



ENVIRONMENTAL SOCIAL & GOVERNANCE REPORT 2020

IP GROUP PLC
Evolving great ideas into world-
changing businesses



FOREWORD



ALAN AUBREY
Chief Executive, IP Group

From the very start, IP Group set out to back and support innovation that has the potential to solve some of the world’s most pressing challenges and that would have lasting positive impact.

It’s important to us that we generate positive social and environmental impact alongside financial returns, that we ‘do well by doing good’, and that we do this in a principled way. Our team is deeply committed to this purpose, of evolving great ideas into world-changing businesses.

One of our core beliefs is that overcoming many of the world’s common problems will require multiple scientific solutions. Nowhere is this more evident than in the response to the Covid-19 pandemic. We are grateful to all of the portfolio companies we have backed and supported over the years that are now proving critical in the response to the outbreak. The innovation we’ve supported ranges from testing to sequencing and tracking to providing treatments and vaccines as well as mental health and other remote support. Oxford Nanopore is one such company that we helped found that is now very much on the front line of the outbreak in its efforts and you can read more about that team’s contribution in the case study on page 30.

But it’s not just about life sciences of course; IP Group has a very broad and maturing portfolio in technology and cleantech too. We back and support a broad spectrum of innovation aiming to provide solutions to a wide range of issues such as ageing population, climate change, resource scarcity, energy availability and storage, rapid urbanisation and increasing digitisation. You can read more about this work in the case studies on pages 26 to 37.

Historically, many of the solutions to these global problems have come from fundamental research and development carried out in the world’s leading research universities and institutions. We believe that this will continue to be the case and that the Group’s model, of helping commercialise cutting-edge science, is of real importance, and has and will continue to have a positive impact.



ABOUT THIS REPORT
This report aims to provide information to our stakeholders to form a view on how IP Group is performing on environmental, social and governance (‘ESG’) matters. We have an evolving approach to sustainability at the Group and the report should be read in conjunction with our Annual report and accounts.

IP GROUP AND ESG

OUR THREE PILLARS

IP Group takes a three-pillared approach to sustainability and ESG, with a focus on ESG at plc level, our role as a responsible investor and highlighting the impacts of our portfolio.



1. Best practice ESG at IP Group plc
2. Being a responsible investor and encouraging best practice at our portfolio companies
3. Measuring and highlighting the impact of our work

IMPACT

£1.1bn
NET ASSET VALUE
108 PENCE PER SHARE

300+
COMPANIES
CREATED

£4.4bn
RAISED BY
PORTFOLIO COMPANIES

£850m+
INVESTED IN DEEP
TECH BUSINESSES

5,000+
JOBS
CREATED

ALIGNED WITH
SUSTAINABLE
DEVELOPMENT
GOALS

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AT A GLANCE

GROUP

IP Group's purpose is to evolve great ideas into world-changing businesses. We achieve this by systematically helping to create, build and support outstanding intellectual property-based companies.

We partner with leading research institutions in countries where leading research is produced. The Group has three areas of geographic focus: the UK, the US and Australasia.

KEY DIFFERENTIATORS



INTERNATIONAL GROUP WITH OPERATIONS IN THE UK, US, AUSTRALIA AND ASIA, AND AN INTERNATIONAL SHAREHOLDER AND CO-INVESTOR NETWORK.



ESTABLISHED PARTNER RELATIONSHIPS WITH LEADING RESEARCH INSTITUTIONS, GIVING ACCESS TO POTENTIALLY DISRUPTIVE IP AROUND THE WORLD.



BALANCED AND MATURING PORTFOLIO OF EXCITING COMPANIES BASED ON 'DEEP SCIENCE'.



DEEP TECHNICAL AND BUSINESS-BUILDING EXPERTISE, INCLUDING BOARD REPRESENTATION AND SUPPORT, CAPITAL SOURCING, IP STRATEGY, EXECUTIVE SEARCH.



PERMANENT CAPITAL STRUCTURE, ENABLING THE PROVISION OF FUNDING FROM 'CRADLE TO MATURITY' UNCONSTRAINED BY TRADITIONAL FIXED-LIFE VC FUND APPROACH.



TRACK RECORD BUILT OVER 15+ YEARS.



