

Accelerating the impact of science for a better future.

IP GROUP PLC
MEANINGFUL IMPACT REPORT 2023

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IDEAS POWERED.

At IP Group, we understand science and its potential to shape the future.

With more than 20 years' experience evolving great ideas into world-changing businesses, we also understand that progress takes patience. That is why we choose partners with purpose, who, like us, are committed to addressing the world's greatest unmet needs.

We transform ideas into tangible outcomes, at scale. We see a future transformed by human ingenuity and we look to make it happen by spotting the opportunities others miss.

Together with Parkwalk Advisors, we are one of the most active investors in university and other research-based companies in the world, with a proven track record in backing and nurturing science and technology-based businesses to deliver impact and returns. Since the Group was founded, IP Group and Parkwalk Advisors have backed over 500 companies whose compelling ideas, products and services will meaningfully contribute to a healthier, tech-enriched and regenerative future.

We accelerate the impact of science for a better future.



IMPACT IS IN OUR DNA.

AT A GLANCE

Impact is at the heart of what we do, and why we were first established. We seek, through our investments, to have a tangible and positive impact on the world around us. With investment focus areas in Life Sciences, Deeptech and Cleantech, the underlying purpose is always to accelerate the impact of science for a better future. Our mission – to find and back ideas that we believe will have a positive and lasting impact on people and planet – is what drives us, and we work every day to build a healthier, tech-enriched, regenerative future for all.

OUR THREE THEMATIC FOCUS AREAS



LIFE SCIENCES
Healthier future

Our Life Sciences team is working towards a healthier future with a view to curing and preventing disease rather than simply treating symptoms. In doing so, our ambition is to help ensure people are living healthier, rather than just longer, lives.

→ Read about **Life Sciences**
on pages 8 to 11



DEEPTech
Tech-enriched future

Our Deeptech team is working towards a tech-enriched future by investing in companies that will enable digital resilience, create prosperity, and enable new human capability. We target differentiated, defensible innovations with a strong value proposition and the potential to disrupt a multi-billion dollar global market.

→ Read about **Deeptech**
on pages 12 to 15



CLEANTECH
Regenerative future

Our Cleantech platform, Kiko Ventures, is working towards a regenerative future by investing in companies that address the global climate challenge. We target innovators creating scalable climate technology solutions.

→ Read about **Kiko Ventures**
on pages 16 to 20

IP GROUP STRENGTHS

Inspiring partners

We form long-term partnerships with our companies, bringing them our deep technical expertise and access to networks; our decades of experience nurturing, and building high-growth businesses and our access to capital.

International profile

Our international footprint gives us access to a range of opportunities and provides valuable insight and resource to support our portfolio companies as they scale and grow in the UK, the US, Australia and New Zealand.

Innovative people

Our purpose drives a deep, intrinsic level of commitment from our team. We are a home for exceptional talent, and have built a unique and attractive culture to support our goals.

CEO MESSAGE.



Greg Smith
CEO

It is with great pleasure that I share with you the latest developments and impact stemming from our investment and ESG activities. We back innovation and drive positive change in our focus sectors of Life Sciences, Deeptech and Cleantech. We are immensely proud of the strides we have made and the transformative effects our investments have had within these sectors.

In Life Sciences, our portfolio companies are making significant progress in improving patient outcomes. By supporting companies founded on pioneering research and development initiatives, we are facilitating the discovery of novel therapies, diagnostics, and medical technologies that have the potential to revolutionise healthcare. Our portfolio companies are dedicated to advancing medical science and transforming the landscape of healthcare delivery worldwide.

In Deeptech, our portfolio companies are fuelling breakthroughs in artificial intelligence and machine learning, from next generation computing and networks to applied AI. By backing visionary entrepreneurs and fundamental innovation, we are pushing the boundaries of what is possible and driving digital transformation across industries. The impact of these investments extends far beyond the realm of technology; shaping the future of business, society, and the way we live and work.

In Cleantech, primarily through our dedicated platform, Kiko Ventures, our commitment to sustainable solutions continues to yield results. Through companies developing groundbreaking technologies such as energy efficiency, storage and next generation fuels, we are actively contributing to the global efforts aimed at facilitating the energy transition, mitigating climate change and promoting environmental stewardship. Our

portfolio companies are at the forefront of driving a cleaner, greener future for generations to come.

We strive to be a home for exceptional talent, and we underpin this by a strong focus on building a culture and values that celebrate diversity, inclusion, high-challenge/ high-support and regenerating success. We continue to make strong progress against the objectives of our employee-led Inclusion and Diversity multi-year masterplan. We were truly honoured to have this progress externally recognised when we were ranked in first place among more than 300 peers in the Honordex Inclusive PE & VC Index for 2024.

At IP Group, we recognise that our success is intrinsically tied to the success of our portfolio companies, their teams and the positive outcomes they generate. We remain steadfast in our commitment to supporting their growth and development every step of the way.

Together with our partners and stakeholders, we are driving innovation, creating value, and making a meaningful difference in the world.

Greg Smith
CEO

23 April 2024

HEAD OF ESG MESSAGE.



Bran Pathmanāban

Head of ESG

Building on our meaningful impact approach.

ESG is one of the foundational layers at IP Group, through which we help our portfolio companies to build and scale impact at a societal and environmental level.

Our focus over the past year has been to distil, refine and integrate ESG in a way that is both meaningful, and which adds value, to both our portfolio companies and for our shareholders.

To do this we have been working with IP Group's operational and investment teams, as well as external stakeholders and global organisations, to develop impact frameworks and models, and rolling out a new ESG platform for our portfolio companies to allow us to collect, analyse and demonstrate the real world impact that we create, via the innovative companies we invest in and help scale.

During the last year we have been working on several initiatives to further strengthen and embed ESG within our organisation, with three key areas of focus:

1. **Embedding ESG across the organisation:** We have introduced an ESG component into our annual incentive scheme to ensure that everyone within the organisation is involved in and incentivised on ESG within their function and role. We have also started conducting ESG training to increase understanding and awareness of ESG, and we are planning to roll out this ESG training across the organisation in 2024.
2. **Supporting our portfolio companies with ESG:** We have engaged with an ESG platform that we have been rolling out for use by our portfolio companies. This will provide companies with a dashboard to view their ESG scores and performance

and, over the long term, benchmark their performance against peers.

3. **Collaborating with industry leaders:** In order to further develop good practice around ESG and impact, we have launched two key initiatives with external partners:
 - The first with the Value Balancing Alliance and the WifOR Institute, where we are co-creating an impact framework for VCs to evidence the forward looking impact of early-stage companies, starting with a model for Life Sciences which we hope to publish this year.
 - Secondly, we have convened a new working group for VCs alongside the Operating Principles of Impact Management (OPIM), to provide a platform for VCs to share good practice, and to allow for greater collaboration on initiatives to develop the thinking around how ESG and impact can be embedded into early-stage portfolio companies.

We seek to implement leading practice around impact and ESG and to be thought leaders within our space. Moreover, through our collaborations, we are developing innovative new models for impact that we hope will benefit the wider VC community.

I hope this report provides an insight into some of our initiatives around ESG and the impactful and innovative companies that we back at IP Group.

Bran Pathmanāban

Head of ESG

23 April 2024

INTRO TO IMPACT AND ESG.

INTEGRATING IMPACT AND ESG IN IP GROUP'S INVESTMENT PROCESSES



Backing and growing impactful companies whose compelling ideas, products and services will meaningfully contribute to a healthier, tech-enriched and regenerative future is at the heart of what we do at IP Group. It is important for us to ensure we work with our portfolio companies to maximise the impact they can have and that their impact is achieved in a meaningful way, both for them and the world around them.



INTRO TO IMPACT AND ESG.

WORKING WITH OUR PORTFOLIO TO DRIVE IMPACT



In this report, we make a distinction between “impact” and “ESG”, with impact being focused on a measurable and beneficial social or environmental impact – the “what” our portfolio companies and we do. Our ESG work is focused on improving both IP Group’s and our portfolio’s practices and procedures relating to environment, social and governance – the “how” we and our portfolio achieve what we do.

Measuring impact in a way that is meaningful for our companies and what they do is critical to ensure we can track progress against one or more specific key performance indicators. As we said in our [2022 report](#), a key aim for IP Group for 2023 was to work more closely with our portfolio companies on impact, as well as to assist them with their ESG journeys. The impact work in 2023 has involved the co-creation of KPIs with portfolio companies which are specific to the work that each company does, to ensure our KPIs are appropriate, proportionate and meaningful for our companies and their growth stage.

