



Responsible Investment Report  
2023/24

STRICTLY PRIVATE & CONFIDENTIAL



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# TempoCap's commitment to ESG

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TempoCap is committed to investing in strong, sustainable businesses that have a positive impact on their stakeholders and on the wider society in which they operate. For all of us at TempoCap, that means evaluating ESG risks throughout the investment process, from initial screening all the way to exit, and continuously moving forward with ESG improvements.

**Olav Ostin**

**Managing Partner**

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Member  
Firm



Principles for  
Responsible  
Investment





# Why acting responsibly is important to us at TempoCap

At TempoCap, we believe that investing in companies with good environmental, social and governance (ESG) practices means investing in stronger, more sustainable companies.

As technology investors, our investments often help to create high quality jobs in sectors with a low environmental impact. These businesses can have a positive impact across all key stakeholders – employees, customers, and partners - as well as shareholders.

Nevertheless, as long-term investors, it is in our nature to consider long-term risks, including those relating to ESG issues. We therefore see careful consideration of ESG risks as part of our fiduciary duty.

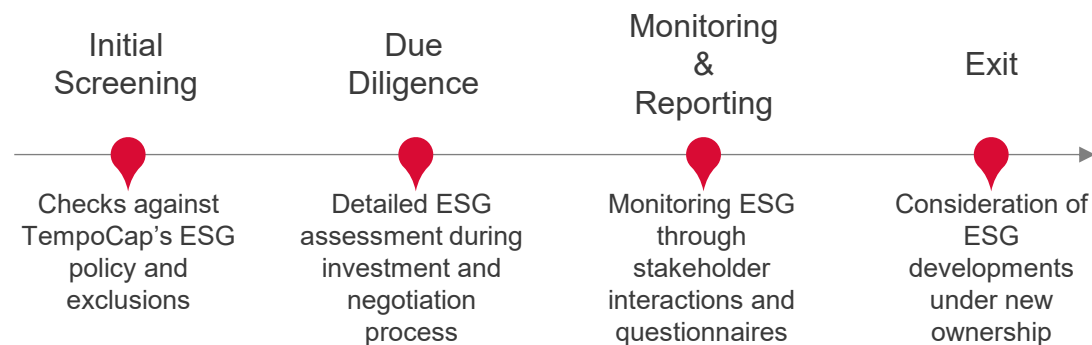
In 2023 [PwC](#) reported value creation as a top three driver of ESG activity for 70% of investors, with brand enhancement, risk mitigation, competitive differentiation and client attraction identified by most investors as key benefits. We see the same benefits for our portfolio companies, even if the numerical financial value of those things can at times be challenging to pin down.

Alongside these factors, we also want to demonstrate that we are making a positive contribution to society's challenges through our investments. We therefore see our commitment to ESG as a moral obligation as well as having its own business rationale.



# Our approach to ESG

We consider ESG topics at each stage of investment: at initial screening, during diligence and negotiation, once our funds are invested, and at the point of exit.



These elements are embedded into TempoCap's investment processes, but ESG risks involve a complex and wide-ranging set of topics. In each area there is always more to learn as to best practice and understanding a company's wider impact.

Many ESG risks are hard to quantify, may include elements of subjectivity and often require deeper context for a proper assessment. For example, how best should a scale-up business balance diversity, independence and other factors at a Board of Directors? What is an equitable amount of ownership to be set aside for employees in a company share options scheme? What is an acceptable employee turnover rate at a fast-growing company? What are the most appropriate policies for a company to employ in order to reduce its carbon emissions? More generally, we try to think about who might be negatively impacted if a company becomes very large.

The second half of this report summarises our assessments for our portfolio companies across a range of approximately 50 different factors within Environmental, Social and Governance topics through our questionnaire and our follow-up engagements with management teams. Credit for the comprehensive structure and design of our annual questionnaire is due to one of TempoCap's LPs, SWEN Capital Partners, a recognised ESG leader in private equity investing, and we are truly grateful for their support.