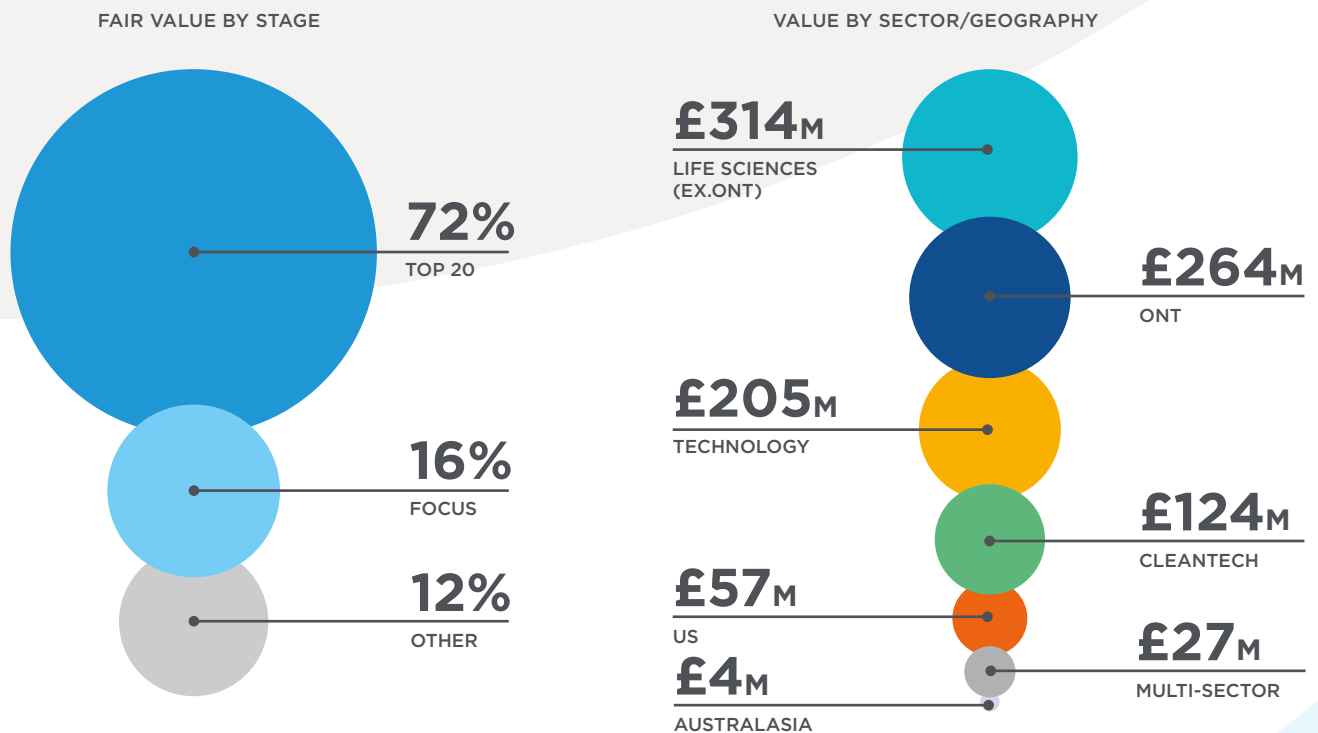
STRONG PORTFOLIO FOCUS ON ESG AND POSITIVE IMPACT ON SOCIETY.

STRONG FINANCIAL
POSITION WITH
£194.9M
GROSS CASH AND DEPOSITS
(AS AT 31 DEC 2019)

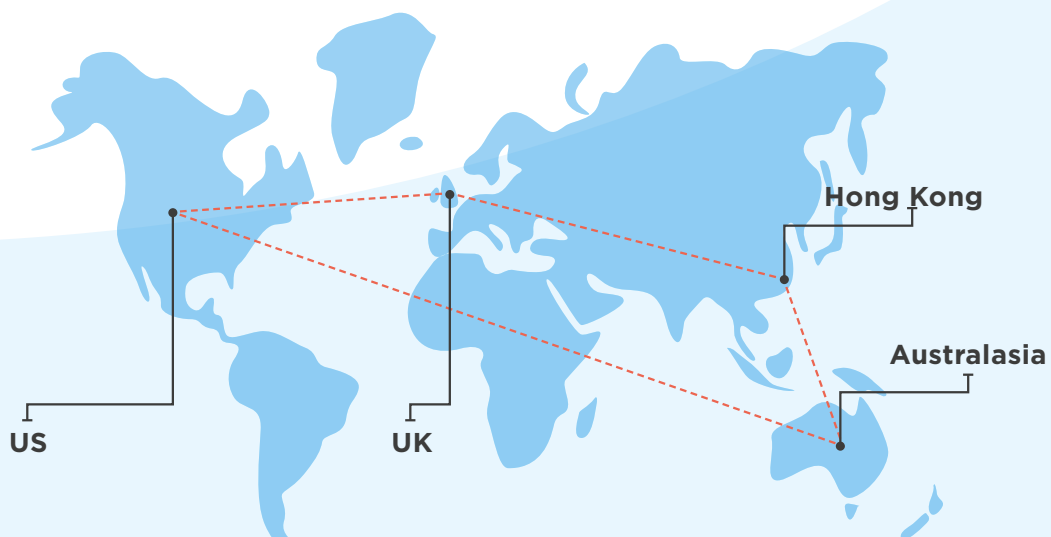
2020 CASH REALISATIONS OF
£55.4M
TO DATE

