

TRUE ESG REPORT 2022

Signatory of:

bvca
Member Firm

PRI

Principles for
Responsible
Investment

Certified
B
Corporation

True. | true.global

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About this Report

Except where stated otherwise, this Report covers information for the period 01 April 2021 to 31 March 2022 (“2021/22”) with information available to us as at 31 May 2022. Where information is from a different period, that will be noted as such.

“ESG” means “Environmental, Social, and Governance”. This report is intended to provide a thematic update across topics relating to our environmental, social, and governance-related policies and practices, but is not intended as a comprehensive view on every facet or workstream.

ABOUT TRUE

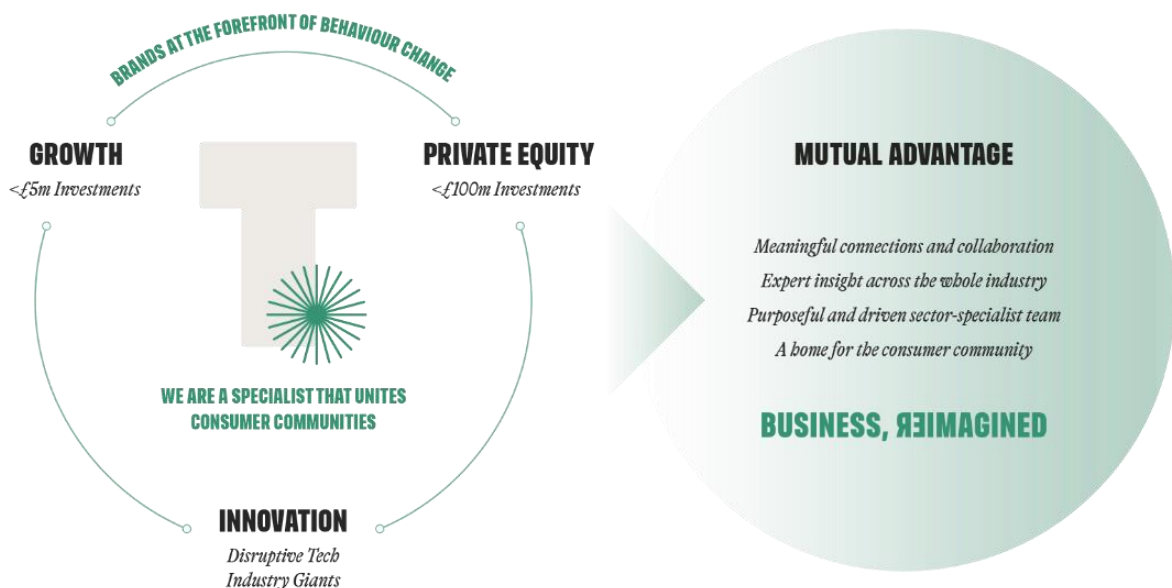
Our purpose is to reimagine business through investment and innovation. We're reshaping business as a force for positive change, showing the world a better way to succeed. We help companies revolutionise how they work and what they do — always reaching for a better way.

OUR BUSINESS

We come with a new perspective and a pioneering spirit. We're ambitious; our goals surpass profit. We aspire to the kind of success in which everyone becomes a winner: the consumer, the company, the people and the planet.

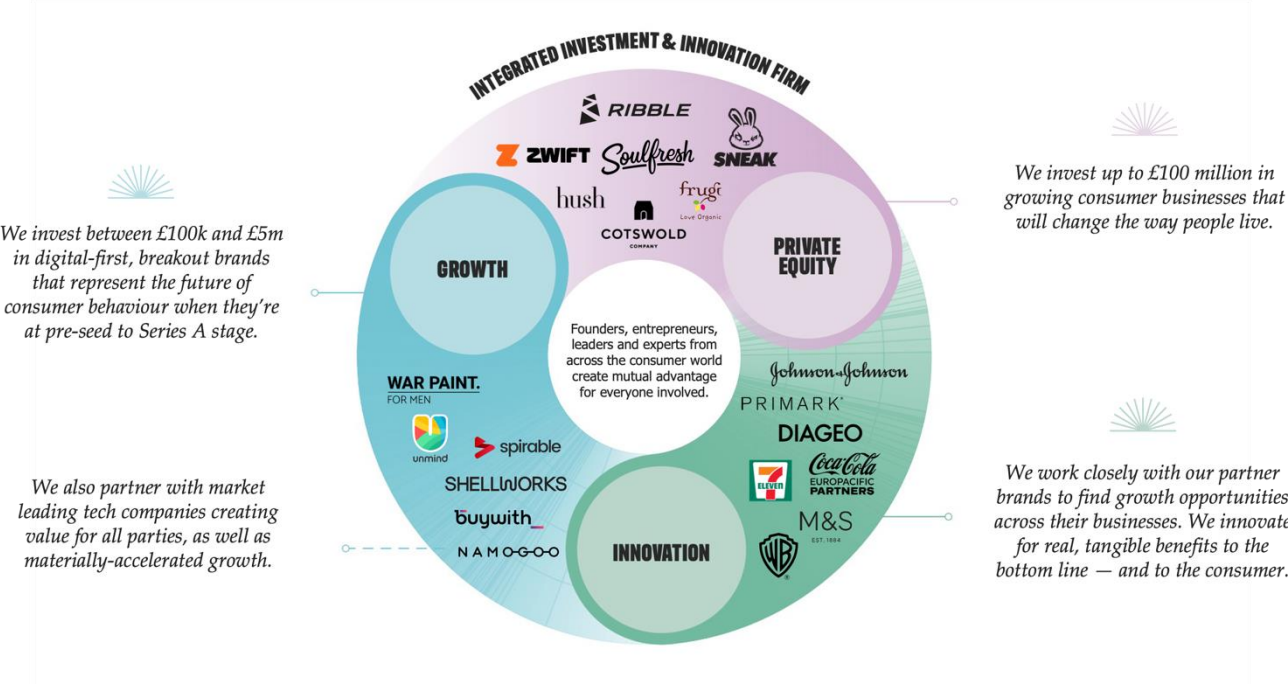
We're an investment and innovation firm focused on the consumer and retail sectors. At the core of what we do is turning small consumer businesses into bigger ones, and helping big businesses become greater through investment, support and strategic innovation. We achieve this in three interconnected ways:

- ☀ **Investments up to £5m** at the pre-seed to series A level from our Growth Fund, targeting digital-first breakout brands as well as retail and consumer technologies which will enable that progress and disrupt the way business has been done to date.
- ☀ **Investments up to £100m** in consumer businesses that are changing the way people live; with an active ownership approach post-acquisition.
- ☀ **Innovation offering**, working with our partners to introduce them to emerging technologies, companies and leaders, give advice based on actual experience and provide a whole range of services that will open up new industry worlds.



