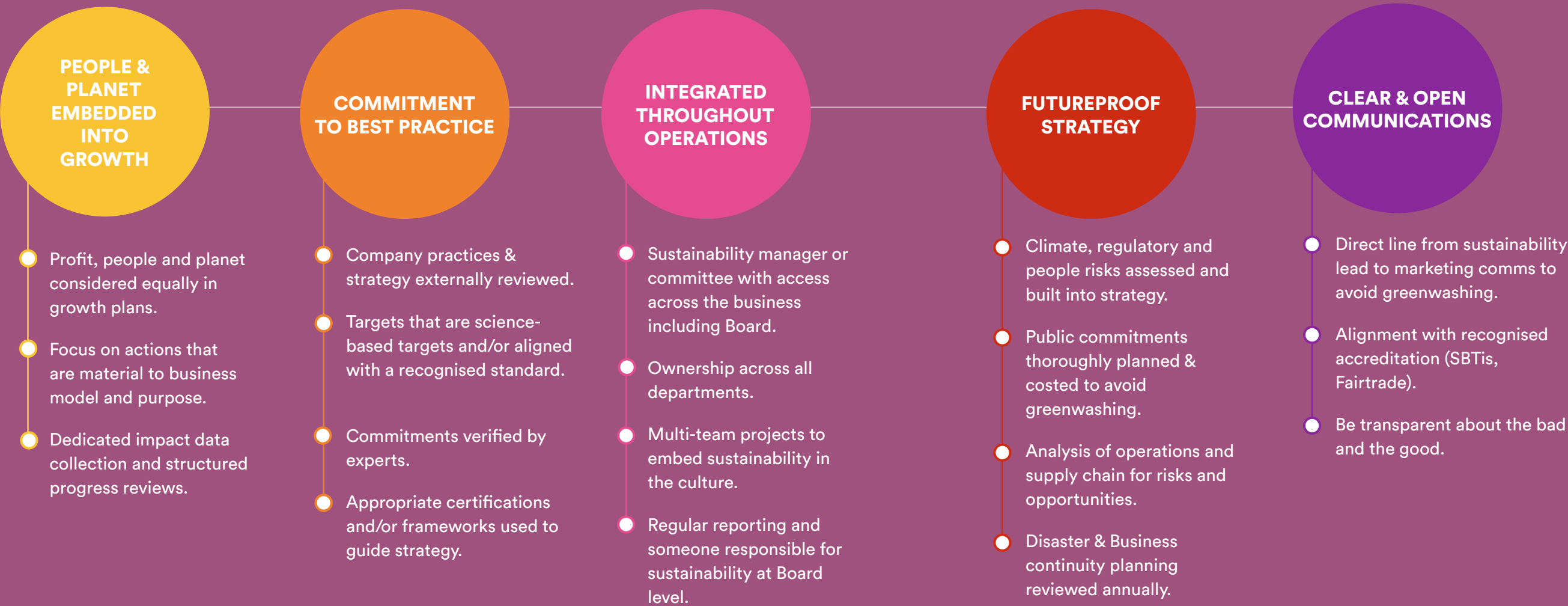


Ready for regulations
Focus on continual improvement guided by expert audits prepares companies for increased regulatory requirements as they grow.

Our best practice model for sustainable businesses

Over the last year, we have been developing our best practice model for sustainable businesses. This is built from our sustainability journey, speaking to many brands, and the huge wealth of knowledge gained from B Corp certification and our network of sustainability experts.

The goal of this model is not to say what makes a sustainable business, but how you can shape your operations and processes to move forward and become a sustainable brand legend.



Investing in inclusion and diversity

Inclusion and diversity at Piper goes far beyond how we treat our colleagues. We are part of an ecosystem of growing British businesses and our investment can boost brands to become industry leaders that employ thousands. This means that we have a responsibility to be inclusive and help our partner brands to be the same. We are proud of the work we have done and are doing, but we also know there is much more to be done.