However, we know that ESG is not a box-ticking exercise or a numbers game, and so a questionnaire serves as the starting point for conversations and deeper engagements with our companies on ESG topics.

We also know that, for the young, fast-growing companies we invest in, constantly juggling with constrained resources as they expand, time spent on these issues can sometimes be seen as a distraction from their ambitious growth plans. TempoCap therefore has an important role to play as a forcing function for ESG, while keeping an eye on materiality and maintaining a pragmatic operational approach. Our focus, as technology investors, has typically been on areas such as good governance, diversity and inclusion, employee engagement, customer privacy and data security. However, we do place more emphasis on environmental risks too these days.

This report presents our confidential ESG assessment of each portfolio company, with 75% of our actively managed portfolio companies providing their responses in 2024, providing data covering the period from 1<sup>st</sup> January to 31<sup>st</sup> December 2023. Our assessments indicate that given their level of maturity, TempoCap's portfolio companies continue to score well in both our questionnaire and follow up engagements with regard to *social* and *governance* topics measured, but still have more to do when it comes to *environmental* topics.

This result is not unexpected; our young and fast-growing technology businesses typically enjoy positive working environments for their staff, improve governance structures as they mature, and may give less consideration to environmental factors or policies, such as the evaluation of carbon footprints, until reaching a certain level of scale. While these are rarely carbon intensive businesses, with most companies writing software code, we continue to drive our companies forward on this – with TempoCap calculating and then offsetting its own carbon footprint for many years now. We are pleased to report some progress in the portfolio, with an increasing number of our companies paying more attention to environmental factors, and the number that are now calculating their carbon footprint trebling over the last two years. This year, for the first time, nearly three fifths of the portfolio has calculated its carbon footprint and TempoCap has utilised a third-party to estimate the carbon emissions of any remaining portfolio companies as well. With each year that passes, we refine our approach to ESG, and strive for meaningful progress.