OUR BRANDS & PARTNERS

Our network builds powerful connections between early-stage businesses, partners, investors and tech leaders. This model fosters collaboration that creates new opportunities — which helps everyone involved. Watch our [video](#) to find out more about how we work together.



A WORD FROM THE CO-FOUNDERS



Matt Truman, Executive Chair & Co-Founder, True.

"I grew up lucky. I was fortunate that my parents made a conscious decision to work seven days a week to ensure I was educated in the best way they could afford. This took a lot of personal sacrifice. Fundamentally, I grew up in a poor area, a part of the UK that has deteriorated significantly over my lifetime with few prospects for the young people living and being educated there. My parents' hard work and my life in Lowestoft laid a foundation for the career I have enjoyed to date - we are very focused on ensuring others enjoy such a foundation as a result of our work at True. Our experiences and education also cemented a number of values that, alongside Paul's passions, forms the bedrock of True today.

I have always strived for fairness. I believe passionately that everyone has a fair chance to be the best they can be and that's reflected in our progress in ESG, and in our particular focus on making our industry more accessible. I'm thrilled that the team has an equal gender balance, and our hiring policies are intentionally inclusive; we lead the industry across many metrics.

Whilst we have made a great start, such as our B Corp accreditation; it is simply a foundation, and we have much more to do. Our desire is to lead the industry and our stakeholders to a better place, a fairer place and a more accessible place where no one has to get "lucky", and we hope you will work alongside us to make this a reality."

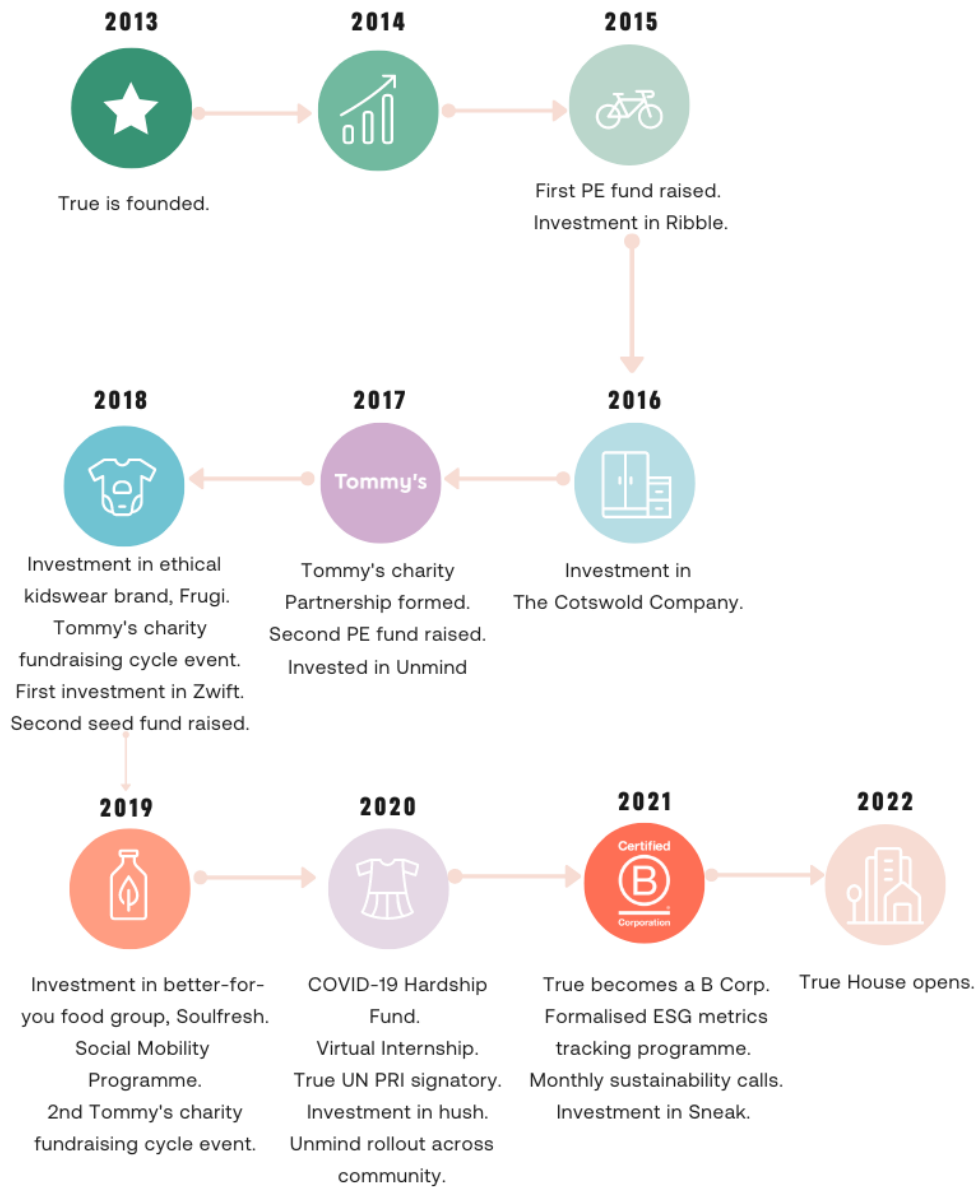
"As a team we are at the early stages of a journey with respect to our ESG policies and initiatives, but I feel as though we have made a significant step forward in the last 18 months. I am delighted to now be in a position to share our first ESG report, which we intend to publish annually. The raising of our third fund and the input we gratefully received from our new institutional investors, together with the process we went through to achieve B Corp status has helped us accelerate the development of a framework to better measure our own impact, and that of our portfolio in the areas of E, S and G.

