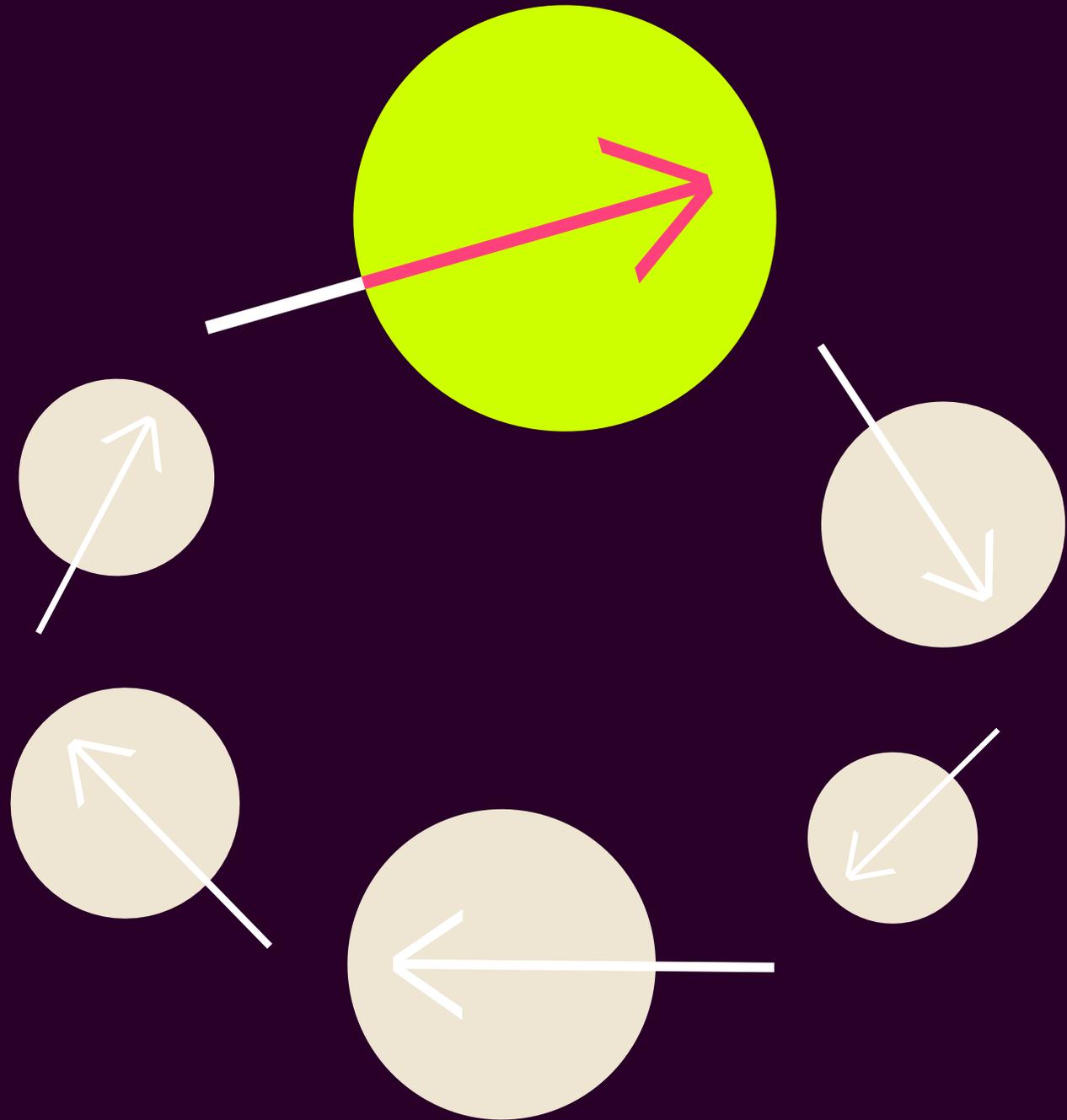




MMC Ventures  
Impact Report '21



## Introduction

As a B Corp member (the first commercial venture capital firm in the UK to qualify) we commit to publish an annual Impact Report. This is our first one; I hope you enjoy it.