What we do

Hatch



Signatories of Investing in Women

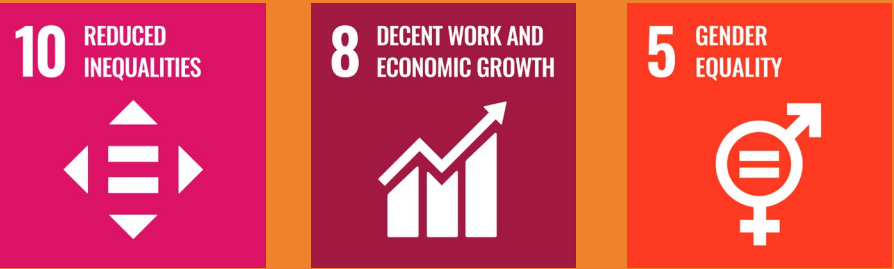
We contribute data to the Investing in Women annual report that looks at the gender and diversity of founders seeking and receiving funding. We review this data internally annually to analyse our performance and in 2023 this led to a new pipeline outreach initiative.

Pipeline outreach

As growth investors, we invest in established businesses. Tracking the diversity of founders of businesses at our size in comparison to start-up size shows a big drop-off of diverse founders as they grow. To support diverse founders reaching our stage of growth, we have a new outreach push to expand our network and offer insight and guidance to start-up and early-stage brands.

Hatch partnership

We have been working with Hatch Enterprise which supports underrepresented entrepreneurs since 2020 offering 121 sessions with the Piper team, brand, and digital masterclasses, and creating content on how to get investment and sustainability.





Piper is proud to be part of a community of founders, brand builders and investors. We believe that thought leadership means sharing our knowledge and insight with this community so we can all grow and succeed.

For our portfolio

- Annual event for leadership across our portfolio brands to network, make connections and foster partnerships.
- Network events and learning sessions for our Finance and People leaders.
- A sustainability roundtable event for our Sustainability Champions with Lou Stevens, ex-head of Sustainability at Innocent.
- Invites to our brand and digital-focused Founders Collectives and Geekmeet events.
- Access to our provider network. Our value-add teams know and are constantly meeting the best experts to support our portfolio.

For our founder network

- Quarterly Founders Collective and Geekmeet events where we invite brand and digital experts to speak on a topic and host a panel of brands who share their insights and experiences.
- Regular editorials and insight newsletters to share our knowledge and thoughts on how to overcome challenges brands face.
- Outreach and networking to meet and support early-stage brands.

For our investors

- Our Annual Meeting invites our investors to come and meet both us and the brands they are invested in.
- Focus on meeting and exceeding their ESG expectations, reporting the SFDR PAIs and GHG emissions of the whole portfolio.
- Many of our investors are founders from our network or previous portfolio brands.

Progress for the SDGs

In last year's Sustainable Investment Report we set out the SDGs that Piper can have an impact on, and we are delighted to report our first progress update. With two investments in sustainable female led brands in 2023, we've set the bar very high.

SUSTAINABLE DEVELOPMENT GOALS

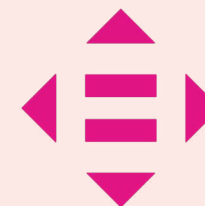
3 GOOD HEALTH AND WELL-BEING



Ensure healthy lives and promote wellbeing for all at all ages

- Invested in Ancient + Brave, a wellness brands that creates sustainable supplements for whole body health.
- Two investments in the wellness space that focus on female health and particularly pregnancy and menopause support.
- All investments reviewed annually on Health, Safety & Wellbeing practices.

10 REDUCED INEQUALITIES



Reduce inequality within and among countries.

- Annual Inclusivity training for Piper team with a focus on how our personal bias could impact business decisions.
- 100% of the portfolio running employee surveys at least annually to allow for employee feedback and input.
- 84% of the portfolio have a diversity, equity & inclusion policy.

5 GENDER EQUALITY



Achieve gender equality & empower all women and girls

- Collected and reported portfolio wide gender pay gap of 11.5%, UK average is 14.3%.
- Invested in Ancient + Brave and reinvested in Monica Vinader, both female founded brands.
- 53% of employees in our Fund VI & Fund VII companies are women.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Ensure sustainable consumption and production patterns.

- Reinvested in Monica Vinader who are committed to responsible production and are pioneers in responsible jewellery manufacture.
- Promote subscription models that reduce waste and allow for minimal packaging, see Wild Nutrition Case Study (pg 24).

8 DECENT WORK AND ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth and decent work for all.

- Developed our new best practice model to embed sustainability into business (pg 8).
- Monitor attrition rates and employee satisfaction (eNPS)
- Advocate building valuable & sustainable not just big businesses.
- 3332 FTE employees across 13 businesses.

13 CLIMATE ACTION



Take urgent action to combat climate change and its impacts.