Instinctively, as founders and then as a team, I firmly believe we have always tried to do business "the right way" and as we have scaled, we have recognised that our influence, and therefore our impact, has become increasingly material. I am excited for the opportunity that this gives to influence real, positive change. A huge thank you to everyone in our team and in our portfolio teams that have contributed to this report, the enthusiasm across all of businesses has been hugely encouraging. I hope you enjoy the read and please do let us know if you have any ideas or suggestions as to what more we can do."



Paul Cocker, CEO & Co-Founder, True.

OUR JOURNEY SO FAR



OUR APPROACH TO ESG

We believe we must use our influence for good and create positive change in business. Our approach is an iterative process, always seeking to further embed and improve processes, policies and practices across our organisation.

OVERVIEW

Our approach to ESG is defined by a framework consisting of our high-level policy statement which sets out our commitment, and strategy (defined primarily by two workstreams), which implements that policy. This flows from and is shaped by our fundamental purpose as a business.

Our approach is further influenced by our commitments to the [UN PRI](#) and [B Corp](#), both of which we are signatories to. For more about what it means to be a B Corp see page 9.



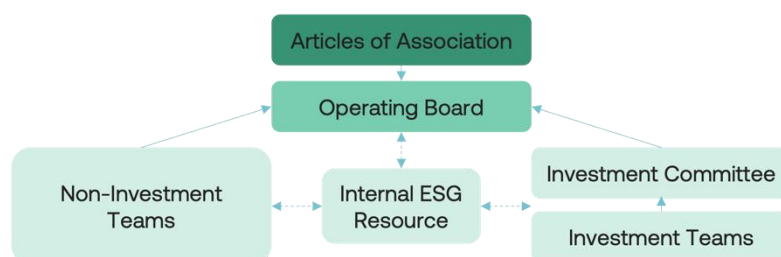
INTERNAL GOVERNANCE

As a B Corp we have amended our articles of association, effecting our commitment to consider our social and environmental impacts. By doing this we have created a fundamental corporate governance basis for ESG at True.

Our Operating Board holds ultimate accountability and responsibility for the implementation of the ESG approach across the business. This includes setting strategic direction, reviewing and approving commitments and policies, and identifying and resolving of material ESG issues or concerns.

The Operating Board is supported in this role by:

- ☀ The Investment Committee, which holds accountability for ensuring that ESG is considered across all investment decision making.
- ☀ Dedicated internal resource, who work across all areas of True to implement the Initiative and Best Practice workstreams.
- ☀ All other True teams who work on ESG projects on an ad-hoc or ongoing basis, in respect of True itself or the portfolio.



The Operating Board also works closely with respective boards and senior management at our portfolio companies and other partners to further champion ESG topics.

OUR ESG POLICY STATEMENT

In addition to delivering strong returns to investors and shareholders, we're committed to incorporating ESG as a core value within our organization, shaping the work we do every day.

We believe our commitment to pursuing ESG initiatives can be achieved in parallel with building the long-term interests of our stakeholders. The integration of sustainable business practices creates lasting results that benefit all our stakeholders, including our employees, shareholders, investors, and the communities in which we live and operate.

This ESG policy statement reflects our commitment to improving how our business decisions and policies address opportunities for building environmental sustainability, social responsibility and effective corporate governance into all aspects of our business.

Environmental sustainability.

We're committed to operating in an environmentally responsible manner to reduce our impact on climate change, conserve natural resources and operate in compliance with environmental regulations.

Social responsibility.

We're committed to being a socially responsible employer by fostering an environment of diversity and inclusion across our business; operating ethically, supporting our local communities and providing opportunities for social diversity.

Corporate governance.

We're committed to building a culture dedicated to ethical business behaviour and responsible corporate activity. We believe strong corporate governance is the foundation to delivering on our commitments.

Fulfilling our purpose.

In addition to the three ESG areas above we are committed to executing on specific initiatives that enable us to fulfil our purpose of reimagining business.

Responsible investing.

We are a signatory to the UN-supported Principles for Responsible Investment, a network of investors committed to investing responsibly and supporting a sustainable global financial system. Our status as a PRI signatory underscores our commitment to incorporating ESG factors into the investment decision-making process and to furthering our active ownership efforts.

Signatory of:



OUR ESG STRATEGY

This strategy brings the Policy Statement to life and is comprised of two aspects – what we call ‘Best Practice’ and ‘Initiatives’. Together these bridge our ambition with how we want to get there.

Best Practice

Focuses on ensuring that True as its own entity and our portfolio companies work towards best practice on day-to-day activities:

- ☀ Approach to investment decisions: integrating ESG into investment decision making across our Private Equity and Growth portfolios.
- ☀ Approach to active ownership / stewardship: using our influence to champion ESG topics and embed best practice in our Private Equity portfolio.
- ☀ Approach to operational internal decision making: further ensuring that ESG factors are considered in internal decision making across a range of other matters.

Ultimately, we seek to create positive impacts and reduce negative impacts, while remaining flexible to work with our invested companies who are at different stages of their ESG journeys.

Initiatives

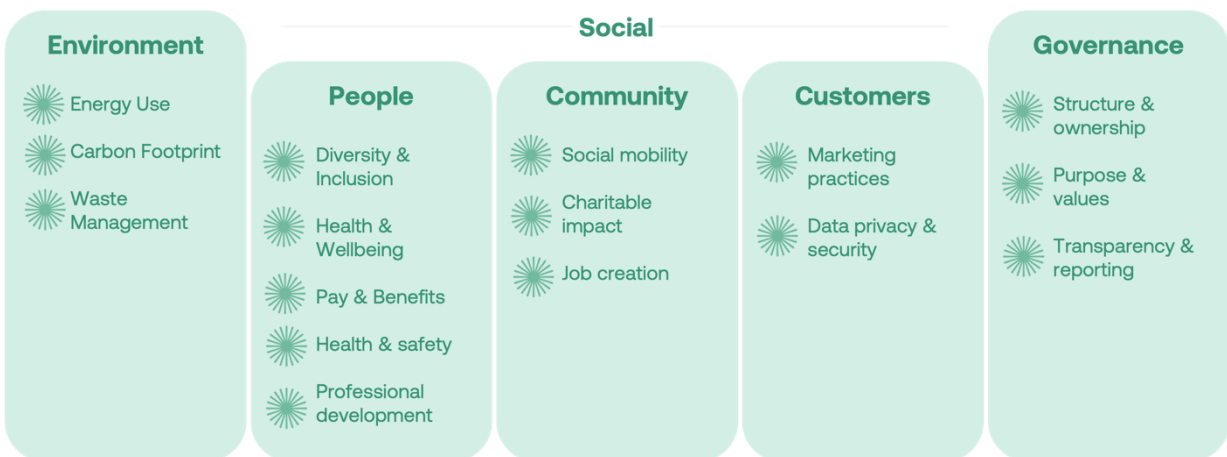
Impactful projects that deliver meaningful results:

- ☀ Internally focused initiatives: these include internal environmental working groups, one-off events for our staff or stakeholder network.
- ☀ Externally focused initiatives: prior such examples have included our Tommy’s partnership and Social Mobility internship programmes.