Given our investment team members’ deep sector expertise in each of the three thematic focus areas, this results in specific KPIs which are relevant to each company and their technical development stages, which is more meaningful than a broader portfolio wide KPI.

How we measure impact across our portfolio.

Life Sciences

We focus on measuring the impact of our therapeutic portfolio based on the probability-adjusted number of potential lives impacted and the implied total quality adjusted life years (“QALYs”). What this means in very high level terms is the number of years of human lives transformed as a result of a treatment.

Deeptech

We have split our Deeptech companies across various impact themes, including resource efficiency, safety and security, connectivity, quality of life and sustainable materials. We then look at the impact of the use cases and market outcomes across our Deeptech portfolio to analyse their impact.

Cleantech

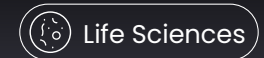
Some of the KPIs we have created with our Cleantech portfolio companies include meeting targets on hot water tanks installed (Mixergy), to achieving set numbers of single-use packaging items saved (Vytal), to demonstrating technical progress through the operation of a cell stack at specified levels (Hysata).

INTRO TO IMPACT AND ESG.

OUR ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS

Through our investments and partnerships, we are actively advancing progress towards the United Nations Sustainable Development Goals (“SDGs”). By aligning our investment activities with the SDGs, we are seeking to play a pivotal role in tackling pressing global challenges, fostering sustainability and innovation across several vital sectors. Science, technology and innovation funding have also been identified by the UN as one of the main means of implementation for the achievement of the 2030 SDGs. We have listed below some examples of portfolio company SDG alignment. In addition, we are internally working on addressing other SDGs (including SDGs 4, 5, 8 and 9).

SDG	IP Group portfolio companies select examples				What they are doing
3 GOOD HEALTH AND WELL-BEING	- Abliva AB - Akamis Bio - Alesi Surgical - Apollo Therapeutics - Artios Pharma - Autifony Therapeutics - Centessa Pharmaceuticals - Crescendo - Enterprise	- Genomics - Gripable - Hinge Health - Ibex - Ieso - Iksuda Therapeutics - Intelligent Ultrasound - Istesso - Kale United - Kynos	- Microbiotica - Mission - Navenio - Oxehealth - Oxford Nanopore Technologies - Oxular - Pulmocide - RAGE Biotech - Storm	- Fight communicable diseases - Reduce premature mortality from non-communicable diseases through prevention and treatment - Promote mental health and well-being - Improve early warning systems for global health risks	
7 AFFORDABLE AND CLEAN ENERGY	- Barocal - Bramble - C-Capture - First Light Fusion	- Hysata - Mixergy - RFC Power - tado°		- Ensure universal access to affordable, reliable and modern energy services - Increase the share of renewable energy in the global energy mix - Increase energy efficiency - Promote access to research, technology and investments in clean energy	
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	- Accelercomm - AMSL Aero - C-Capture - Featurespace - Hysata	- Mixergy - MoA - ONT - Oxa - OxCCU	- Quantum Motion Technologies - RFC Power - tado°	- Significantly increase access to information and communications technology - Increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes - Upgrade all industries and infrastructures for sustainability - Enhance scientific research and upgrade technological capabilities of industrial technologies	
11 SUSTAINABLE CITIES AND COMMUNITIES	- AMSL Aero - C-Capture - Mixergy	- Oxa - RFC Power		- Increase access to sustainable, safe transport systems - Reduce adverse per capita environmental impact of cities, including by waste management - Support the upgrading of technological capabilities and the diversification of more sustainable, resource efficient, clean infrastructure	
13 CLIMATE ACTION	- AMSL Aero - Barocal - Bramble - C-Capture - Econic	- First Light Fusion - Hysata - Kale United - Mixergy - MoA	- Oxa - OxCCU - RFC Power - tado° - Vytal	- Integrate climate change measures into national policies, strategies and planning - Improve education, awareness-raising and human and institutional capacity on climate change mitigation	



HEALTHIER FUTURE.

Curing and preventing diseases to enable healthier lives

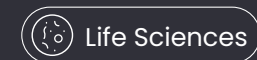
Our Life Sciences team invests in therapeutic and healthcare companies, with therapeutic companies comprising around 70% of our Life Sciences portfolio value. We have deep expertise within the life sciences sector, built up over 20 years of investing and supporting a broad range of therapeutic and healthcare companies.

Life Sciences at IP Group aims to positively change people's lives through the introduction of new medicines and novel ways to treat healthcare conditions. This ranges from developing new medicines to treat diseases, to providing digital platforms to support people's physical and mental health. We have helped launch highly impactful companies, including Oxford Nanopore Technologies in the UK and Hinge Health in the US.

Our proximity to leading research institutions, government initiatives and emerging startups gives us a strategic advantage in identifying and nurturing high-potential investments. By leveraging our deep understanding of this space, we play a key role in driving innovation and capitalising on the sector's growth potential.

HEALTHIER FUTURE.

OUR IMPACT AND THE OPPORTUNITY

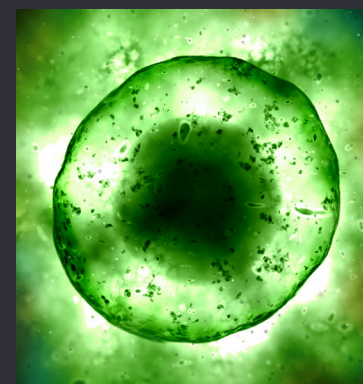


Our impact.

Through our targeted investments in the life sciences sector we strive for transformative advancements in healthcare. By supporting innovative research, development and commercialisation efforts, we aim to improve patient outcomes. Additionally, our investment focus not only drives economic growth and job creation but also fosters a culture of innovation and sustainability, paving the way for a healthier future for all.

The opportunity.

Investing in the life sciences sector in the UK presents a compelling opportunity at the forefront of medical innovation. With a robust ecosystem of research institutions, strong Government support and a skilled workforce, the UK is poised to lead in areas such as pharmaceuticals, biotechnology, and healthcare technology. Leveraging this dynamic landscape offers investors the potential for significant returns while contributing to breakthroughs that improve health outcomes globally.



Expected megatrends in life sciences

- Genetic analysis expands into population screening, testing and applied markets.
- Emergence of digital healthcare and personalised medicine.
- Government intervention into drug pricing favours newly approved highly-differentiated therapies.

Megatrend focus

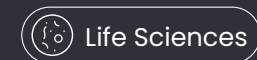
- Understanding risk from a patient to population level.
- Reprogramming cells to change their behaviour from diseased to healthy modes.
- Reconditioning tissues to improve response to existing therapies.
- Redirecting patient behaviour to reduce risk.

Addressable markets

- DNA sequencing \$30bn market by 2030.
- Rheumatoid arthritis market \$25bn in 2023.
- Numerous other multi-billion dollar disease indications in which IP Group has clinical trial readouts in the next two years.

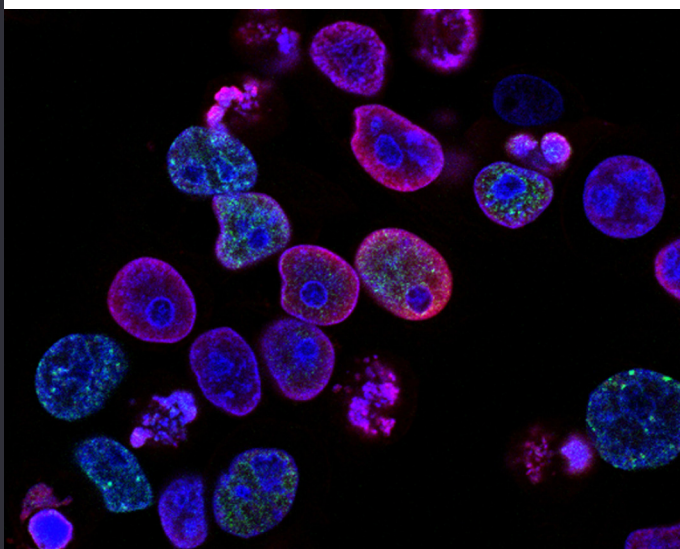
HEALTHIER FUTURE.

PORTFOLIO HIGHLIGHT



GENOMICS

Accelerating the transition from reactive to preventive healthcare



Background.