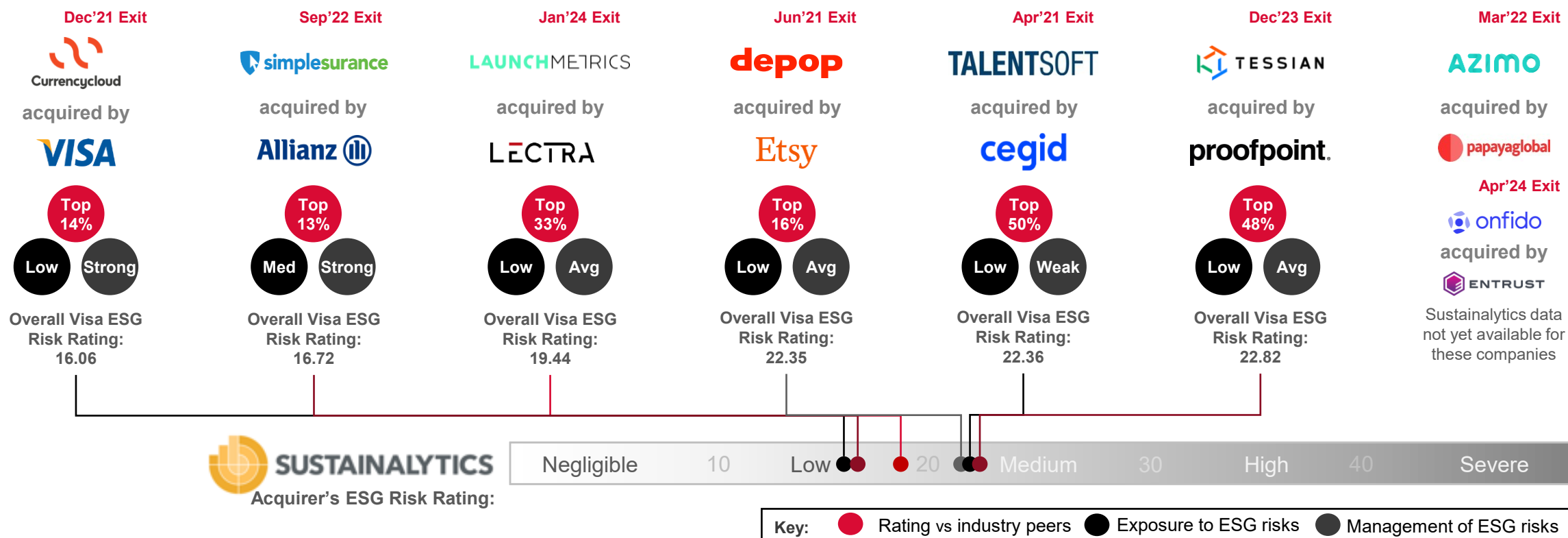


# ESG efforts support exit paths

Across a series of liquidity events for our funds in recent years, we have found that solid ESG performance is often a hallmark of a well-run company, supporting exit valuations; and at each exit, TempoCap assesses acquirers' ESG credentials.

Here we show independent ESG risk ratings from Sustainalytics, a leading ESG ratings firm for large/listed companies (where available).

These ratings measure the magnitude of each acquirer's unmanaged ESG risks, incorporating assessments of (1) exposure to material ESG risks and (2) management of that exposure. All acquirers measured were deemed to have low exposure to ESG risks.



## Looking ahead to 2025

We are continuously reminded that ESG matters are key to how our companies do business, and the individual components of ESG are frequently interwoven. Being more proactive on environmental issues, for example, can provide social benefits too, with every company operating within a wider society.

In 2025, we aim to engage further with our portfolio companies on ESG matters, while also making a positive contribution at TempoCap. Next year will mark our sixth year of offsetting TempoCap's carbon emissions, and more and more of TempoCap's portfolio companies are following suit. We look forward to seeing this trend continue.

We will also seek to promote further female success in our industry next year, both for founders and investors, by continuing to seek out women-led businesses and by speaking up about the incredible female talent that is already part of TempoCap's ecosystem, whether in our team or at our portfolio companies.

Finally, we will remain vigilant on governance challenges that young companies may face more than others. Our drive to increase women and independents on portfolio company boards has had some success so far, and should continue to make progress in 2025.



# TempoCap pioneers

depop



Depop (exited in 2021) is a marketplace for resale fashion items, disrupting a fashion industry responsible for up to 10% of humanity's carbon emissions.

azimo



Azimo (exited in 2022) is a digital money remittance platform, critical for migrant communities to transfer money across borders more cheaply and efficiently.

dacadoo



Dacadoo is a comprehensive health engagement platform, building a data set that can inform policy-making and global health responses.

acorns



Acorns offers a fully-automated, app-based micro-investing robo-advisory solution, widening access to financial services.

XEMPUS



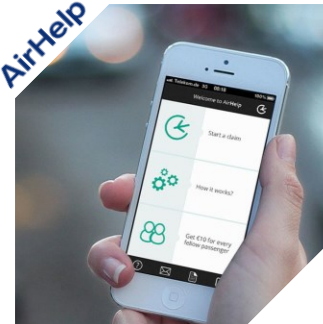
XEMPUS drives financial inclusion making pensions easier by digitally connecting all the parties involved on a shared platform for the first time.

onfido



Onfido helps companies verify individuals' identities, and has championed building AI to recognise faces from often-overlooked ethnic minorities.

AirHelp



AirHelp helps air passengers get compensation from airlines when their flight gets cancelled, delayed or overbooked.

Transition EVERGREEN



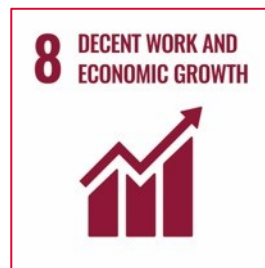
Transition Evergreen is the first French-listed investment fund investing in the ecological transition and reducing the overall carbon footprint.