When Alan Morgan and I founded MMC it was with a believe that venture capital could be a force for good and that making great commercial returns should not be at the expense of ethical corporate behaviour. I believe that we are succeeding at that mission, and our accreditation as a B Corporation is further, independent proof of that. Marrying profit with purpose is B Corp's ethos and one which strikes a chord with us.

One year on, we can see the effects that being B Corp is having on the business. Over the next pages you can see: Gousto's journey to becoming the first and only profitable B Corp unicorn in the UK; some metrics from our business; and details of the MMC sequoia grove of carbon-capturing trees we are delighted to be planting.

This last year has seen MMC raise record amounts of capital and achieve extraordinary success in our portfolio. We can't directly link either phenomenon to our B Corp status, but we have had multiple conversations where our accreditation and ethos has been raised as a positive difference that aligned with the investor's or founder's own views.

We would welcome any comments you may have.

**Bruce Macfarlane**  
Managing Partner



A handwritten signature in black ink that reads "Bruce Macfarlane". The signature is written in a cursive, slightly slanted style.

## Venture capital as a force for good

**One of the reasons we were so attracted to B Corp was because it believes that you can pair the ideas of profit and purpose. At MMC, we've long believed that investing should involve a virtuous circle, when good decisions are made with a focus on maximising good outcomes for as many as possible.**

Our commitment to companies looking to create sustainable choices for customers has led us to back companies like Gousto, Senseye, Breathing Buildings, Pact Coffee, Wool and the Gang and Love Home Swap. As part of our current Seed fund (the MMC Greater London Fund) we have capital set aside specifically to invest in sustainable technology and the Circular Economy, which involves maximising value from resources and minimising waste. Through that fund we have already backed sustainable businesses such as Qflow, Recycleye, Pesky, Unmade and SLAMcore.

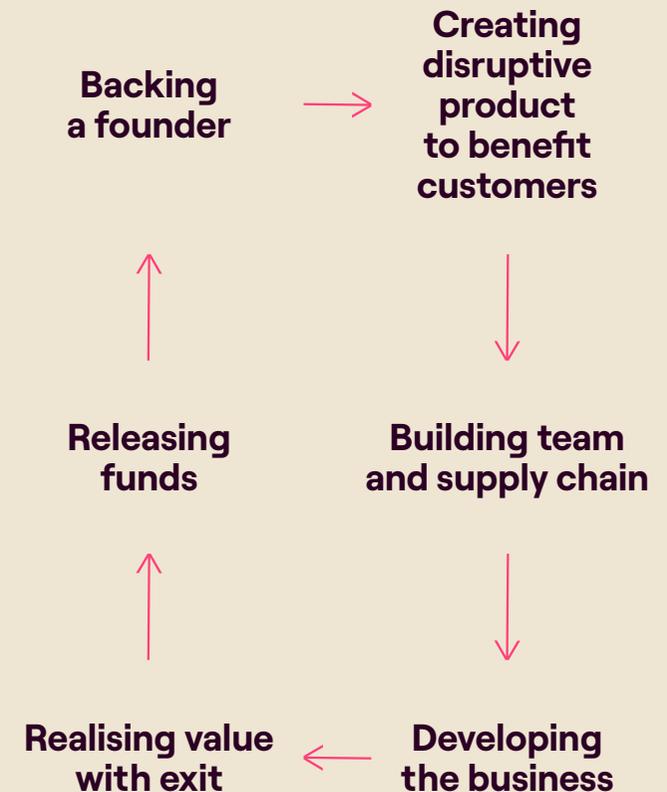
Our long-standing approach to responsible investing and good corporate behaviour meant that many of the things required to become B Corp certified were things that we were already doing, or wanted to do. We take our commitments to sustainability and fair business seriously, so challenging ourselves to passing the rigorous B Corp assessment was appealing.