Using genetics, Genomics has the best and broadest performing predictive risk analysis for diseases including Alzheimer's and prostate cancer. Genetic risk scores can be used to alter lifestyle choices at earlier stages to increase longevity.



IP Group initial investment and founded in **2014**, Oxford University

Meaningful Impact.

Who will benefit

Whole populations, in particular individuals who are high risk for diabetes, cancer and Alzheimer's.

Expected meaningful impact

Genomics' predictive analysis tool has already been validated resulting in:

- 2x increase in detection rates of breast cancer.
- 2x in increase in detection rates of osteoporosis.
- 20% increase in bowel cancer detection rates.
- 10,000s of cardiovascular events avoided.

SDG focus

Early detection and prevention of diseases through use of cutting-edge genomic screening.

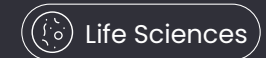


Our contribution

- Founding investor, supporting Genomics financially throughout its ten-year history.
- Helped management reshape its strategic and commercial approach towards implementation of Polygenic Risk Scoring.
- Active role in selection of key board and management executives.

HEALTHIER FUTURE.

PORTFOLIO HIGHLIGHT



Developing targeted therapies for serious respiratory diseases



Background.

Pulmocide is developing a novel, inhaled medicine for the treatment of rare lung infections caused by *Aspergillus* fungus and intended for patients who have not responded to other therapies.



IP Group initial investment in **2013**,
Imperial College London

Meaningful Impact.

Who will benefit

Patients suffering from rare pulmonary *Aspergillus* infections who have no other options available to them.

Expected meaningful impact

- Alleviated suffering, reduced mortality rates, enhanced quality of life, and potential decrease in healthcare costs associated with managing this challenging infection.
- It is estimated there are >200,000 life-threatening invasive *Aspergillus* infections per year and in the US/ EU there are 10,000–15,000 patients who have no further treatment options after not responding to the standard-of-care.
- The current standard-of-care available to patients with invasive *Aspergillus* infections has poor efficacy and safety, with a 65% treatment failure and 20% all-cause mortality rate. These systemically administered drugs have significant toxicities including hepatotoxicity, arrhythmia and QT prolongation, anaphylaxis, as well as multiple drug-drug interactions. Pulmocide's inhaled therapy (called opelconazole) provides targeted localised activity at the site of action, can be dosed in combination with standard-of-care and other medications, and has a benign safety profile with good tolerability and compliance.

SDG focus

Promoting better outcomes for patients' health and well-being through more effective treatment of a rare pulmonary disease.



Our contribution

- IP Group has supported Pulmocide from early safety clinical studies through to the ongoing pivotal phase 3 studies that aim to generate data to support regulatory approval of the drug.
- In IP Group funded trials, opelconazole was shown to be safe and well tolerated in a phase I study in healthy volunteers and asthma patients.
- Efficacy has been demonstrated in >10 severely infected patients through early access schemes.
- Opelconazole is now being studied in a phase 3 clinical study enrolling patients who are in desperate need of new treatment options. We expect first data from this study in H1 2025.



TECH-ENRICHED FUTURE.

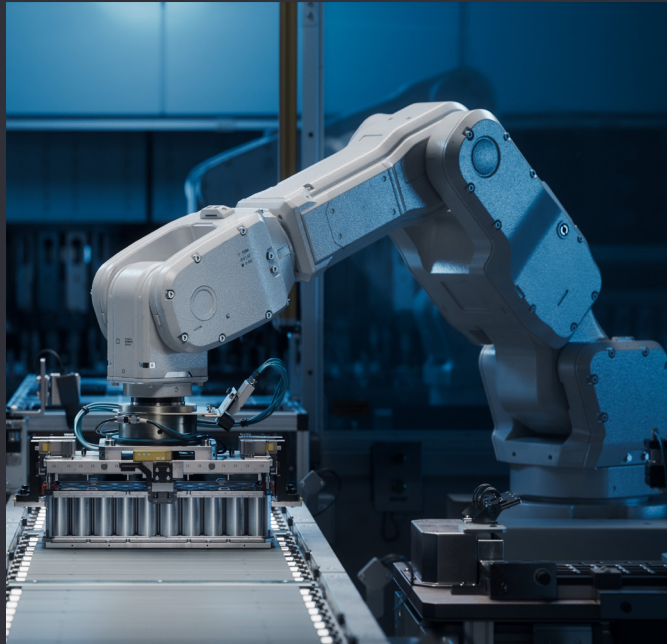
Investing in transformational change in the digital world

Our Deeptech team invests in four high-growth sectors in which the UK excels and is increasingly becoming a dominant global force, namely Applied AI, Next-Generation Networks, the Human-Machine Interface and Future Compute:

- Our Applied AI theme capitalises on the use of a new computing paradigm (artificial intelligence) to solve problems and create opportunities in areas where traditional software approaches have proven insufficient.
- Next-Generation Networks will enable network operators and their wider communities to deliver on the promise of super-fast, high bandwidth and ultra-reliable networks critical to the delivery of everything from edge computing to autonomous vehicles.
- Step changes in Human-Machine Interface interactions such as through the mainstreaming of AR, VR and XR (augmented, virtual and immersive reality) will create new ways to interact with information and therefore unlock vast amounts of value from humanity's stored data.
- Finally, our focus on Future Compute will see solutions developed to meet the intense demand for solving complex problems beyond what is possible with today's architectures.

TECH-ENRICHED FUTURE.

OUR IMPACT AND THE OPPORTUNITY

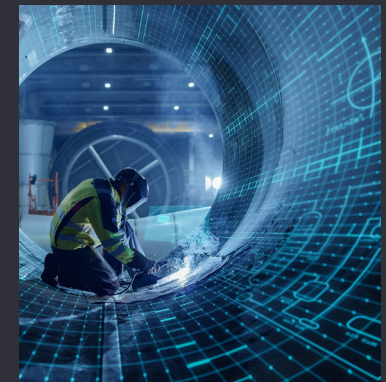
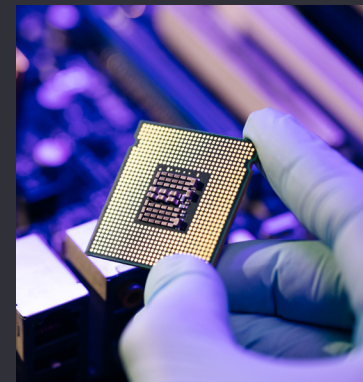
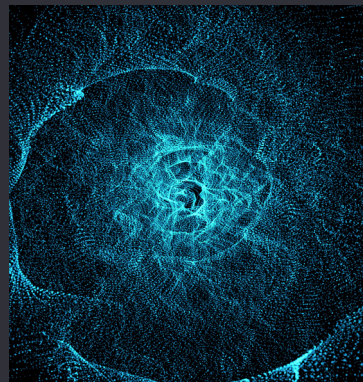


Our impact.

We aim to deliver value through growing innovative companies that enable and secure the digital economy, create new human capabilities and generate prosperity for all. To us, the impact is about positively changing people's lives through the introduction of new technology. This ranges from providing better global connectivity, securing and protecting our digital presence, to enabling new ways to experience and interact with the world all around us.

The opportunity.

Our core areas of focus are expected to experience tremendous growth. Our deep expertise and extensive track record in these sectors leave us well positioned to have a significant impact and contribution to these specialist areas.



Expected megatrends in Deeptech

- Billions of connected devices requiring real time and remote processing.
- Data growth outstripping economic growth by multiple factors.
- Growth of the metaverse.
- Energy hungry data centres.
- New technologies and powerful computing multiplying cyberthreats.

Megatrend focus

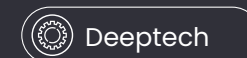
- Applied AI to solve problems in underserved application areas including cybersecurity.
- Next generation ultra-reliable networks to deliver mission critical new applications.
- Hardware and software that evolve and enhance human interaction with machines.
- Future computing systems for complex problem-solving including analogue, neuromorphic and quantum computing.

Addressable markets

- Generative AI market \$100bn market by 2026.
- 5G network spend reaches £100bn p.a. by 2030.
- Augmented reality market \$90bn by 2026.
- Global chip market \$1.07tn by 2030.

TECH-ENRICHED FUTURE.