169% INCREASE IN
REALISATION IN 2019 TO
£79.5M

PORTFOLIO SUMMARY BY STAGE, SECTOR AND GEOGRAPHY



ACCESSING INTELLECTUAL AND FINANCIAL CAPITAL FROM LEADING GLOBAL HUBS



ESG OVERVIEW

In 2019, the Group focused on putting its approach to ESG into practice by implementing the range of initiatives committed to in 2018.

This includes our approach to managing environmental impacts, diversity and community engagement. The Group established an ESG Working Group in 2018 and has also put in place guidelines to ensure our portfolio management and investment process is aligned to our ESG aims. We have collected data from portfolio companies to enable us to get a clearer picture of current ESG standards with an aim of advising about and improving them where needed as well aiming to provide a benchmark for future measurement.

We have also begun to assess appropriate frameworks and measurement processes which would be most suited to the Group. To this end we joined the UN Global Compact and will further investigate membership of the UN PRI and reporting frameworks such the Global Reporting Initiative, CDP, SASB, and TCFD in 2020.

IP Group's approach to sustainability and ESG takes a three pillared approach with a focus on ESG at plc level, our role as a responsible investor and highlighting the impacts of our portfolio.



UN GLOBAL COMPACT

IP Group is a signatory of the UN Global Compact. As a signatory we are committed to embedding the Compact's principles on human rights, environment and anti-corruption in everyday business operations. We will report on our activity around the ten UN Global Compact's Principles covering human rights, labour standards, environmental responsibility and business integrity (anti-corruption) in our annual Global Compact Communication on Progress (COP).

FOCUS ON: CYBER SECURITY

Over the course of 2019, the Group conducted a cyber maturity assessment with the PwC internal audit team and engaged cyber security specialists, the NCC Group, to carry out a further review. These reviews led to a series of recommendations that have been implemented to reduce the risk to the Group of a cyber incident or a data breach. Notable changes included the establishment of a cyber security working group, increased automated IT management reporting, a review of the policies and procedures in force and the implementation of additional security systems. An ongoing programme of security training for employees and penetration testing remains in place. The Group takes the threat of a cyber incident very seriously and endeavours to mitigate this risk wherever possible.

OUR SUSTAINABILITY GOVERNANCE FRAMEWORK



The Board of Directors oversees the Group's approach to sustainability/ESG and related policies and addresses specific issues if they arise. Day-to-day accountability for sustainability rests with executive management and, in particular, the Chief Executive Officer. The Chief Executive Officer, the Chief Financial Officer and the Chief Operating Officer are all members of the ESG Working Group. In addition, the Group's existing investment processes take into account ESG matters through the Ethical Investment Framework (EI Framework) which is overseen by the Ethics Committee.

ETHICS COMMITTEE

IP Group's recently-formed Ethics Committee will meet twice a year and on an ad hoc basis when required, provide advice where required to the life sciences or technology teams or the Board, review the Group's Ethical Investment Framework on an annual basis and, if necessary, make recommendations to the Board for approval, as well as monitor compliance with the framework.

The Ethics Committee will comprise of at least five members including an Independent Chair who is not an IP Group employee, an Executive Director, a member of the Compliance team and two Partners or Heads of Group. Other individuals can be invited to attend all or part of the meeting when deemed appropriate and necessary. Appointments to the Ethics Committee will be for a period of two years, with an optional two-year extension. All Ethics Committee members are required for a quorum.

Meetings of the Ethics Committee shall be called following the referral by an Investment Committee or otherwise at the request of any of its members and the minutes will be shared with the Board and made available to IP Group shareholders on request.

OVERSEAS OPERATIONS

The IP Group US and Australasian teams have the option to set up a separate local Ethics Committee in the relevant jurisdiction.

Any such local Ethics Committee will meet on a periodic basis to:

- provide guidance on referred ethical issues to the investment teams in the relevant jurisdiction;
- monitor compliance with this Ethical Investment (EI) Framework;
- discuss the local application of this EI framework and ensure consistency on a global level; and
- make recommendations to the Board on the EI Framework or the global application of such EI Framework as applicable.

ESG

AT GROUP LEVEL

ESG AT GROUP LEVEL

ENVIRONMENT

We believe the indirect environmental impact of the Group to be positive when considering the potential of our portfolio companies to influence major global challenges addressed by the UN's 17 SDGs.