### **This is just the beginning**

Simply by going through the B Corp process, you find inspiration to improve and build on what you do. As a small company, we have formed many good habits but can now formalise and cultivate those into permanent, cross-team practices. In turn, this leads to better habits, and a desire to further challenge ourselves.

We already were partnered with educational charity IntoUniversity to mentor young people from disadvantaged backgrounds and provide work experience but the recent global discussion on diversity brought that commitment sharply into focus. Meanwhile, findings that companies with robust ESG practices seem to have weathered the pandemic better supports our long-held view on the importance of good governance, responsibility and taking a long-term approach to value creation.

We hoped that by becoming B Corp certified we could set a good example to other companies to run their businesses ethically and responsibly, whether through the B Corp process or not, and that is bearing fruit already. We're helping several MMC portfolio companies on their own B Corp journeys, and hope to support many more in the future.



# Outreach



122

hours of team  
time given to  
voluntary work



3

IntoUniversity  
summer interns  
hosted



100+

conversations  
about becoming  
a B Corp



21

carbon-capturing  
sequoia trees  
planted



100%

of portfolio  
companies able  
to access our ESG  
resource page



**#MovingForward**



## Our impact data

## Society

c.5,900

people employed by our  
portfolio companies\*\*\*\*based on data extrapolated  
from portfolio reporting

£52m

payroll tax and VAT  
paid by portfolio\*\*

\*\*based on estimated data for 2019

500+

portfolio employees  
engaged through our  
Community programme

## Us

40%

of deal team  
are female

1/3

of firm are  
from a UKME

69%

Our Diversity VC  
Standard Level  
One Score

£50m

record EIS raise to  
support more early  
stage companies

## The Circular Economy – economic opportunity and moral imperative

Another aspect of the last year of investing has been the increase in our investments in the Circular Economy, which we see as both an economic opportunity and a moral imperative. And our experience suggests that achieving large-scale impact requires a more holistic transition to new economic models.

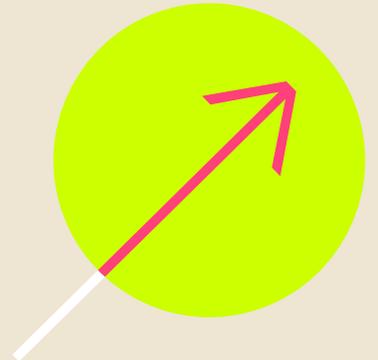
If investors were to focus only on businesses with a directly circular product or service, the transition would be slower and possibly have a reduced impact. That's because most sectors have complex value chains where migration to a more circular model requires change from multiple participants. So when we invest in the Circular Economy, in addition to the companies directly employing a circular model, we also back businesses supporting that value chain or providing key components that allow the creation and wider adoption of those models.

Essentially, we think about circular businesses in three core categories:

1. Employing circular business models
2. Those participating in the circular value chains
3. Those enabling and accelerating adoption



Our experience suggests that achieving large-scale impact requires a more holistic transition to new economic models.



## The Circular Economy – economic opportunity and moral imperative

### 1. Employing circular business models

This is the most straightforward category and includes businesses that are directly employing one of five identified circular business models which include:

**Circular supplies:** resources that have previously been used for linear lifecycles are substituted with renewable, recyclable, or biodegradable input materials.

**Resource recovery:** recovering and reusing outputs from one process as inputs for another and in doing so, increase the economic value of resources across lifecycles.

**Product life extension:** extending the life of resources through repairing, re-manufacturing, upgrading, or re-marketing to keep resources economically positive and keep waste out of landfill.

**The sharing economy:** increasing the utilisation of goods and services through shared access, use, and ownership.

**Product-as-a-service:** maximising asset utilisation by selling capacity, instead of products, to multiple users – through pay-for-use or lease arrangement.

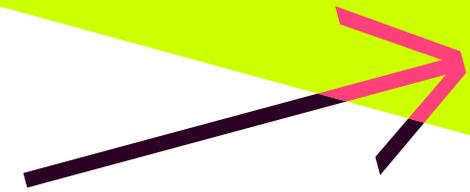


Whirli is a toy company with a difference; rather than buying toys, families rent toys. Toys which become firm favourites can be kept, but most toys are played with for a short while before being swapped for new ones; enlivening play time, keeping pace with the child's growth and also reducing the number of toys made and scrapped.