# 100% of our portfolio companies contribute to UN Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), a call for action by all countries. These goals recognise that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests. Our portfolio companies contribute to the following 12 UN SDGs:





# Moving diversity forward

The 2024 annual report from [European Women in VC](#), reveals that annual investment in startups (co-)founded by women has increased by more than 10x over the past decade. 2023 was the third-highest year on record for VC investment in European women (co-)founded startups. However, startups (co-)founded by women still only raise 10% of total VC funding in Europe.

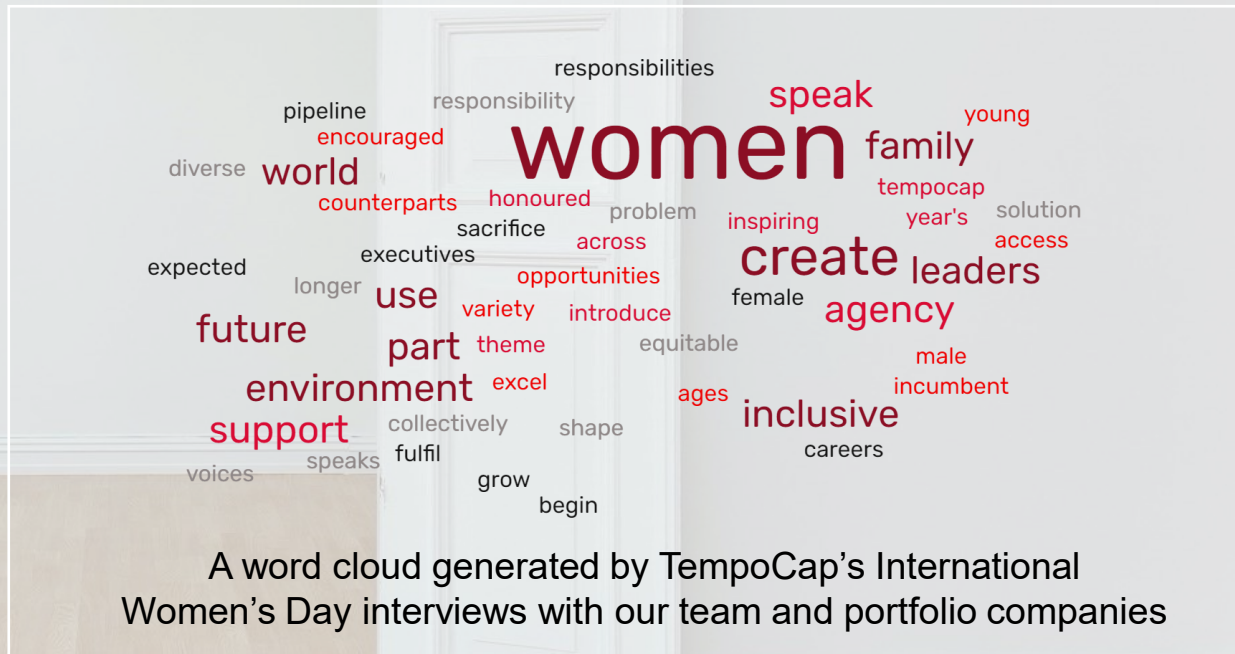
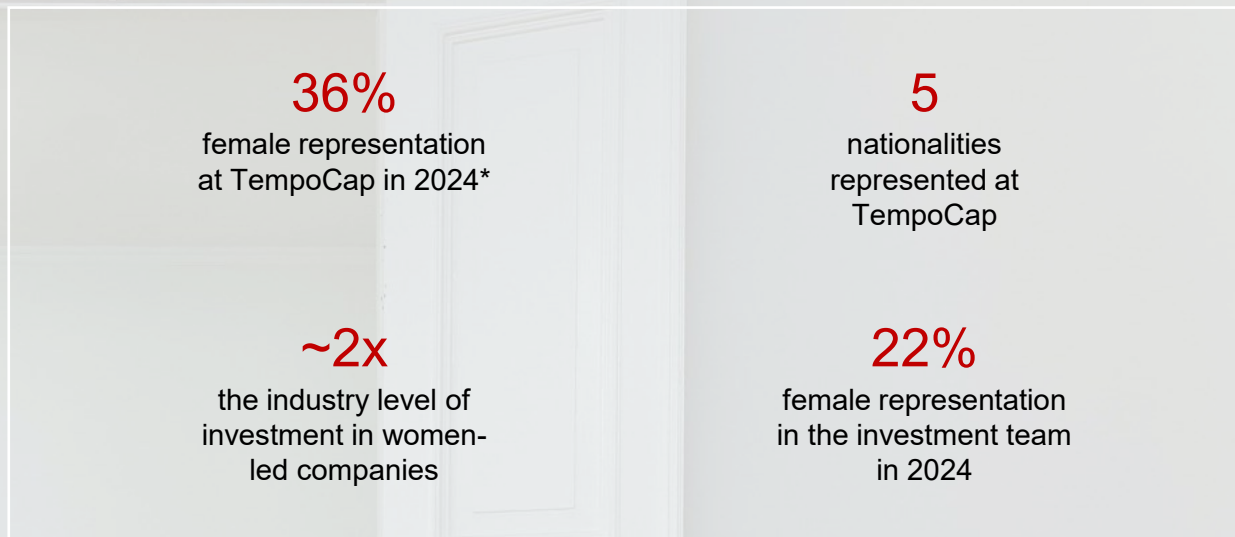
In TempoCap's portfolio, 67% of companies had mixed-gender leadership teams in 2023. Although perhaps not a perfect comparison, as we do not track founding teams, but executive teams instead, this indicates a better balance than the industry figures noted above. This is an increase from 2022, when 65% of portfolio companies had mixed-gender leadership. Nevertheless, there is still a great deal to be done to move towards gender equality.