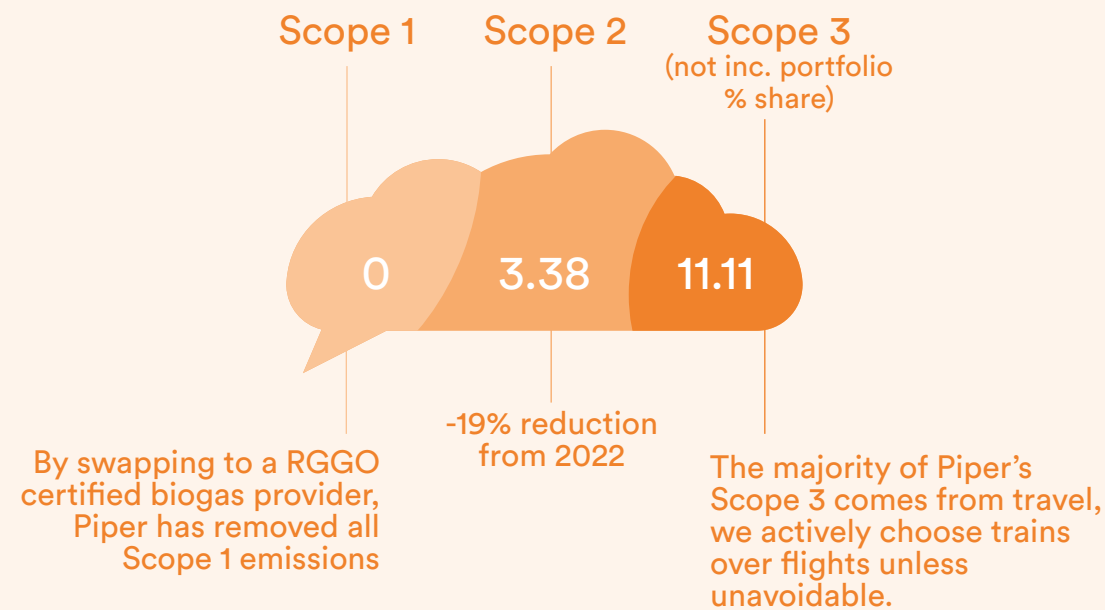
- Piper monitors emissions of whole portfolio with expert auditing of all data by Carbon Responsible.
- 36% of the portfolio have targets aligned to a net zero pathway and a further 36% are planning to set them.
- Piper team and portfolio received training on setting science based targets.

Piper & Portfolio Emissions Report

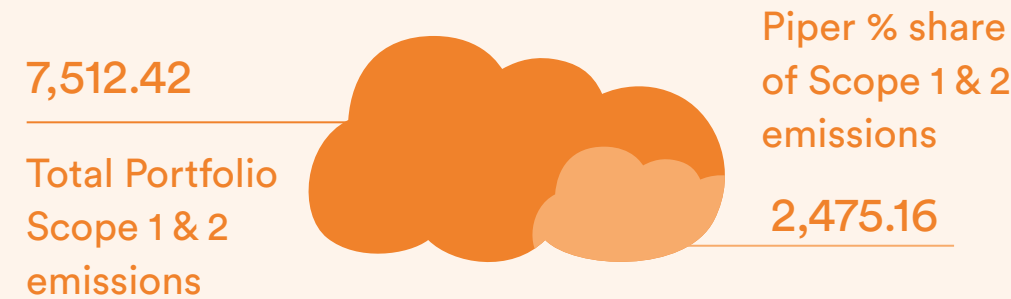


We report emissions for ourselves and our whole portfolio, 90% of which are based on data reported directly from the brands, with one exception where estimates have been used. Piper takes responsibility for our % ownership of our portfolio and have reported this below. Only Scope 1 & 2 are reported as the portfolio have undertaken differing extents of Scope 3 GHG measurement, but this is monitored internally.

Piper’s emissions calculated by Carbon Responsible (in Tonnes CO2e)



Portfolio emissions (in Tonnes CO2e)



Taking responsibility for our emissions

Piper does not offset any emissions, the amount reported here is our full emissions and we take responsibility for these and work towards reducing them. Until we reach Net Zero, we have set an internal emissions tax, a price per tonne of carbon from our direct emissions (Scope 1, 2 & 3 but not including our portfolio % share). We donate this to climate action charity, Cool Earth, who run innovative projects that protect rainforests while supporting communities. Their work includes training and funding Indigenous people to become Forest Monitors, who safeguard biodiversity hotspots and protect the Amazon by combining traditional knowledge and satellite technology.