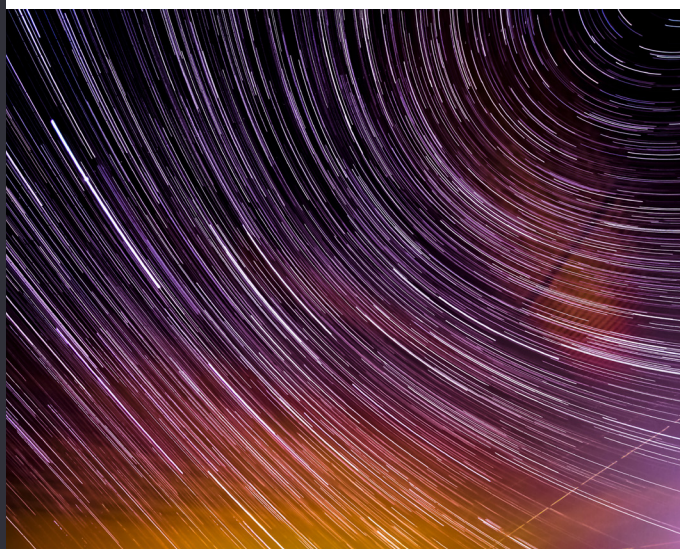
PORTFOLIO HIGHLIGHT



Parkwalk
Investing in Innovation



Pioneering global connectivity and network advancements



Background.

Next-generation network solution provider, offering flexible wireless/ 5G high-performance solutions. Users can leverage AccelerComm's technology to supercharge global communications in cellular, satellite and defence networks which are pushed to their limits.



IP Group initial investment and founded in **2018**, Parkwalk investment in **2023**, University of Southampton

Meaningful Impact.

Who will benefit

Governments, industries and whole populations (e.g. people based in cities and remote locations).

Expected meaningful impact

- Latency improvements: AccelerComm's modular channel coding solutions reduce 5G latency by up to 16x. Reductions in delays can save technology companies dependent on cloud services millions in losses.
- Throughput improvements: AccelerComm's error-correction capability improves connectivity and throughput by up to 80%. As a result, networks can transfer more data, simultaneously, making the internet faster.
- Base station power consumption: AccelerComm's base station integration can reduce power consumption by up to 50%.
- Spectral efficiency improvements: spectral efficiency by up to 2x, meaning network providers can improve their bandwidth for millions of internet users.

SDG focus

Enabling greater global connectivity through faster data transmission speeds, increasing network accessibility and building a better network infrastructure.



Our contribution

- Founding investor, supported AccelerComm with its transition from the academic to the commercial world.
- Developed AccelerComm's commercial strategy as well as helping to recruit key personnel in its formative stages.
- Played an active role in sourcing and securing co-investors.

TECH-ENRICHED FUTURE.

PORTFOLIO HIGHLIGHT



FEATURE SPACE

Using advanced machine learning for enterprise financial crime prevention



Background.

World-leading developer of adaptive behavioural analytics technology that predicts real-time behaviour for fraud prevention and anti-money laundering in over 180 countries.



IP Group initial investment in **2012**, University of Cambridge

Meaningful Impact.

Who will benefit

Financial institutions, world-leading payment providers such as HSBC, TSYS, Worldpay and consumer finance enterprises.

Expected meaningful impact

- Fraud transactions blocked: Featurespace's advanced machine learning models can seamlessly block millions in fraud transactions across the US, UK and EU.
- False positive ratio reduction: Featurespace's technology reduces false alarms for financial enterprises, thereby improving payment process efficiency.
- Fraud loss reduction: high levels of fraud losses in UK financial payment providers can be reduced by a large margin with adaptive analytics tools.
- Consumer protection: billions of credit, debit, and prepaid cards can be protected by Featurespace's data-driven machine learning models.

SDG focus

Safeguarding companies by detecting and preventing the most sophisticated types of financial crime.



Our contribution

- Earliest institutional investor in Featurespace in 2012.
- Helped hire Martina King as CEO.
- Played an active role in sourcing and securing co-investors, participated in 8 funding rounds, including a partial buy out of a syndicate partner's shares.



REGENERATIVE FUTURE.

A dedicated cleantech platform to drive rapid decarbonisation and climate resistant economies

We created Kiko Ventures to allow us to combine entrepreneurial agility with institutional capability to create new possibilities for a regenerative world.

As one of the most active cleantech VCs in the UK for the last decade, we know how much innovation there is in Britain for climate solutions. Kiko Ventures' strategy is based around building transformative businesses that could cause a marked change in our ability to combat climate change in the next 5 years.

Kiko Ventures also leverages its differentiated insight and expertise. The team has deep domain experience and proprietary assets, including roadmaps to net zero and links into the wider green ecosystem, such as the Energy Transitions Commission.

REGENERATIVE FUTURE.

OUR IMPACT AND THE OPPORTUNITY



KIKO



Our impact.

Cleantech investments serve as a crucial lever to address pressing environmental challenges such as climate change, by nurturing the development and adoption of sustainable technologies. By strategically allocating capital to innovative cleantech businesses, we are not only mitigating environmental risks but also unlocking opportunities for economic growth, job creation, and improved quality of life worldwide.

The opportunity.

We expect the world to continue to focus on the transition to a green economy by accelerating the phase-down of fossil fuels and increasing efforts to achieve a net zero economy. This implies faster adoption of alternative, innovative clean technologies.

IP Group, primarily through its dedicated cleantech platform Kiko Ventures, and its investment activities in Australia and New Zealand, is uniquely positioned to capitalise on these opportunities with a team consisting of seasoned investors, engineers and operators; and by deploying permanent capital that provides the flexibility and freedom to invest in breakthrough technologies that will support the return to a regenerative world.



Expected megatrends in Cleantech

- Global consensus on Paris Agreement.
- National and international regulatory environments tightening.
- 4x increase in investment in clean energy technology and infrastructure from today's levels.
- Government support for climate transition such as the US Inflation Reduction Act.

Megatrend focus

- Energy transformation: electrification and low/ no carbon fuels.
- Energy reduction.
- Water reduction.

Addressable markets

- Green hydrogen \$135bn market by 2032, \$1.4tn by 2050.
- Industrial heat \$1.8tn market, needs to decarbonise.
- Liquid fuels \$1.5tn market with low penetration of low-carbon fuels.

REGENERATIVE FUTURE.

PORTFOLIO HIGHLIGHT



Parkwalk
Investing in Innovation

KIKO

oxa Universal
Autonomy

**Enabling transformation
in urban infrastructure**



Background.

Software developer that enables any type of vehicle, sufficiently outfitted, to be fully autonomous in any environment.



IP Group and Parkwalk initial investment in **2018**, University of Oxford

Meaningful Impact.

Who will benefit

Inner city populations, goods transporters and non-public road operators such as Beep, BP and eVersum.

Expected meaningful impact

- Regulation for lower emissions drives demand for vehicle efficiency and utilisation with Oxa's technology being well positioned to ease congestion and enhance public transport.
- Attentive, 360° vision that predictably follows laws that results in fewer injuries and fatalities.
- Provider of highly skilled engineering and technical roles.

SDG focus

Improving transportation efficiency and safety and reducing emissions.



Our contribution

- Led the first institutional investment round into Oxa in 2018, enabling the team to pursue growth.
- Brought a clear thesis that reinforced Oxa's strategy to focus on nearer-to-market applications, avoiding the hype and long timescales of passenger cars.
- Active role in sourcing and securing co-investors.

REGENERATIVE FUTURE.

PORTFOLIO HIGHLIGHT



Parkwalk
Investing in Innovation

KIKO



BRAMBLE
ENERGY

Developing scalable clean energy technology



Background.

Developer of hydrogen fuel cell technology, offering a range of customisable products that are scalable and affordable with immediate uses for clean energy solutions.



IP Group initial investment **2017**, Parkwalk initial investment **2018**, University College London and Imperial College London

Meaningful Impact.

Who will benefit

Whole populations, due to Bramble's technology having unlimited applications in mobility, marine and portable power.

Expected meaningful impact

- Fuel cells and electrolyzers are fundamental technologies for the transition to net zero yet they have historically been too expensive. Bramble's breakthrough approach – and rich IP – leverages the incumbent printed circuit board supply chain to, amongst other things, radically reduce the costs of these technologies. Ultimately, this will lead to greater/faster deployment and related emissions reductions.
- Provider of highly skilled engineering and technical roles.

SDG focus

Accelerating global decarbonisation and creating viable clean energy technology.



Our contribution

- Long-standing relationship between Kiko Ventures and Parkwalk team members and Bramble founding team.
- Led the first institutional investment round after Bramble span out and brought in successful serial start-up chairman to support the entrepreneurial management team.
- Chair Bramble's technology advisory board which connects it to ongoing research coming from Imperial and UCL and the wider fuel cell science and industrial community.