Impact Pillars of the ESG Strategy

Our ESG Strategy is further informed and oriented around the B Corp aligned pillars below.

These pillars provide a framework through which we look at our activities, informing such things as metrics collection, internal decision making and policy/practice structuring.



BECOMING A B CORP

In 2019, we decided we were going to apply to become a B Corp. We knew we were having positive impacts, but recognised the need to formalise a framework around which to:

- ☀ Orient both existing and future work relating to ESG.
- ☀ Improve our policies and documentation.
- ☀ Benefit our culture and boost team morale.
- ☀ Receive external validation on our positive impacts.

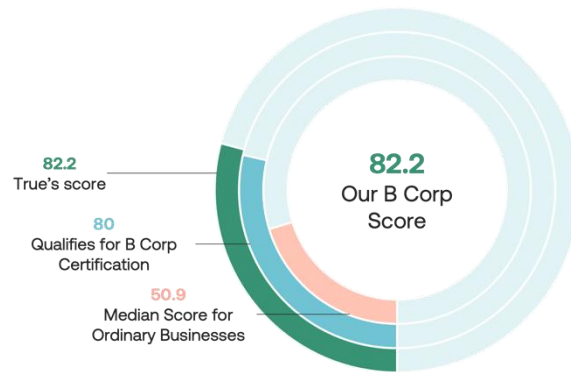
We began the application process in 2020 and in April 2021, we were proud to become a certified B Corporation.



When we certified, our overall B Impact Score was **82.2**. We excelled in one area – the score for our Workers which came in at **39.2**, placing us in the top 5% of B Corps for that category (for more on our Workers impact see “People, Diversity & Inclusion at True” at page 10).

The other category scores we received were:

- Customers: 16.8
- Community: 12.5
- Governance: 10.9
- Environment: 2.6



What's next for us as a B Corp?

One of the benefits of becoming a B Corp is gaining a deeper understanding of the improvements we can make as a business to create even more positive impacts across the business in these areas. We can clearly see where we have more work to do in each of the impact areas – and we're well aware that our Environment score needs the most work. With a new office building that we now have more control over, we know this is an area where we will in future see more change. In 2022/23 we will be focused on further understanding how we can generate more positive impacts across each of the five categories and setting up workstreams to achieve these goals.

In undertaking that work, we will remain honest and critical of the areas in which we can make the greatest improvements, and those in which we can't, which is why the work will be oriented around core areas of focus, clearly connected to our purpose and our place in the economic system.

We will also seek out further ways of using our place within the B Corp community to learn from others, champion for change and find opportunities for collaboration. You can find True's B Corp profile at: <https://www.bcorporation.net/en-us/find-a-b-corp/company/true>

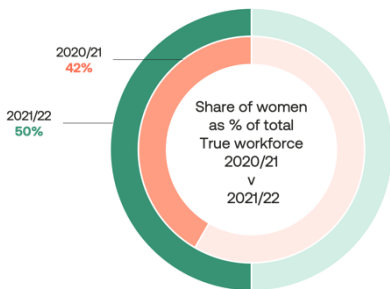
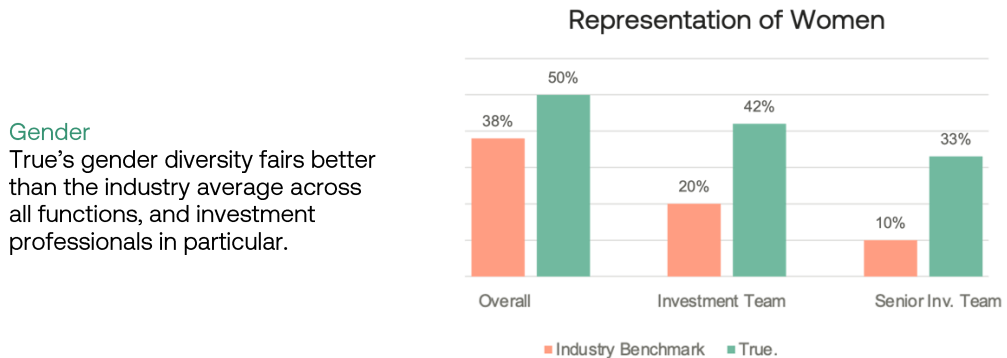
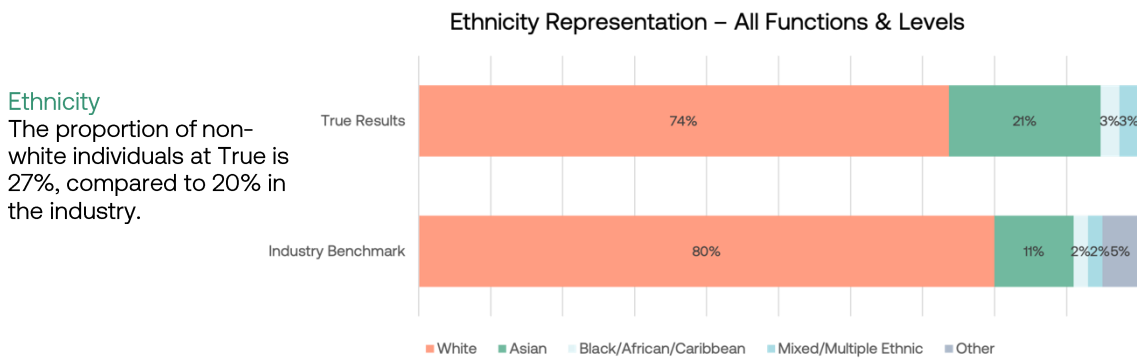
OUR IMPACT

PEOPLE, DIVERSITY & INCLUSION AT TRUE

We recognise it is fundamentally important that our people represent the diversity of our society. By bringing together different experiences, perspectives and skillsets we believe that we can build a business that is both high-performing and reflective of the world we live in. We achieve this through:

- Looking for “non-typical” PE people in our hiring process – we value different skillsets that may have been gained outside of the industry which in turn expands the pool of prospective candidates.
- We place enormous reliance on hiring for character as much as ability.