Fund VI & Fund VII

2023 ESG KPI Highlights

To ensure that we are continually meeting the best standards of ESG data analysis and reporting, in 2023 we partnered with B Corp certified expert ESG data platform, Novata. This partnership ensures the metrics we request from our portfolio are in line with global reporting standards, including the SFDR PAIs and our commitment to reporting to The ESG Data Convergence Initiative.

Because of this shift to reporting via Novata, we have added new metrics and altered previous metrics. We have also had changes in the portfolio, now including data from our Fund VII investment, Monica Vinader. These variants means our data will sometimes not show linear improvement trajectory, but the majority of the KPIs reflect the positive changes being made across the portfolio.



novata



ESG Data
Convergence
Initiative

Environment

Emissions

In 2023, the portfolio received expert guidance on setting quantifiable science-based emissions reduction targets. Emissions reduction initiatives here refers to specific and planned emissions reduction initiatives, rather than ad hoc actions.

2022	2023	
10%	36%	have emissions reduction targets aligned to a net-zero pathway
	36%	have plans to establish a net-zero goal within the next two years
	45%	have emissions reductions initiatives
30%	36%	use renewable energy

Material Usage & Waste

This data focuses on the eight companies reporting who sell products as this is less material to our partner brands who offer services.

2022	2023	
	100%	of our product portfolio companies use renewable/recycled/recyclable materials in products & packaging
70%	90%	of our product portfolio companies have processes in place to reduce waste generation

Circularity

There are opportunities to introduce circular practices in many ways in a business, from refillable products to reusing waste as packaging and offering end-of-life recycling or refurbishment for products.

2022	2023	
	55%	have circular practices within their businesses
	57%	of product portfolio companies have a formal circularity policy

Biodiversity

With the TFND framework released last year, understanding and reducing our reliance on natural capital is now a priority. As a starting point we ran 'Understanding Biodiversity' training for the portfolio and Piper team.

2022	2023	
	80%	attended training on biodiversity with expert partner Greenheart
	54%	have committed to protecting biodiversity through operational processes and policies

Supply Chain Sustainability

Introducing ESG into supply chain operations is labour intensive and difficult when managing multiple suppliers. We support our businesses to build up effective processes that suit their operations and focus on material risks and opportunities.

2022	2023	
70%	81%	have a supplier code of conduct
30%	45%	assess the ESG performance of suppliers
	54%	have ESG requirements in some contracts
	62%	of product businesses have done an environmental life cycle assessment

Employment and Staff Care

Adding Monica Vinader to our ESG data collection following our reinvestment from Fund VII, reflects a jump in the FTEs in our portfolio. Employee attrition has risen but this is in line with UK average of 35% (CIPD). 54% of reporting companies have an employee attrition rate of 30% or lower.

2022	2023	
1704	2126	permanent FTE jobs
490	350	organic Net New FTE Hires
32%	36%	attrition

Employee care & engagement

eNPS scores a business by asking how likely an employee is to recommend the organisation as a place to work. As businesses grow and culture becomes harder to maintain, alongside the difficult market conditions in 2023, it is usual to see fluctuations in these scores. Every company in our portfolio monitors and works to improve these by getting feedback from employees via surveys.

2022	2023	
100%	100%	ran an employee survey
66%	75%	average number of employees that responded
32 eNPS	29 eNPS	average score from the 90% of those who measure eNPS
	45%	of portfolio achieved an above 30 “excellent” score



Diversity, equity & inclusion

We are hugely proud to have proportional representation of women employees within our portfolio, but more importantly an increased focus on DEI which will make workplaces more inclusive for all employees.

2022	2023	
60%	81%	have a diversity, equity & inclusion policy
50%	54%	monitor the diversity of their team
	53%	of employees are women

Gender Pay Gap

Only mandatory for large companies, this year we asked Fund VI and VII companies to calculate their gender pay gap for our reporting and the majority provided data. By introducing this request, we hope to encourage brands to begin improvements before mandatory reporting. The UK average gender pay gap is 14.5%.

2022	2023	
	11.5%	avg. gender pay gap of the portfolio
20%	90%	disclosed their gender pay gap data



Customer & Community Care

Customer engagement

A long-running focus at Piper, staying close to the customer is core to building a brand legend. Over 70 NPS is considered excellent. 90% of the companies use NPS scoring.