REGENERATIVE FUTURE.

PORTFOLIO HIGHLIGHT



Leading the way to zero emission flying



Background.

Developer of the world's most efficient long-range vertical take off and landing aircraft (named Vertiia) to help create a more sustainable aviation industry.



IP Group initial investment in **2019**,
University of Sydney

Meaningful Impact.

Who will benefit

Aviation industry, wide-range of communities (especially those living near airports or under flight paths) and governments.

Expected meaningful impact

- Cleaner and quieter air travel experiences, with reduced environmental impact and potential improvements in air quality around airports and populated areas.
- AMSL has created over 50 highly skilled jobs, and is a key player in Australia's aerospace engineering industry. When approved, Vertiia will be the first novel aircraft developed in Australia for decades. The aircraft has a supply chain drawing on a large number of Australian suppliers, and is committed to establishing manufacturing in Australia to support local jobs and industry.
- AMSL Aero will be able to impact patients in remote areas who will get faster patient transport and access to medical care.

SDG focus

Fostering innovation in aviation and combating climate change.



Our contribution

- IP Group has worked with the AMSL team from the outset, providing funding and advising on business strategy. IP Group also holds a board seat.
- We have introduced investors and supported AMSL with fundraising advice, introduced its first Board Chair, and played a major role in the recruitment of CEO Max York, the former CEO of GE Australia.

PARKWALK ADVISORS.

Parkwalk
Investing in Innovation

Backing the next generation of venture scientists who are solving the world's biggest problems through world-leading research and innovation.

Parkwalk Advisors, IP Group's EIS fund management business, invests in early-stage deeptech and science-led UK university spin-outs across sectors such as artificial intelligence, future mobility, life sciences, cleantech, agtech and more. By investing in IP-rich innovative technologies incubated at the likes of the University of Cambridge, University of Oxford and Imperial College London, Parkwalk creates value not only for our investors but for society too. From an agtech developing the next generation of sustainable herbicides, to a medtech helping patients better manage the symptoms of Parkinson's, to low-cost highly efficient solar photovoltaic technology helping power us to net zero.

As well as managing early-stage university funds, Parkwalk also offers two tax advantaged funds to UK retail investors seeking investment returns plus tax relief through the Enterprise Investment Scheme (EIS). Parkwalk is a leading growth EIS manager in the UK and was named "the UK's most active investor in university spin-outs" (Beauhurst report, September 2023). Parkwalk also recently launched the first 'Founders at the University of Cambridge' initiative – an accelerator programme to support founders from formation to entrepreneurial success, with access to a network of over 100 mentors, co-working spaces, funding and more.

The opportunity.

The UK university landscape is burgeoning with R&D and impressive innovation, but the challenge is to unlock commercial potential. Despite its size, the UK punches well above its weight, with 4 out of the top 10 universities in the world here in the UK. Parkwalk are well positioned to capitalise on the opportunity, with extensive university networks and relationships built over the last 14+ years.



For us, Impact is about positively changing the world through new science and technologies, that are engineered by some of the brightest minds in the country – be it the world-leading Professor of Genome Engineering at Cambridge University or a PhD student specialising in molecular diagnostics at Oxford University. From new patient outcomes via AI powered stroke-imaging software, to innovative treatments via cell therapies, to the latest hydrogen fuel cells – Parkwalk portfolio companies are delivering measurable impact, and it's something we are very proud of."

Moray Wright
CEO, Parkwalk Advisors

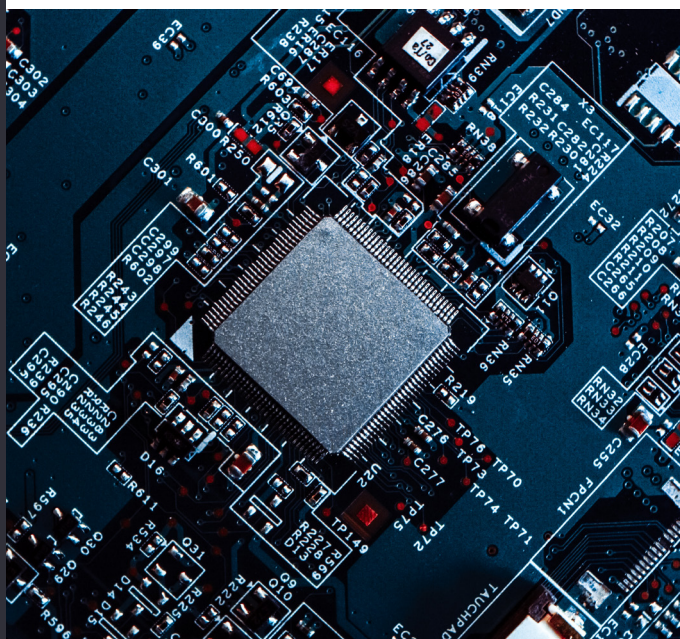
PARKWALK ADVISORS.

PORTFOLIO HIGHLIGHT

Parkwalk
Investing in Innovation



Making sustainable power electronics possible



Background.

GaN is a compound semiconductor material that offers significant advantages over traditional silicon in power electronics applications.



Parkwalk Advisors initial investment in **2019**, University of Cambridge

Meaningful Impact.

Who will benefit

Datacentres, given their limitless need for power, and many other consumer, industrial and automotive applications (e.g. electric vehicles).

Expected meaningful impact

- The benefits of GaN-based power devices include the ability to offer greater efficiency, significantly reduced size and weight, and improved thermal performance.
- As electrification advances worldwide, so does the demand for highly efficient and innovative solutions. Cambridge GaN's power devices can operate at much higher switching frequency with lower losses and lower on-resistance than state-of-the-art silicon devices, delivering higher performance while saving energy through reducing losses by up to 50%.

SDG focus

Increasing energy efficiency and reducing energy waste through breakthrough clean technology.



Our contribution

- Parkwalk started working with Cambridge GaN when they first spun out of the university in 2019 with a small team.
- We hold a board seat and have supported the growth of the company to over 50 people through critical external hires and developing and promoting internal talent. The CEO has created a highly effective team that is focused on delivering a world-changing technology.
- Parkwalk is proud of having been able to help Cambridge GaN on this journey, creating sustainable high-quality jobs and making a real impact on carbon reduction.

OUR COMMITMENT TO IMPACT AND ESG.

A BRIEF OVERVIEW

We are focused on having an impact on the world that counts

Driven by our purpose, we are working at the cutting edge of sectors that are changing the world. Our three investment themes align our efforts with some of the most pressing challenges facing humanity and our planet: curing and preventing disease; managing complex data to solve complex problems; and the decarbonisation of energy systems to limit climate change. At the same time, we consider how the way we run our business can maximise impact – through strong governance and ethical practice; for our exceptionally talented people; for our communities and the environment; and by supporting our portfolio companies to do the same.



Environment

IP Group's carbon footprint and exposure to climate risk as an organisation is low, however we continue to evaluate ways to reduce it further.

Our investments via our Cleantech platform Kiko Ventures into carbon capture, nuclear fusion and hydrogen technology, give us a significant opportunity to support the global transition away from fossil fuels in support of the Paris Climate Agreement. Other companies within our Kiko Ventures portfolio further address the climate crisis including through increased efficiency of in-home climate management and energy storage, removing single use plastic waste, and sustainable aviation fuels amongst other technologies.

In addition, our Deeptech investments include technologies that are working to improve product performance whilst reducing energy consumption, from new computing architectures to next generation wireless networks.



Read about our Cleantech investments on pages 16 to 20 and our TCFD reporting can be found on pages 46 to 59 of our Annual Report



Social

We are a socially responsible organisation that seeks to have a positive impact on people and society through our investments and the way we operate. We conduct all of our operating and business activities in an honest, ethical and socially responsible manner, acting professionally, fairly and with integrity in all business dealings and relationships.

Our culture and internal frameworks guide our behaviours and help us focus on the things that really matter, such as meeting our commitments, developing and supporting our people, furthering diversity and inclusion, and making a difference in our communities as well as being a great place to work for our employees.

We are building companies in our Life Sciences portfolio for a healthier future and in our Deeptech portfolio that will support current and future societal needs in computing, communication and mobility.

Making investments in portfolio companies working on the human-machine interface, is just one way we seek to make a positive social change. The mission of Ultraleap, for example, is to allow all human users the ability to interact digitally through means other than a keyboard – through touch, sound and immersion.