Our approach has resulted in a truly diverse team of people:¹



We have also begun work to track gender pay gap data across our portfolio – for more, see “True’s ESG Metric Tracking Programme” at page 19 and corresponding appendices at page 23.

Hiring is just one aspect of building and maintaining a diverse, engaged team. Our broader range of policies and practices have been key to our high staff retention rate over 2021/22:

¹ Industry benchmarking references the British Venture Capital Association’s *Diversity & Inclusion Survey 2021*. True figures are as at 31 March 2022.

- ☀ Our maternity/paternity policy for 2021/22 provided employees with up to 52 weeks maternity leave and up to 4 weeks of paternity leave; alongside other support including flexible return to work.
- ☀ All employees are enrolled into the company's pension benefits.
- ☀ All employees have an opt-in to private medical insurance and life insurance.
- ☀ 24/7 mental health support through wellbeing platform Unmind. We invested in the proactive mental health and wellbeing tool Unmind in 2017, introducing the platform to our corporate Partners. Unmind access is available to all True employees and Portfolio companies.

These elements contributed to our high impact score in B Corp 'Workers' category and being recognised as a **Best for The World B Corp in the Workers impact area for 2021.**



What's next for People and D&I at True

While we've made great progress, we aspire to build on the success of 2021/22 from a people perspective. As we move towards a post-COVID-19 world, we expect our business to continue growing over 2022 but also for the wider macroeconomic environment to present challenges for everyone. With that in mind we will continue to critically assess our people policies and practices, making sure they remain fit for purpose and scalable so that our staff remain engaged.

ESG IN OUR PRIVATE EQUITY INVESTMENT APPROACH

While we do not manage an “impact fund”, making investments through our private equity fund is one of the key areas of impact for our ESG approach. Deploying capital in a responsible manner is a major way we believe we can contribute to reshaping business as a force for good in the world.

ESG in our Investment thinking

ESG is integrated into our investment thinking because it is a fundamental part of our outlook:

- Purpose-driven businesses operate at the forefront of changing consumer behaviour and are therefore well placed to capture the commercial benefits.
- High-profile issues around consumerism, supply chain and manufacturing ethics are of particular relevance for our strategy.
- Consumer awareness of environmental issues is shaping behaviour and therefore the attractiveness of certain assets over others.

ESG in our investment process

In 2021/22 we reinforced and further formalised our approach to integrate ESG considerations throughout the full process, see Figure 4.

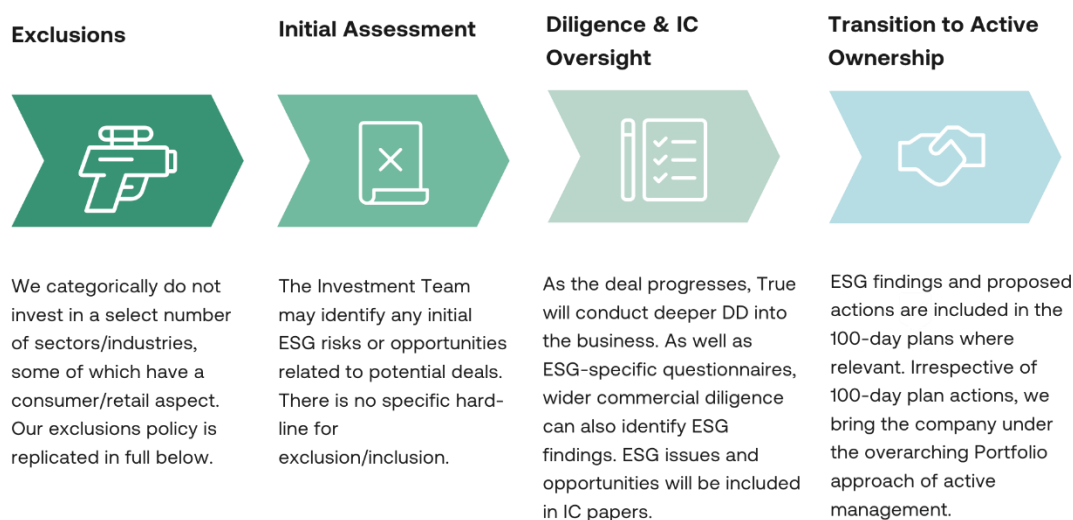


Figure 4

We also considered and reaffirmed our **exclusions policy** which covers:

- Production or dissemination of pornographic materials: although sexual health and wellbeing is not excluded and has been considered in the past, the negative ethical or social ramifications of the pornographic industry are well-publicised given the industry’s poor record of employee/worker treatment.
- The manufacture, distribution, sale or supply of offensive armaments, weapons, or similar military equipment: as a consumer-centric fund, we have historically seen opportunities especially in the US involving the retail of weapons. We feel the promotion of such items does not align with our philosophies for social good.

- ☀ Oil and gas exploration: we actively encourage our portfolio to look for ways to continuously improve the micro- and macro- aspects of the environment. Whilst oil and gas exploration are unlikely to align with the consumer, retail, or leisure industries, we believe the use of green or sustainable energy usage will always be preferred to oil and gas.
- ☀ The manufacture or sale of tobacco products: although vaping and e-cigarettes have in the last five years become a growth area in the consumer space given looser regulations versus traditional tobacco, we take the view that the tobacco industry does not represent social responsibility given the harmful impact that it continues to have on the health industry. We actively look for consumer products that have positive impacts on health and wellness.

Our 2021 investment in Sneak gave us the opportunity to put the ESG approach into action. For more on our governance and stewardship approach with the portfolio, see “Our Impact – Our Network”

SNEAK



Key ESG factors we considered during the investment process:

- ☀ Lack of sugar use and impact on health of consumers.
- ☀ Consumer marketing practices of not working with Under-18s.
- ☀ Transparency of ingredients and dedication to quality assurance.
- ☀ Willingness of senior management to participate in ongoing ESG process improvement and an awareness of key ESG topics for the business.