2022	2023	
100%	100%	Collected customer satisfaction rates.
70 NPS	72 NPS	average NPS score.
	72%	Have an above 70 score which is considered excellent

Community care

Beyond customers, brands are increasingly focused on giving back to the communities they exist within, whether that is their local communities or supply chains. Not all our partners donate money, many provide free or discounted products/services as a way of giving back.

2022	2023	
80%	100%	have charitable partnerships either through monetary or product/service donations.
	£387,000	donated to charity by reporting companies

Governance

Leadership

Having diverse and inclusive leadership is not only the right thing to do, it helps businesses overcome challenges using new perspectives and build world-class teams. The % of women in our board rooms and c-suite has reduced this year due to personnel changes, but the number of people from underrepresented groups has increased.

2022	2023	
80%	81%	have women board members
29%	27%	of the board attendees are female
46%	42%	of the c-suite are women
20%	27%	have someone from an underrepresented group in the board
3%	8%	of the board attendees are from an underrepresented group

Ethics and Risk

With increasing legal and moral focus on ethical supply chains, the majority of our portfolio has a Modern Slavery Statement despite not being required to.

2022	2023	
40%	77%	have a Modern Slavery Statement
90%	100%	actively work to address data security risks
90%	100%	have an anti-bribery & corruption policy
90%	90%	have a whistle-blower policy

ESG Commitment

With a focus on continually improving our portfolio's ESG management, we have introduced KPIs on having an ESG Strategy as well as a policy. All the companies review ESG strategy at least annually at Board level, but for the majority, this is more regular.

2022	2023	
100%	100%	have an ESG lead within their business
	63%	have an ESG Strategy
	81%	have an ESG policy (or equivalent)

WILD NUTRITION

Sustainability Case Study

How they found value in being sustainable

Certified B Corp before we invested, Wild Nutrition have a clearly defined purpose to support women's health with naturally sourced ingredients and give back to the environment, their community and their customers. These values are embedded throughout the business, from product and operations to customer care and supporting their employees. Framing everything they do around this has helped grow sales 68% in the last year because every decision feeds back to the purpose.



Employees

A comprehensive staff wellbeing package and enhanced benefits translates to high employee retention and engagement.

- **eNPS of 46**
- Surveys are run quarterly - **87% of employees responded** to the survey
- **6th Great Place to Work** award for Women and for Wellbeing
- **14% attrition** (lower than uk avg.)

Customers

A focus on quality, over 20,000 free consultations delivered and subscription discounts gives back to customers.

- **customer NPS 70**
- **customer satisfaction scores are recorded weekly**
- **74% of new customers converting to subscription**
- **97% recommended on Reviews.io**

Product

The origins of their purpose, to empower women through better nutrition using natural supplements formulated with the highest quality ingredients in their pioneering Food-Grown® approach. They are designed to be better recognised, retained and used by your body.



Raw ingredients are carefully sourced for maximum efficacy, with 3rd party suppliers reviewed by Wild Nutrition themselves for ESG and quality.

Their Food-Grown® Vitamin D, shown to be 113% better absorbed than the leading high street capsule.

No artificial colours, binders, fillers or flavourings are ever used by Wild Nutrition or their suppliers.

Packaging

Reducing packaging is a clear route to reducing environmental impact and costs. Wild Nutrition are removing waste and increasing use of recycled materials throughout their product lifecycle.

All packaging materials are 100% refillable, recyclable or compostable.



By updating their Daily Essential packaging, they reduced materials by over 75%.

New D2C packaging with reduced sizing to save materials of both the boxes and filling required to protect the product, which lowers carbon emissions through the supply chain.

Circular Product Delivery

Wild Nutrition's biggest growth area is their subscription model which allows for circular product delivery. Subscription fulfils their purpose of supporting women with a consistent and effective supplement routine and allows for reduced costs and material usage.

- Pouches replace the need for jars when ordering via subscription, lowering the cost and impact of manufacturing.



Pouches cost less to deliver and go through a letterbox, reducing price for customer, while increasing product gross margin.

100% recyclable, the pouches reduce customers' lifetime environmental impact by shipping smaller and lighter parcels with a lower impact end of life.

Want to know more about our approach to Sustainable Investment?

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

Get in touch

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