Read more about our **Social Impact** on page 29 of this Report



Governance

IP Group endeavours to conduct business in accordance with established best practice, to be a responsible employer, and to adopt appropriate values and standards.

As a publicly listed entity, we have a strong and robust governance framework, flowing from the Board down to the Executive Committee and IP Group's underlying business.

IP Group's Board of Directors oversees our approach to ESG and ensures that ESG factors are incorporated into the Board decision-making process. We operate a clear committee structure for ESG and Ethics, with our CEO ultimately retaining accountability for ESG.

Our governance framework is supported by a range of policies, including our policies on modern slavery, our human rights statement and our Ethical Investment Framework which governs our approach to ethical, impactful investing. Copies of these and other key policies can be found on our website <https://www.ipgroupplc.com/our-impact/governance-policies>



Read more about our **ESG governance** on pages 47 and 82 of our Annual Report

OUR COMMITMENT TO IMPACT AND ESG.

IP GROUP'S IMPACT AND ESG INITIATIVES



As a signatory to the PRI since 2021, we support their belief that an economically efficient, sustainable global financial system is a necessity for long-term value creation.



United Nations
Global Compact

We have aligned our strategies and operations with universal principles on human rights, labour, environment and anti-corruption and take actions that advance societal goals.



We are a proud signatory to the Investing in Women Code and, as well as completing annual reporting, we have been working internally on improving our practices to increase investment in, and support for, diverse founders.



We are a member of the ESG_VC network of venture capital investors and we have been using the ESG_VC framework to monitor and track portfolio companies' ESG data for several years.



We work with peers to unlock the impact potential of venture capital and help solve world problems.



Operating Principles for
Impact Management

We have recently signed up to this community of impact investors that publicly demonstrate their commitment to implementing a global standard for managing impact investments.



We have aligned our investment and Group level activities with the SDGs to ensure we are addressing global challenges and fostering sustainability and innovation across several vital sectors.



ESG Data
Convergence
Initiative

We use the EDCI framework to capture high level ESG data from our portfolio companies for onward reporting to our investors.



We have joined the practitioner-led community of 200+ private market firms to manage the risks associated with climate change and to reduce the carbon emissions of private equity-backed companies.

OUR COMMITMENT TO IMPACT AND ESG.

INDUSTRY COLLABORATIONS – OPIM



Operating Principles for
Impact Management

The Operating Principles for Impact Management (“OPIM”) support the development of the impact investing industry by establishing a common discipline around the management of investments for impact, providing a reference point against which the impact management systems of institutions may be assessed.

The nine impact principles of OPIM (the “Impact Principles”) are a framework for investors for the design and implementation of impact management systems, to make sure that impact considerations are integrated throughout the investment lifecycle.

What are we doing?

Together with Diane Damskey (Secretariat Emeritus of OPIM), we co-convened a working group for venture capital investors to progress the conversation around how VC firms better demonstrate the impact that they enable and facilitate through their backing of early-stage companies.

The working group also aims to provide a platform for companies operating in the VC space to collaborate and share best practice.

How are we doing this?

At IP Group we already integrate ESG into our investment lifecycle (as detailed on page 5). By becoming a signatory to OPIM we intend to further embed impact into our investment lifecycle processes in line with OPIM and hope to drive forward the discussion on how venture capital investors can best demonstrate impact in line with the Impact Principles.



When Bran approached me with the idea for a VC working group and articulated many of the challenges, from the perspective of a VC, in demonstrating impact in a robust but defensible manner, it seemed clear that convening a working group for VC to further the discussion and discourse around this would add value to the broader Impact Principles community. Following on from the inaugural meeting held in Q4 of 2023, we have had further successful sessions, supported by a cross section of our signatories who are involved in the VC space.”

Diane Damskey
Secretariat Emeritus, OPIM

OUR COMMITMENT TO IMPACT AND ESG.

INDUSTRY COLLABORATIONS – VBA



The Value Balancing Alliance (“VBA”) is an alliance of multinational companies with a common goal: to create a way of measuring and comparing the value of contributions made by businesses to society, the economy and the environment. The VBA is aimed at translating environmental and social impacts into comparable financial data.

What are we doing?

We are working with the VBA to build out a life sciences impact model to evidence the future potential impact of the companies that we back.

We believe that developing a better model will help unlock more capital for early-stage companies as well as allow investors and others to provide a better narrative around the impact that they facilitate. We are working with the VBA to help build a model that can be of benefit to the wider VBA alliance members and the ecosystem more generally.

How are we doing this?

The Life Sciences team at IP Group uses an approach which estimates the probability-weighted potential impact of its portfolio, calculating the number of lives and life years that their portfolio companies would, statistically, in time, be expected to transform. By collaborating with the VBA and their partners WiFOR, we intend on further developing this into a robust defensible model for life sciences that other VC firms can benefit from.



We recognised the gap in the impact space to have a more credible means of explaining the impact potential that early-stage life sciences companies inherently have. We felt that developing a better model would help unlock more capital for early-stage companies as well as allow investors and others to provide a better narrative around the impact that they facilitate. We are working with the IP Group team to help build a model that can be of benefit to our wider alliance.”

Dr. Dimitrij Euler
Senior Manager Accounting
& Sustainability Reporting, VBA

OUR COMMITMENT TO IMPACT AND ESG.

ESG FORWARD

ESG Forward is our ambitious agenda to fulfil our first Group strategic pillar: to have an impact on the world that counts. We aim to take ESG to the next level, focusing on where we can create the most meaningful impact for society and the environment by fully integrating ESG into our business processes and those of our portfolio companies.

Our approach speaks to our duty as active, responsible investors and stewards, and to delivering clear outcomes that marry both financial and social returns and generate long-term sustainable value across the triple bottom lines of social, economic and environmental impact.

In 2023 an updated hybrid ESG metric was included in the Group's Annual Incentive Scheme. 50% relates to outperforming sector ESG benchmarks and 50% relates to progressing the collection and analysis of data and development of impact metrics for the portfolio. This will continue in 2024.



Our stakeholders

Meaningful impact through engagement with our stakeholders



Our investments

Meaningful impact through our investments



Our community

Meaningful impact in the communities in which we operate



Our Group

Meaningful impact through the way we run our business

ESG Forward

IDEA methodology

What this means

How we do this

Innovate

Back impactful companies, funding research and developing solutions to clear societal and environmental issues.

We ensure that a company's ESG and impact potential is considered pre-investment.

Demonstrate

Co-create Group and portfolio company KPIs, working with our investors and stakeholders, that are meaningful, appropriate and transparent.

We work with companies to create KPIs and work with other external networks to improve impact reporting alignment in the VC ecosystem.

Elevate

Raise the profile of ESG matters in our organisation and in our portfolio companies.

We use the ESG_VC and EDCI survey frameworks annually to monitor and track progress of portfolio companies.

Accelerate

Provide the tools, funding, support and management expertise to help portfolio companies achieve impact, incorporating a just and equitable approach.

We have various resources available to assist companies in improving their ESG practices and reaching their impact potential.

OUR COMMITMENT TO IMPACT AND ESG.

ESG FORWARD

Progress on our ESG Forward agenda.

Focus area	Progress in 2023	Accelerating in 2024
Further integrate ESG into IP Group's overall strategy and across each relevant business unit	In 2023 we introduced a two part ESG component to our Annual Incentive Scheme. Each part is designed to engage different teams within the organisation and embed ESG thinking and considerations across the organisation. The first part addresses ESG best practice and involves all operational and investment teams; the second part seeks to embed impact and impact reporting and involves all investment teams and deepens the engagement with portfolio companies.	- Provide more customised guidance and training to teams around ESG. - Develop full guidance around impact tracking and reporting. - Further develop impact scoring framework.
Engage internal stakeholders with ESG including relevant training	Developed an internal reporting format to provide regular updates on key ESG activities via CEO communications as well as via internal All Staff presentations on ESG initiatives.	Create training course for entire organisation around ESG and impact.
Improve data collection and reporting, particularly around material factors as identified by our materiality assessment	To better monitor our financed emissions and understand ESG risks more broadly, in particular from within our portfolio, we have engaged with an ESG platform which will allow portfolio companies to track their progress for certain key ESG measurements.	- Embed data tool within portfolio companies. - Co-create dashboards for portfolio companies to enable them to track key metrics for their ESG and impact journeys.
Consider formal environmental targets aligned to net zero at operational and portfolio level	- Joined the Initiative Climat International, a global, practitioner-led community of private markets investors that seek to better understand and manage the risks associated with climate change. - Participated in the '10 in 10' collective energy reduction campaign at our office estate. The goal is to achieve a 10% reduction in energy consumption during a ten-week period. - We are in the process of collating our Scope 3 emissions to better understand our financed emissions and create a meaningful reduction plan.	- Collect and analyse emission data from portfolio companies. - Work with portfolio companies to develop meaningful Scope 3 emissions reduction plan.
Explore ways in which the positive impact of our portfolio can be further tracked, measured and disclosed. Engage portfolio companies on key ESG factors such as diversity	- We have developed a set of impact KPIs across our Cleantech, Deeptech and Life Sciences portfolios. - We have been working with the Value Balancing Alliance to co-create an impact methodology that will allow us to improve and align our life sciences companies' impact. - We co-convened a working group, with the Operating Principles of Impact Management to help advance the thinking around impact measurement and reporting across the VC ecosystem.	- Embed impact approach with portfolio companies and collate, monitor and work to improve impact data from portfolio companies. - Publish joint paper on impact for life sciences companies with the Value Balancing Alliance. - Through our Inclusion and Diversity Project work to increase portfolio company pipeline diversity.