BEYOND INVESTMENT

True House

In January 2022, we began the move from a remote working environment into our new premises – True House. Recognising that this would form the basis for an ongoing impact area from 2022 onwards, we sought novel and meaningful ways to use the office to create positive outcomes:

- ✿ The new space has been designed to ensure efficient electrical consumption through modern electrical and mechanical infrastructures – our electricity is 100% renewably sourced.
- ✿ The office has been fitted out with modern audio-visual equipment allowing flexible working arrangements and ease of contact with our remote and international Partners.
- ✿ Decisions on fittings & artwork – focus on the use of local suppliers and [unrepresented artists, students and recent graduates](#)
- ✿ Using the space for further ESG-focused events such as an ESG Roundtable for Partners and Portfolio Brands.
- ✿ Making the space available for our community to host their own events or use as a workplace on an as-needed basis.

We have invested heavily in ensuring True House remains our long-term home, and there is further work to be done in measuring and improving ESG matters in relation to True House. In 2022/23 we will:

- ✿ Undertake work to identify further opportunities to reduce the environmental footprint of the office.
- ✿ Consider other initiatives or projects with employee participation to increase the sustainability practices related to office use.
- ✿ Continue to promote the use of True House for internal and external events.

Our Innovation Offering

The importance of ESG in the consumer and retail landscape has only increased over the past few years. Established brands and new challengers are all having to navigate increasingly complex regulatory, technological, and behavioural shifts with ESG underpinnings. True's corporate Partners have developed or updated their ESG strategy over the last 12 - 18 months and is now looking for our help to unearth powerful, innovative technology that can help implement or accelerate certain areas.

2021/22 saw our Innovation team increase focus on this area. In March 2022, we hosted a roundtable event dedicated to ESG, where we explored the degree to which a focus on ESG can be a value-creator for consumer-facing businesses, including:

- ✿ The growth in importance of ESG and the drivers behind it.
- ✿ The correlation between ESG and financial returns.
- ✿ ESG reporting and metrics for consumer business.
- ✿ The evolving technology landscape.
- ✿ Prioritising ESG in your business.

OUR IMPACT - OUR NETWORK

OUR PRIVATE EQUITY PORTFOLIO

Our investment philosophy focuses on ensuring our businesses can grow profitably while making sure their commitments to ESG topics and practices are kept to a high standard. To that end, we work closely with the management teams at our portfolio to ensure that True's culture and principles can flow through them.

Prior to 2021, actions we took with the Portfolio included:

- In 2020, as a result of the COVID-19 lockdown we discussed concerns that a number of the CEOs had over employee well-being, in particular during the initial stages of lockdown. We took a proactive stance with them to rapidly establish a **Hardship Programme** to support employees and their families.
- In March 2020, we supported the Frugi and TotsBots teams' decision **to allocate manufacturing resource to the production of facemasks**. This was done using existing material supply and 20% of the value of the packs sold were donated by Frugi/TotsBots to NHS Charities Together and Glasgow Children's Hospital Charity.

Over the course of 2021/22, we continued to reinforce our ESG focus in the PE Portfolio through stewardship activities:

Monthly sustainability/ESG calls

True has always taken a collaborative approach to sustainability and ESG at our portfolio. Prior to 2021/22, this had typically taken the form of informal, ad-hoc discussions fostered among the portfolio on sustainability topics. In April 2021 this was formalised into a dedicated monthly sustainability and ESG call for the PE portfolio. True chairs the meeting which is an opportunity

for us and our invested companies to present on a wide range of topics, acting as a forum for best practice and knowledge sharing. Topics covered in 2021/22 included emissions, evolving regulatory expectations on ESG, and the importance of integrating a purposive approach to sustainability plans.

We have seen the forum become a springboard for cross-company conversations – ultimately helping our businesses to find better ways to operate.

Beyond governance - an active management approach

We insist as part of our deal terms a membership on the boards of the companies we invest in. We also request a minimum of ten board meetings per year. We utilise our board seats and controlling positions to ensure that ESG remains on the agenda of senior leadership at all of our PE invested companies. This includes clear expectation setting that material ESG issues are escalated and resolved by the Senior Leadership Team (SLT) at our invested companies.

Outside of our sustainability calls and our Board meetings, any interaction we have with our portfolio can be an ESG touchpoint. This includes weekly trading meetings at which we will also highlight ESG risks or issues as they present themselves and further hold the portfolio SLT accountable. Ensuring that any conflicts of interest at the boards of our portfolio companies are identified, tracked, and mitigated is central to our investment position.

ESG metric tracking

In the second half of 2021/22, we initiated an ESG metric tracking programme across our majority-owned assets. The next chapter explores this in greater detail.

Select Portfolio ESG Metric results:

ESG Pillars	Topic	PE Portfolio Results
Environment	Non-compliance with environmental laws and regulations	None reported
Customers	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None reported
Governance	Cybersecurity incidents/breaches	None reported
Governance	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	None reported
Governance	Confirmed incidents of corruption and actions taken	None reported

THE COTSWOLD COMPANY



The Cotswold Company designs and makes timeless, beautiful furniture inspired by the beauty of the Cotswolds.

The Cotswold Company’s ambition to become a sustainability leaders is apparent in its 2021 Sustainability Pledge that includes policies ensuring the company’s timber is responsibly sourced and fully traceable to its forest origin, pledges to eliminate polystyrene from packaging by 2022 as well as a range of policies that can be found in full [here](#).

Frugi dreams of a world without waste and creates sustainable clothing and accessories for children using organic and recycled materials – its ethical credentials were one of our reasons for investment. It gives back 1% of revenue to charity and is always looking for ways to become a more sustainable producer, which is why it partnered with kids’ rental platform Little Loop in 2021 and continues to be certified by the Soil Association and Global Organic Textile Standard (GOTS). Find out more about how Frugi is leading in the area [here](#).