Recycleye believes that waste doesn't exist – only materials in the wrong place. All materials have potential value for recycling or re-use if properly collected, aggregated and processed. Using robotics and AI, it can scan waste streams and help sorted materials into categories ready for re-use.

## The Circular Economy – economic opportunity and moral imperative



### 2. Those participating in the circular value chains

These companies may not be employing directly circular business models but they are facilitating a core component of a circular value chain.

**Pesky Fish**, is a digital marketplace for connecting fishermen directly with wholesalers, retailers, restaurants and home chefs, cutting out traditional middlemen. While fishing stocks are inherently circular, their circularity is under threat due to overfishing and a wasteful supply chain. Pesky's data-driven digital marketplace will enable a more efficient and sustainable fish supply chain in the UK.

Food waste is an enormous problem, particularly in the restaurant business where errors in orders waste money, food and cause customer dissatisfaction. **Satis AI** provides software which can spot errors in orders and use that data to help companies boost training and supervision as needed.

### 3. Those enabling and accelerating adoption

In order to meet the potential of a Circular Economy we also need to back those companies that are accelerating the transition.

Interest in electric vehicles has accelerated in recent months. **Eatron** creates the software and solutions for electric vehicles and the battery management needed for them. This technology is going to be critical to the adoption of electric vehicles.

**SLAMcore** is a company that fundamentally helps autonomous vehicles, including robots and drones, position themselves and understand their surroundings – making it a key enabler for future circular models in transport and supply chains. That's because, in order to achieve widely accessible autonomous systems, SLAM (simultaneous localisation and mapping) needs to be solved and it also needs to be commercially viable – meaning the sensors don't cost more than the vehicles themselves. SLAMcore's propriety technology coupled with inexpensive off-the-shelf hardware presents a critical component of making autonomous systems in supply chains and transportation a reality and moving our cities towards a more circular future.



# Gousto

On a mission to become the UK's most loved way to eat dinner



Gousto's stance on sustainable business as also accorded it "Good unicorn" status by Forbes as well as a slew of other awards and recognition.

Gousto is on a mission to become the UK's most loved way to eat dinner, which means creating the best possible experience for customers across the country. As part of that mission, Gousto is dedicated to offering a more sustainable meal, from reducing the nation's food waste to cutting plastic in their recipe boxes, as well as being the best possible employer and neighbour, and constantly seeking ways to cut its carbon and waste emissions.

All of this cumulated in Gousto's certification as a B Corp in 2021. Its stance on sustainable business as also accorded it "Good unicorn" status by Forbes as well as a slew of other awards and recognition.

Gousto CEO and founder Timo Boldt said; *"I'm so proud that Gousto is joining a global community of businesses dedicated to building a better world. Our purpose is to make sure every meal leaves the world better off, and we will continue to invest in innovation and find new ways to offer UK households a more sustainable dinnertime. "We couldn't be happier about joining with MMC on the same goal to build valuable, sustainable businesses. We really appreciated their assistance and encouragement through our B Corp process, learning from their own certification, and our shared values of marrying profit with purpose. Together we'll be making an even bigger impact than we could on our own, while encouraging other businesses to follow suit and find new, innovative ways to be greener."*

# 4

## Gousto – on a mission to become the UK’s most loved way to eat dinner

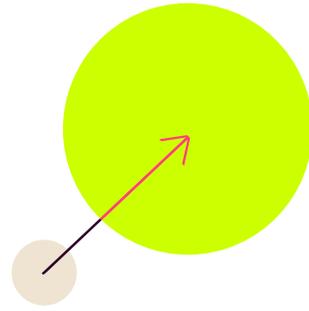
### Areas where Gousto is championing sustainable behaviour include:

- Precise ingredients and order forecasting means no food waste in the home and less than 1% in fulfilment centres. A recent study by environmental services company Foodsteps revealed that dinners from Gousto produce 23% less carbon emissions than equivalent meals from supermarket stores. If every home in the country replaced supermarket dinners with meals from Gousto for just one year, 10.3 million tonnes of CO2e could be saved, the annual equivalent of nearly 140,000 buses.
- All four of its fulfilment sites will run off 100% renewable energy with the upcoming site in Cheshire built with rooftop solar panels, providing a significant amount of energy for the site, as well as energy saving initiatives such as light sensors increase the efficiency of the operation, all reducing Gousto’s carbon footprint.
- Its commitment to becoming a Real Living Wage employer (paying a wage based on the real UK cost of living), so all colleagues at the company can live well and be fairly rewarded for their hard work.
- Sharing equity with its team so that 95% of all employees are shareholders in Gousto.
- Promoting diversity in hiring and promotion at all levels, including 43% of the board (and the Chair) being female.
- Creating the Cookstarter campaign, offering much-needed support to independent restaurants across the UK during the pandemic.
- Partnering with food charity Fareshare to redistribute surplus food to those in need.



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# One Life One Tree



**In order to mitigate climate change, it is not enough for us to off-set carbon production, we need to capture the pre-existing carbon along with reducing the amount we produce.**

Our colleague Henry Emson has recently founded the One Life One Tree foundation. Through One Life One Tree, people can plant a sequoia tree which will capture the equivalent of a British person's lifetime's carbon footprint.

Like all trees, sequoia trees capture carbon, but the amount is closer to 55% per tonne rather than 50% for most trees. Famously some of the oldest and largest trees in the world, the shape, lifespan and sheer volume make sequoias the perfect tree for carbon capture. The average UK person's lifetime CO2 footprint is 520 tonnes. There is not enough land to plant sufficient UK native species to capture that amount of carbon, but the size and density of the sequoia is transformational in making tree-based carbon-capture possible.

**A sequoia tree will capture the equivalent of a British person's lifetime's carbon footprint.**



Planting sequoia trees in the UK is also a way of rescuing this species which is on the IUCN endangered list in its native USA. The temperate British climate is excellent for growing sequoias, and 150 years of specimen growing shows that they do not become invasive. One Life One Tree also plants 3 native UK species in the woodland alongside each sequoia to assist with biodiversity. Planted on existing forestry sites, this is a way of permanently re-foresting parts of the UK as once the site is fully mature, it is passed onto a woodland charity for permanent management.

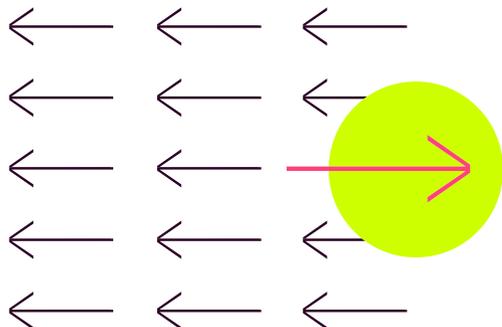
MMC is planting 21 sequoias in our own MMC grove - one for every current employee. Our grove will capture 1140 tonnes of carbon over 100 years, 10,000 tonnes over 250 years - and more after that as they don't stop growing!

# Best in the World

To round off our first year as a B Corp, we were delighted to be awarded Best in the World certification for efforts as an Employer. That means, that for companies of our size, we hold one of the top 5% marks in the world for our “Worker” score on our B Corp assessment.

Recruiting and retaining talented people is critical in investing. We work in a highly engaged sector where funds and companies compete to lure the best individuals from a fairly small pool. Having this award demonstrates how seriously we take all aspects of looking after our team. Whether it’s flexible or remote working, paying for training and conferences, employee assistance and wellbeing programmes, or just a really nice workstation, it all contributes. At the more serious end, we also work hard at developing pipelines of talent to build upon our already diverse senior team, have further expanded our employee ownership scheme and formalised our recruitment process to enshrine our commitment to diversity in venture capital.

Our score will remain the same until our next B Corp assessment in 2023 but we already have plans to build upon this promising start.



# MMC





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Certified



Corporation