Other measures of diversity are also unflattering to the industry. [EWVC's](#) 2024 survey uncovers that just 9% of European VC AUM is held by female GPs. Yet, the survey showed that an increase of 10% point in female presence on decision making level in VC is correlated with 1.3% point increase in IRR. While TempoCap does have meaningful female representation, we remain some way from equal across genders.

TempoCap is certainly conscious of the lack of diversity in venture capital and is taking active steps to address this, including:

- Proactively seeking female candidates for every stage of the hiring process
- Tracking and reporting on our diversity figures annually
- Hosting, promoting and participating in relevant events such as International Women's Day & university days to widen access to our industry
- TempoCap's Marie-Sophie Ausch taking membership in WVC:E (Women in VC: Everywhere!), a community focused on inclusion, empowerment, and integration in VC, with Marie-Sophie speaking at its 2024 summit
- Including all permanent team members in TempoCap's carried interest pool

*\*Key additional context/explanation is provided in the Appendix*





# TempoCap is committed to being a responsible operator

## Environmental

Measurement, reduction and offsetting of TempoCap's CO<sub>2</sub> emissions via Leaders For Climate Action

2023 move to 100% renewable energy in London and Berlin offices

99% paperless offices with motion-activated lighting, double glazing, recycling facilities, reduction of non-recyclable waste and majority renewable energy supply

Team-wide drive to use more sustainable travel & transportation methods

Reduced use of plastic in the office

## Social

36% female representation within TempoCap

Diverse candidate pool requirements embedded into our hiring processes

Long-term incentive programmes for all permanent FTEs

All staff attend ESG training

At home PPE provided to all team members during Covid-19

Inclusive team social events

Support for local charities and good causes

## Governance

All team members attend the Investment Committee and have a duty to speak up

Clear investment processes, and conflict of interest management and resolution

Dedicated ESG working group

Venture capital association memberships to give back to the ecosystem

UNPRI signatory





# TempoCap's commitment to sustainable and ecological development



TempoCap has joined Leaders for Climate Action (LFCA), an entrepreneurial community that drives climate action. We have committed to use our influence and network to contribute to the fight against climate change.