FRUGI



HUSH



We invested in digital-first fashion business Hush in March 2020. Hush has incorporated several policies to ensure they’re limiting the impact its product has on the environment. Hush uses a range of sustainable materials across its designs, it promotes customer education on garment care to support slow fashion practices and has a takeback program with Thrift+ to give a new lease of life to customers’ clothing while providing the option to fundraise for the customer’s charity of choice. Further detail on hush’s sustainability practices [here](#).

Ribble is a performance bike brand – and it's inspired many of the True family to take the saddle. Since we invested in 2015, we've bolstered Ribble's management team and operating board, launched numerous game-changing bikes, and masterminded a new brand identity and website.

We see Ribble's positive impact in the health and well-being space through its category. Ribble accepts all major cycle scheme vouchers, encouraging people to cycle to work. By offering e-bikes as part of this Ribble hopes to encourage even more commuters to avoid cars and emission-creating transport. Get to know more about Ribble [here](#).

RIBBLE



SOULFRESH



Soulfresh is a healthier-for-you food business in which we invested in 2019. We think the time is right for a progressive food and beverage business to reimagine this industry with its healthier and more sustainable alternatives

In 2021, Soulfresh embarked on a journey to make 100% of their packaging reusable, recyclable or compostable. To help achieve that, they partnered with REDcycle, a recycling program that collects soft plastics and consumer packaging and turns it into a range of new recycled products. Find out more about Soulfresh [here](#).

Zwift is an at-home training game that connects cyclists around the world. We first invested in Zwift in 2018 as part of a Series B round alongside Highland Capital Europe, Causeway Media and Novator. In 2020 we re-invested alongside KKR, Permira and Amazon Ventures and Specialised in recognition of virtual training as a growth area.

We believe that Zwift's focus on fitness and health, coupled with community-building via their virtual platform, place it well to have positive impact on the lives of its users.

ZWIFT



Looking ahead to 2022/23

We will continue to work closely with our portfolio to ensure the momentum built up over the past few years is maintained. There is a lot of work to be done which will involve:

- 🌸 Further integrating our True-internal ESG work and insights for the benefit of the portfolio.
- 🌸 Utilising the metric tracking programme to derive practical benefits beyond measurement.
- 🌸 Ensuring that the portfolio see us and each other as partners on their ESG journeys.

OUR GROWTH PORTFOLIO

True's Growth Portfolio (Seed Fund) focuses on digital-first, breakout brands that represent the future of consumer behaviour when they're at Pre-seed to Series A stage. We also invest in the retail and consumer technologies which will enable consumer progress — and disrupt the way business has been done to date. We do not take majority positions in this portfolio, but where we see opportunity for positive impact, we will use our influence for the benefit of the investee.

By following this investment approach, we have seen the amount of ESG-focused businesses increase as a share of investments made – from **48%** of deployments in the second fund, to **67%** for Growth III at 31/03/2022.

Broadly, these ESG-focused businesses are ones that either specifically tackle an ESG issue (e.g., as part of their mission), promote positive outcomes along one or more ESG factors, or seek to find a more sustainable way of providing a product or service.

When viewed thematically and alongside the pillars of our ESG strategy:

Theme	ESG Pillars	# & % of total Growth II and III investments
Gender identity/equality	Community	2 / 7%
Serving under-served demographics	Community	3 / 10%
Health/well-being	Community / People	3 / 10%
Reduction in environmental impacts	Environment	2 / 7%
Waste reduction	Environment	4 / 14%
Climate	Environment	1 / 3%

SHELLWORKS



Shellworks is on a mission to make plastic waste a thing of the past by creating alternatives to plastics, that can degrade in any natural environment. Their products are made from waste that would traditionally go to landfill or be burned. We invested in early 2021 and have introduced Shellworks to a number of brands and businesses in the network to help ensure everyone can play a role in trying to reduce their reliance on plastic. A rollout with Haeckels, a marine-based skincare brand in the True portfolio, is already in motion.

True first invested in London-based Planera in 2021. Their mission to provide a sustainable and convenient alternative to traditional sanitary products aligns with our own values.

The team has created the world's first flushable sanitary pad, with UK flush ability certification. The technology is helping reduce plastic consumption, reduce water going to landfills and helping prevent microplastics from entering our waterways.

PLANERA



TRUE'S ESG METRIC-TRACKING PROGRAMME

As part of True's purpose to reimagine business as a force for positive change, in the second half of 2021 we began to roll out an ESG metric-tracking programme across our majority-owned portfolio businesses, with the intention that this will help us **measure impact**, target **improvement opportunities**, and **demonstrate our commitment to continual progress** on ESG matters.

THE FRAMEWORK

The programme is established under the following framework:



We have dedicated internal resource (under the oversight of the CFO) to implement the framework and the programme across the portfolio. We have chosen to use the Global Reporting Initiative (GRI) standards as the guide for metric selection and calculation.² The GRI provides widely used and accepted standards for ESG metrics reporting, compatible with our B Corp and UN PRI commitments. Additionally, the standards help us and our portfolio speak a common reporting language. This will aid KPI setting, benchmarking and more in the future.

In some instances, we collect metrics or other qualitative data that does not have a specific GRI standard. Our approach in these instances is to ensure all reporting companies are provided with suitable guidance and structure to ensure commonality in feedback.

Roll-out of the programme is being undertaken on a quarterly basis, which began in the third

calendar quarter (Q3) of 2021. Each phase has a primary topic of focus aligned to the pillars of our ESG strategy:

Phase	ESG Pillar Focus
1	Environment
2	People
3	Customers
4	Community

While there is a baseline of mandatory metrics based on a central "True" view of materiality, we empower our portfolio to apply their own materiality lens to the metrics. We want the portfolio to derive tangible benefits from the programme by collating those metrics which are most material to them. This helps ensure more efficient deployment of resources and avoids the programme becoming a "box-ticking" exercise.

² As the project progresses, we will undertake further validation work on GRI standard compliance.

PROGRESS SO FAR

Since inception of the programme, we have seen a good level of adoption across the portfolio. As well as signalling a strong commitment to ESG, this has also validated our fundamental investment theses for these businesses as being at the forefront of consumer behaviour change.




While we have centrally managed the programme, we also trust the expertise of our portfolio to understand their material impacts – they have demonstrated a critical assessment and understanding of the metrics to prioritise in their businesses. This ensures that the data being gathered is fit for purpose.





