APPROACH TO SOCIAL IMPACT.

As well as the impact our portfolio companies are having on the world around us that we have highlighted in this report, we also work closely with organisations to further our social impact in the community. We typically partner with organisations we believe have a similar purpose to us and address societal and environmental needs. We focus on increasing equity for those from underrepresented ethnic and socio-economic backgrounds.

We do this by supporting various community organisations and providing access to pathways into venture capital.

We are also committed to driving wider improvements in inclusion, diversity and equality across our whole organisation. We have an employee led inclusion and diversity group ("IDP"), who have been working hard on the implementation of a multi-year masterplan to increase inclusion and diversity across our investments and activities. We also encourage employees to get involved with charity work, and we have highlighted some of the work undertaken in 2023.



IntoUniversity

IntoUniversity is an educational charity that supports young people to access higher education or other ambitions through a network of learning centres across the UK. The Group has partnered with IntoUniversity Brixton since 2021 to transform the lives of young people from disadvantaged backgrounds in this area of London. Through their innovative education programmes, IntoUniversity raises the aspirations and attainment levels of young people, helping to break the cycles of poverty and disadvantage faced by the students they work with.

IP Group donations support IntoUniversity's STEM-themed centre in Brixton and our employees actively volunteer to support individual students.

In 2023, we hosted two separate days with IntoUniversity as part of the Big City Bright Future programme, focusing on expanding student's awareness of the vast array of career opportunities there may be in STEM. Volunteers from across IP Group departments spoke about their careers so far, why they chose to do what they do, and how they ended up doing what they do now. As a part of these sessions, students were also set a number of challenges, including an intellectual property challenge, which asked the students to think critically over how they could identify and protect products, and a carbon emissions challenge which asked the students to lower carbon emissions by 2030 and present their recommendations to a panel of IP Group volunteers.

HONORDEX
Inclusive PE & VC
Index 2023

Honordex Inclusive VC Award

We were very pleased to have been placed sixth out of more than 300 firms in the Honordex Inclusive PE & VC Index 2023, as well as winning the overall Innovation Award for our IDP Champions initiative. This award measures and scores companies' DEI performance based on their publicly available information.

We are thrilled to have been ranked the leading VC firm in the 2024 Index, with Honordex highlighting our ability to drive "significant improvements in social impact performance with the right data, team and strategy in place". This award reflects the hard work of our IDP members and the innovative approach they have led for our DEI practices.

APPROACH TO SOCIAL IMPACT.



PRIDE Charity Challenge

In June, we ran a charity challenge which saw our employees run, walk, cycle and swim to raise money for three LGBTQ+ charities. Collectively over 4,000 kilometres were covered by our employees in the UK and Australia.



Women's Networking Group

Our Women's Networking Group hosted its inaugural panel event in April 2023, showcasing various Inspirational Female Founders from within our portfolio. They also hosted a "Stepping up with Confidence" masterclass training session for women at IP Group and Parkwalk. They run a regular book club for our women's network members and allies across the Group, with a focus placed on underrepresented authors and a mix of fiction and non-fiction books to stimulate debate on female focused issues.



10,000 Black Interns

We have supported the 10,000 Black Interns initiative since its inception and were delighted to welcome a further two interns over the summer.



Charity days

We also offer our employees paid volunteering days each year, to allow them to donate their time to causes important to them. 2023 saw our staff give time to local charities and schools, as well as take part in fundraising events.

Our Melbourne and Brisbane teams participated in a volunteer shift in the FareShare kitchen. FareShare is an organisation that rescues and grows food, then prepares nutritious meals that are distributed to people facing hunger. The team helped prepare 389 meals that were distributed to people in need. They also cleaned and chopped 25kgs leeks, 20kgs turnips and 15kgs of celery, which went into another 200 meals for this week's meal production.

ESG DISCLOSURES.

APPENDIX

Engaging our team.

Ensuring our people remain engaged, motivated and aligned with our purpose is as critical as ever. We clearly see the benefits of engaging with the wider team regularly via a range of channels and on a two-way basis insofar as possible. Our primary measure of engagement is taken from our Voice of IP Group ("VIP") surveys.



Read about our **2023 VIP surveys** on page 19 of the annual report

In addition to our regular employee surveys, we use multiple channels to ensure we are able to develop a positive two-way dialogue with individual employees and representative groups.

Our Designated Non-executive Director, Aedhmar Hynes, remains directly responsible for workforce engagement, acting as a conduit between the Board and the wider team. Anthony York, Group People Director, fulfils this role for the Executive Committee. Both Aedhmar and Anthony attend the regular meetings of our employee forum, IP Connect.

IP Connect is a group of employees elected by the employee group to represent workforce views. It is consulted regularly for both general and specific feedback on cultural development as well as other matters. During 2023, the group continued to meet regularly and provided valuable feedback on a number of key areas, including Executive and wider remuneration issues, flexible working arrangements, our new Group Values, policy developments, group strategy, performance and our approach to employee engagement.

Finally, the small size of our overall team means that we are able to ensure that all of our people have direct and consistent access to leadership, both informally on a day-to-day basis and through more formal channels, and at regular all-employee events.

Employee Executives.

In 2021 IP Group announced it would be including two Employee Executives on the Executive Committee, a pioneering move with the primary purpose of bringing more diversity of thought into decision-making processes at the top of the organisation.

These positions were assigned to employees who put themselves forward for selection, with our two initial Employee Executives being Lisa Patel, a Partner in the Life Sciences team and CEO of Istesso, and Joyce Xie, Managing Director, IP Group Greater China.

This initiative has been hugely valuable, with both Joyce and Lisa playing a key role in the development of our Group strategy and the effective management of the business over their period of appointment.

During 2023, Joyce was promoted to a new role with a permanent seat on our Executive Committee. Lisa is on full time secondment to Istesso for the foreseeable future. As such, both individuals are no longer available for the Employee Executive roles.

As set out on page 97 of the annual report, we made some practical changes to the way that our Executive Committee works during 2023. For this reason, we deferred the recruitment of new Employee Executives to the first part of 2024 to allow the changes to embed and to ensure we optimised the new role profile before starting our recruitment process.

Ethical behaviour.

We strive to always conduct our business activities in an honest, ethical and socially responsible manner and to comply with all laws, regulations and rules applicable to our business. We expect our portfolio companies, co-investors, employees and suppliers to hold the same high standards when conducting their respective businesses.

We are committed to acting professionally and with integrity in all of our business dealings and relationships, and with consideration for the needs of all of our stakeholders.

We have adopted policies and standards designed to help and guide employees in their conduct and business relationships. We take a zero-tolerance approach to breaches of our policies, and implement and enforce effective systems to mitigate risk. We provide mandatory training on critical areas such as anti-bribery and corruption, market abuse, anti-tax evasion and data privacy matters. Copies of our key policies can be found on our website www.ipgroupplc.com

Human rights and modern slavery.

We believe that human rights are universal and non-negotiable. We seek to promote a working environment where workers are treated with respect, dignity and consideration, and their fundamental human rights are protected. We comply fully with applicable human rights legislation in the countries in which we operate, which includes upholding freedom of association and the right to collective bargaining, equal remuneration and protection against discrimination.

ESG DISCLOSURES.