>4,100

Members

>1,362,000

Member employees

6,751

Actions taken

47

Countries

44t  
CO<sub>2</sub>

Annual carbon emissions offset by TempoCap to achieve Climate Neutrality\*

## Active measures to reduce carbon emissions

- Basic Climate Neutrality
- Complete Climate Neutrality
- Green digital products & services
- Sustainable Office
- Conscious Energy Consumption
- Sustainable physical products
- Minimal everyday commute
- Responsible Business Travel
- Sustainable Management
- Employee engagement
- Consumer engagement
- Impactful investing



\*Key additional context/explanation is provided in the Appendix





# TempoCap's ESG working group represents a commitment at all levels

“ Our ESG working group brings together team members across the firm to handle ESG issues identified in the investment process and in our wider monitoring. This broadens our ESG knowledge and ensures ESG experience is being continuously integrated into TempoCap's culture. ”

Adam Shepherd, Investment Partner & ESG Officer



**Olav Ostin**  
Managing Partner



**Annabelle de Saint  
Quentin**  
CFO & Compliance Officer



**Adam Shepherd**  
Investment Partner &  
ESG Officer



**Philipp Meindl**  
Investment Partner &  
Climate Officer



**Harrie Smith**  
Analyst

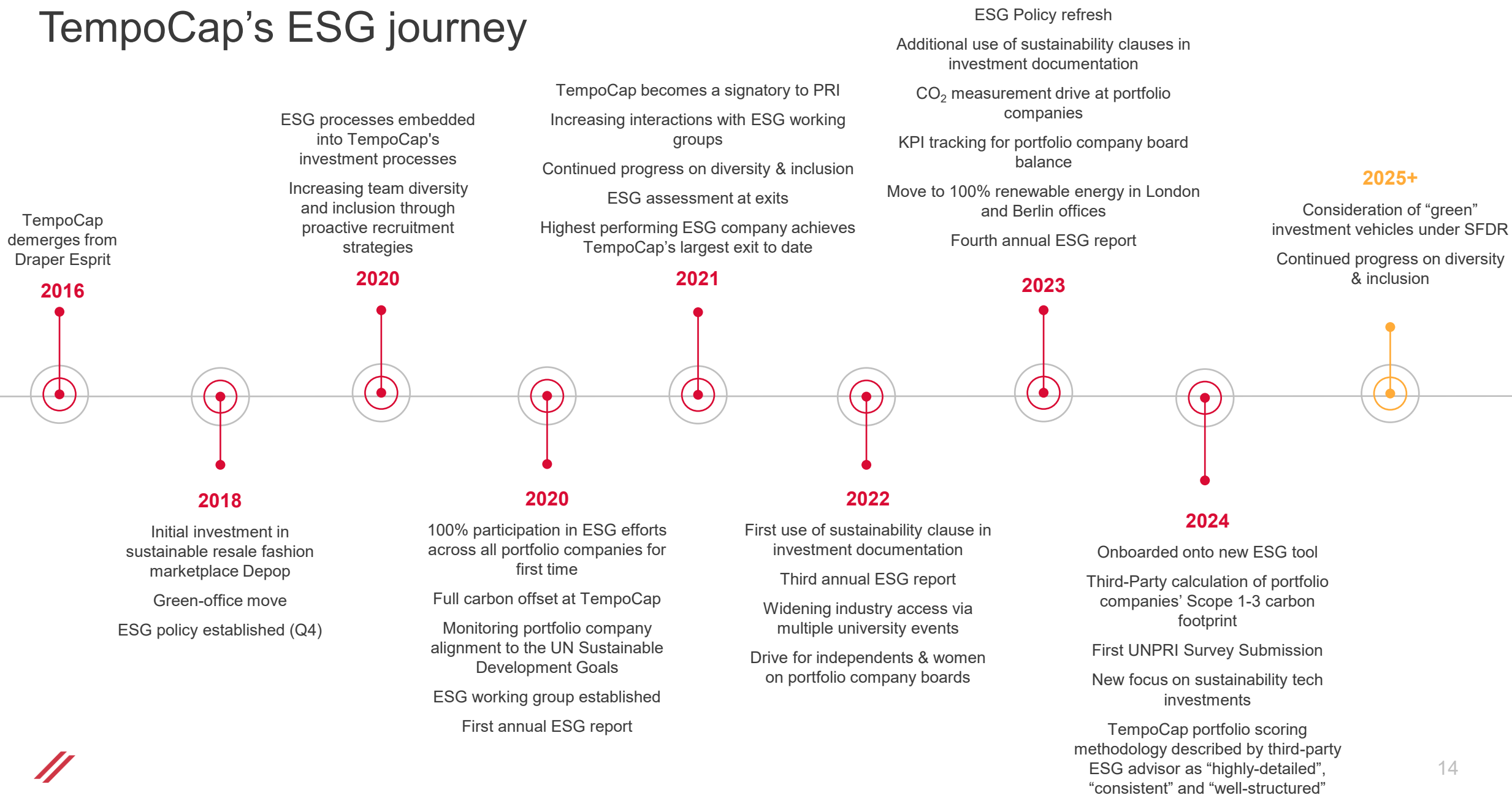


**Marie-Sophie Ausch**  
Analyst





# TempoCap's ESG journey





# TempoCap's portfolio companies in 2023

100%

of portfolio companies contribute to at least one of the UN's SDGs

+10% YoY

100%

of portfolio companies have a defined security policy for their information system

+10% YoY

100%

of portfolio companies offer employees a share of profits or equity

+6% YoY

100%

Of portfolio companies either carried out a carbon footprint assessment or have third-party estimates

+186% YoY

58%

Of portfolio companies carried out own carbon footprint assessment

+66% YoY

59%