While in the early stages, the programme has been helpful in deepening our understanding of the portfolio’s impact. Five out of six of our majority-owned businesses have so far been involved, with the sixth to be included later after we have performed more foundational ESG work with them.





















ESG Metric reporting adoption, by ESG Pillar

The following tables show the adoption of metric reporting per metric, by each portfolio company that is part of the programme; as at 31 March 2022.

Key:

 Metric provided	 No metric, but qualitative information on related theme	 Progress is being made to stand up reporting or determine if material topic	N/A – i.e., deemed not material or lower priority for portfolio co.
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Environment					
	Company 1	Company 2	Company 3	Company 4	Company 5
Energy Consumption					
Materials used by weight of volume					
Recycled input materials used	N/A				
Reclaimed products and their packaging materials	N/A			N/A	N/A
New suppliers that were screened using environmental criteria					
Negative environmental impacts in the supply chain and actions taken					
Direct (Scope T) GHG emissions					
Non-compliance with environmental law and regulations					

Customers					
	Company 1	Company 2	Company 3	Company 4	Company 5
Substantial complaints concerning breaches of customer privacy and losses of customer data					
Assessment of the health and safety impacts of product and service categories					
Incidents of non-compliance concerning the health and safety impacts of products and services					
Incidents of non-compliance concerning marketing communications					

People					
	Company 1	Company 2	Company 3	Company 4	Company 5
New employee hires and employee turnover	★	★	★	★	★
Diversity of governance bodies and employees	★	★	★	★	★
Benefits provided to full-time employees that are not provided to temporary or part-time employees	★	★	★	★	★
Parental leave	★	★	★	★	★
Average hours of training per year per employee	N/A	★	★	★	★
Programs for upgrading employee skills and transition assistance programs	★	★	★	★	★
Percentage of employees receiving regular performance and career development reviews	★	★	★	★	★
Ratio of basic salary and remuneration of women to men	★	★	★	★	★
Incidents of discrimination and corrective actions taken	★	★	★	★	★
Workers covered by an occupational health and safety management system	★	★	★	★	★
Work-related injuries	★	★	★	★	★
Work-related ill health	★	★	★	★	★

Governance					
	Company 1	Company 2	Company 3	Company 4	Company 5
Cybersecurity incidents/breaches	★	★	★	★	★
Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	★	★	★	★	★
Conflicts of interest	★	★	★	★	★
Communication and training about anti-corruption policies and procedures	★	★	★	★	★
Confirmed incidents of corruption and actions taken	★	★	★	★	★

Looking ahead to 2022

True will continue the roll-out of the Programme. As the Programme matures, we will also work to capture the benefits more fully, including exploring KPI and benchmark setting, further cross-company collaboration on best practice sharing and data quality management. As we progress into 2022/23, the baseline we established in 2021/22 will help us to understand portfolio capabilities and material topics more deeply and therefore where and how best to refocus efforts.

WHAT'S NEXT FOR OUR ESG JOURNEY?

2021/22 was a year of incredible progress for our collective ESG journey – however, there is much left to be done. We will continue to apply a critical lens to our most material areas of impact. As highlighted throughout this document, we will be seeking to further improve on key areas including but not limited to:

- ☀ Further thinking about how we integrate ESG in the investment process.
- ☀ Finding more ways to support the portfolio on their ESG agendas.
- ☀ Improving our impact areas across the five B Corp aligned pillars of our strategy.
- ☀ Implementing programmes of work to reduce our environmental impact at True House and beyond.
- ☀ Providing our corporate partners with topical ESG insights through the Innovation Team.

We're excited for what comes next and hope to make 2022/23 a year where we continue to reimagine business – and truly reach for a better way.

APPENDICES

PROGRESS AGAINST SELECT UN SUSTAINABLE DEVELOPMENT GOALS.

Good Health & Well-being

See “People and Diversity at True” for how True promotes the goals of good health and well-being internally, noting in particular:

- ☀ Unmind availability for ours and our portfolio companies’ staff.
- ☀ Policies on maternity/paternity leave and other staff benefits.

See True’s ESG metric tracking programme (page 19) for comments and progress on how we are monitoring good health and well-being metrics across our portfolio.

Gender Equality

See “People and Diversity at True” (page 10) for comments and progress on how True continues to further gender equality internally, noting the progress we’ve made in terms of gender balance across True’s teams per associated statistics. Further D&I statistical analysis is available in the Appendices “Detailed D&I Metrics”

We have also begun to use the outputs of the portfolio metrics received to conduct gender pay gap analysis at the portfolio company level. We will continue to seek standardised and consistent data points to further enhance our insight into progress on this front.

Responsible consumption and production

As a consumer and retail sector specialist, responsible consumption and production is a thematic issue relevant to our industry.

See “Our Impact – Our Network” (page 15) for an overview of our Portfolio and corresponding links to their sustainability practices.

Climate action

See the commentary on True House at page 14 for our direct environmental impacts.

See “True’s ESG Metric Tracking Programme” (Page 19) for comments and progress on how True is monitoring climate related metrics across its PE Portfolio including:

- ☀ Energy consumption
 - ☀ GHG emissions
-

DETAILED D&I METRICS

The following metrics state True's position as at 31 March 2022.

Gender Diversity – all teams			
	Industry Benchmark		True
	Women in all roles (all firms)	Women in all roles (firms with AUM >£500m- £5bn)	Women in all roles
Overall	38%	36%	50%

Gender Diversity – Investment Teams			
	Industry Benchmark		True
	Women in investment roles (all firms)	Women in investment roles (firms with AUM >£500m- £5bn)	Women in investment roles
Senior	10%	9%	33%
Mid-level	20%	19%	40%
Junior	33%	34%	67%
Overall	20%	19%	42%

Gender Diversity – Non-investment Teams			
	Industry Benchmark		True
	Women in non-investment roles (all firms)	Women in non-investment roles (firms with AUM >£500m- £5bn)	Women in non-investment roles
Senior	31%	27%	50%
Mid-level	44%	47%	44%
Junior	75%	81%	75%
Overall	59%	62%	58%

Ethnic Diversity – All Functions & Levels		
	Industry Benchmark	True Results
White	80%	74%
Asian/British Asian	11%	21%
Black/African/Caribbean	2%	3%
Mixed/Multiple Ethnic	2%	3%
Other	5%	0%

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