APPENDIX

We are committed to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our business or supply chain. We expect the same high standards from our contractors, suppliers and other business partners. We have adopted principles and policies which are relevant to the prevention of modern slavery in our organisation. These are overseen and monitored by our ESG and Ethics Committees. The Company has in place a new supplier checklist, which includes a confirmation from all new suppliers that they comply in all respects with the Modern Slavery Act. Our Modern Slavery Statement and our Human Rights Statement (adopted in early 2024) can be found on our website www.ipgroupplc.com

Supporting our communities.

We recognise that we do not operate in a vacuum and that it is important to look outside of our organisation and consider the bigger picture. To maximise impact, we typically partner with organisations we believe have a similar purpose to us and address societal and environmental needs. A key area of focus is to increase equity for underserved groups, including those from underrepresented ethnic and socio-economic backgrounds by supporting relevant community organisations and providing access to pathways into venture capital and private equity. We involve our employees in choosing partners, working through our Group charity liaison team. We currently work with IntoUniversity, an educational charity and support the 10,000 Black Interns programme.

→ Read our impact with **community partners** on page 29 of this **Meaningful Impact report**.

Inclusion and Diversity Project (“IDP”).

We are committed to driving wider improvements in inclusion, diversity and equality across the Group. Our ambition is to improve diversity and inclusion across all characteristics, and create a work environment where every talented individual can thrive. Our approach is defined and implemented by an employee-led group, the IDP.

During 2023, the IDP continued to focus on the implementation of our multi-year IDP Masterplan. Activity has included:

- Appointment of an IDP Champion in every internal team who takes responsibility for engaging with and educating their team members on these complex issues. Our Champions are tasked with building knowledge

using a targeted curriculum covering subjects such as privilege, allyship and microaggressions

- A full programme of events led by our Women’s Networking Group to support our female talent
- The launch of our Inclusive Communications Guide and accompanying workshop
- Development of a reverse mentoring scheme for roll out in 2024
- Full review of Group Policies to ensure we build in inclusivity and equity to our ways of working

We were delighted to have been placed sixth out of more than 300 firms in the Honordex Inclusive PE & VC Index 2023, as well as winning the overall Innovation Award for our IDP Champions initiative, and even more pleased to have been ranked the leading VC firm in the 2024 Index, with Honordex highlighting our ability to drive “significant improvements in social impact performance with the right data, team and strategy in place”.

Gender diversity.

In the recent past we have focused on gender representation as a proxy of our progress in this area and, with appropriate data, will seek to move beyond this narrow definition of diversity. That said, it is encouraging to note that senior female representation within IP Group remains at a high level across all cohorts.

	Male		Female	
	Number	%	Number	%
Board	4	50%	4	50%
Executive Committee	7	70%	3	30%
Other Senior Management/Partners	18	64%	10	36%
Combined Senior Leadership Team	25	66%	13	34%
All employees	47	49%	48	51%

This gender diversity data is the information submitted to FTSE Women Leaders. Greg Smith (CEO) and David Baynes (CFO) are included in data for the Board and for the Executive Committee.

ESG DISCLOSURES.

APPENDIX

Board and Executive Management diversity.

Listing Rules LR 9.8.6(10) and (11) require the Group to publish information on Board diversity. Data is for the IP Group Board and Executive Management on 31 December 2023.

Numbers in this table are based on how individuals identify themselves, based on data which is a subset of data collected regularly from all individuals on a wholly voluntary basis. Further detail on our Parker Review submission, including our target for senior management team representation, is set out on page 105 of the annual report.

In the tables below, Executive Management data is for the Executive Committee. Greg Smith (CEO) and David Baynes (CFOO) are included in Board data but not the Executive Management data.

	Men	Women	Not specified/ prefer not to say
Number of Board members	4	4	–
Percentage of the Board	50%	50%	–
Number of senior positions on the Board (CEO, CFO, SID and Chair)	3 (75%)	1 (25%)	–
Number in Executive Management	5	3	–
Percentage of Executive Management	62.5%	37.5%	–

	White British or other White (including minority-white groups)	Mixed/Multiple Ethnic Groups	Asian/Asian British	Black/African/ Caribbean/ Black British	Other ethnic group, including Arab	Not specified/ prefer not to say
Number of Board members	7	–	1	–	–	–
Percentage of the Board	87.5%	–	12.5%	–	–	–
Number of senior positions on the Board (CEO, CFO, SID and Chair)	4 (100%)	–	–	–	–	–
Number in Executive Management	7	–	1	–	–	–
Percentage of Executive Management	87.5%	–	12.5%	–	–	–

Environment.

IP Group's carbon footprint and exposure to climate risk is low but, as a responsible business, we continue to focus on managing and reducing the entirety of our environmental footprint. We are targeting Net Zero for Scope 1, 2 and 3 emissions by 2030 (by reducing our emissions by 90% or more, compared to that of our base year) and have broadly aligned our reduction plan with Science-Based Targets thinking.

Sustainable London HQ

Our headquarters in Kings Cross is one of the most energy efficient and sustainable developments in the UK. The building has been awarded a BREEAM 'outstanding' rating and uses the most efficient route to create clean localised heat and power.

Environmental disclosures

IP Group is required to report on its annual greenhouse gas ("GHG") emissions as part of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2018. IP Group is also required to report in line with Streamlined Energy and Carbon Reporting ("SECR") requirements. These requirements include an overview of GHG emissions, intensity ratios, energy consumption and energy efficiency actions taken by IP Group over the reporting period for operational office locations. These disclosures can be found in the table on page 45 of the annual report. See our Task Force on Climate-Related Financial Disclosures ("TCFD") disclosure on page 46 of the annual report.

ESG DISCLOSURES.

APPENDIX

The table below shows IP Group's annual energy consumption for global operations, associated relevant greenhouse gas emissions and additional related information. This encompasses energy and emissions from office use and has been expanded beyond the minimum requirements to include emissions associated with all business travel and staff commuting.

The methodology used for the calculation of greenhouse gas emissions is the "GHG Protocol Corporate Accounting and Reporting Standard". An "operational control" boundary has been applied. Carbon conversion factors have been taken from "UK Government GHG Conversion Factors for Company Reporting – 2022". Emissions are reported as tCO₂e. Scope 2 emissions are reported as "location based". Of our total reported energy consumption 86,867 kWh was directly related to our UK operations, producing GHG emissions of 18.2 tCO₂e, 96% of our total.

Energy consumption and emissions

	2019	2020	2021	2022	2023	Difference vs 2022
On-site combustion (kWh)	42,592	n/a	n/a	n/a	n/a	–
Electricity (kWh)	385,759	67,165	169,604	122,880	92,245	(24.9%)
Road Transport (kWh)	n/a	n/a	17,463	n/a	n/a	–
Total Energy (kWh)	428,351	67,165	187,067	122,880	92,245	(24.9%)
Scope 1 Emissions (tCO ₂ e)	8	–	–	–	–	–
Scope 2 Emissions (tCO ₂ e)	114	21	41	24	19	(19.3%)
Scope 3 Emissions (tCO ₂ e)	852	118	42	103	331	161%
Total Emissions (tCO ₂ e)	974	139	83	127	350	176%
Emissions Intensity tCO ₂ e/FTE	8.7	1.4	0.9	1.46	3.7	153%
Emissions Intensity tCO ₂ e/m ²	0.4	0.07	0.05	0.15	0.4	167%

Emissions intensity

IP Group reports two metrics: emissions/staff number in FTE, and emissions per unit of office floor area in m². The resulting emission intensity calculations for 2023 are:

- 3.7 tCO₂e/FTE
- 0.4 tCO₂e/m²

Our intensity metrics have increased by 153% and 167% respectively.

Performance

Our scope 2 emissions reduced by 19.3% but our Scope 3 rose by 161%.

The reasons for the significant increase in our scope 3 emissions are:

Increased business travel: post covid, there has been an increase in the business travel related to our business operations. This is especially so given the global nature of our business.

Greater data capture: we have started to go beyond employee commuting when it comes to calculating our scope 3 data and now include emissions from our purchased goods and services. We have also started to collate our financed emissions and will publish this next year.

Energy efficiency actions

Our offices incorporate a number of energy efficient technologies: the majority of light fittings are low energy LED, and motion sensors are installed to maximise energy efficiency. Other appliances and large office equipment such as printers and laptops are of energy efficient design. In 2024 our team is participating in the '10 in 10' collective energy reduction campaign at our office estate. The goal is to achieve a 10% reduction in energy consumption during a ten-week period.

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