of portfolio companies had at least one female Board member

+10% YoY

73%

of portfolio companies had at least one independent Board member

-4% YoY

4,999

people employed by our portfolio companies in 2023

+4% YoY

93%

of employees across the portfolio are in permanent roles

-2% YoY

>€771M

revenue generated by our portfolio companies in 2023

+16% YoY



# Appendix

- TempoCap's team has 36% female representation, compared to the UK private equity workforce benchmark of 40% and the global private equity benchmark of 23%. (Sources: 2023 BVCA Level 20 Report, Preqin's Women in Alternative Assets Report 2024)
- TempoCap achieved a 75% ESG questionnaire response rate across its portfolio. The data gathered is reviewed and analysed to work constructively with portfolio companies, setting time-bound goals to drive improvements on selected ESG issues.
- Over 4,900 people are employed by our portfolio companies, representing a 4% increase from the prior year. This exceeds the 2.2% year-on-year organic employment growth benchmark for UK portfolio companies reported by the EU in 2021. (Source: EY's Annual report on the performance of portfolio companies in 2023)
- In 2023, TempoCap offset 44 tonnes of CO2 annual carbon emissions to achieve climate neutrality. Note that climate neutrality refers only to carbon emissions, unlike net zero which encompasses all greenhouse gases (GHGs). TempoCap offset these emissions through a UK Tree planting project which provides wildlife habitats, supports biodiversity, planted native British trees and enhances the natural UK landscape.
- Leaders for Climate Action (LFCA) fosters a meaningful community for open discussion and actively encourages climate action in a business context. While membership is not conditioned on meeting a specific standard or commitment, it promotes proactive environmental engagement.





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