However, we also consider the direct negative environmental impact of IP Group plc and its subsidiary companies, including through emissions caused by staff activity (e.g. travel) and premises and are committed to ensuring these remain as low as possible. We aim to ensure that the business operates in an environmentally responsible and sustainable manner. The single biggest contributor to our direct emissions remains business travel, particularly overseas flights. Employees are therefore encouraged to host meetings via video conference where possible, thereby only engaging in business travel when necessary, and to use public transport. The Group also focuses on waste prevention, has recycling facilities within its offices and has trained employees on their use.

CARBON OFFSET

Despite the relatively low direct negative environmental impact of the Group, we have, for the second year, offset 100% of the

Group's direct 2019 CO₂ equivalent greenhouse gas emissions. As in 2018, we have done this through a programme of supporting UK woodland creation certified under the Government's Woodland Carbon Code. As of May 2020, our commitment has supported the planting of 7,731 trees and 2,043 tonnes of CO₂ capture. Our support for woodland creation will not only mitigate our entire carbon footprint but also deliver additional benefits to society and the environment. The Woodland Carbon Code delivers independently certified woodland creation projects – audited by UKAS accredited bodies to ISO standards – that offer tangible social and environmental benefits; it is the only standard of its kind in the UK. Woodland Carbon Code credits are an accepted mitigation mechanism under government corporate environmental reporting guidelines. All Woodland Carbon Code certified projects offer public access as a core requirement, and woodlands also have a significant role to play in mitigating flooding,

reducing air pollution, cleaning watercourses and creating habitat for biodiversity. An investment in woodland creation contributes to the UK's rural economy by helping to create jobs in the forestry and nursery sector, and also makes a contribution to the UK's national carbon budget, enabling the country to meet its climate change obligations.

THE CODE ENSURES THAT:

- The right trees have been planted, in the right place;
- Carbon capture estimates are site specific, scientifically sound and risk adjusted;
- The woodlands are managed to a high standard and protected in the long term;
- Projects will be subject to long-term monitoring and re-certification; and
- The trees would not be there but for the intervention of carbon offset buyers.

IP GROUP PLC'S IMPACT AT ARNOTT'S LOAN AND LOWTHER



7,731

TREES PLANTED



6.10

HECTARES OF
NEW WOODLAND



2,043

TONNES OF CO₂ CAPTURED



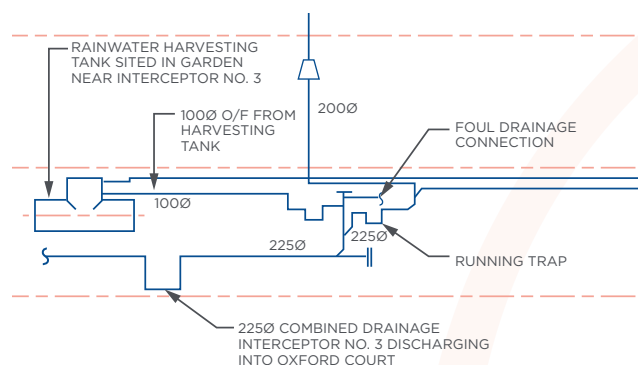
2

NEW WOODLANDS
CREATED

WATER

Along with its commitment to reducing and offsetting GHG emissions, IP Group is committed to the sustainable use of resources such as water. In 2020 we will be undertaking a water footprinting exercise which will allow us to establish a benchmark by which to measure our performance. In addition the main office of IP Group, Walbrook has a BREEAM 'Excellent' rating and an innovative rainwater harvesting system installed as shown on the right.

The Group is also mindful of operations in water stressed areas such as Australia and notes that less than £0.5m of the £8.6m of revenue recorded in 2019 came from the region. We also take into consideration the impacts of our portfolio and are currently mapping contributions towards the aims of the Sustainable Development Goals (SDGs) including SDG 6.



GREENHOUSE GAS EMISSIONS

This year, the Group has reported on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. These sources fall within our consolidated financial statement. In 2020 IP Group will be required to report in line with the new Streamlined Energy and Carbon Reporting (SECR) requirements for the first time for the period 1 January 2020 to 31 December 2020.

An operational control approach has been used in order to define our organisational boundary. This approach requires us to report on all assets that are under our operational control. As a result, any investment subsidiaries and tenanted offices have not been included in the scope of this report. All carbon emissions classified under Scopes 1, 2 and 3 have been included, including well to tank emissions where available.

METHODOLOGY

The Group has employed the services of a specialist adviser, Ditto Sustainability, to quantify the GHG emissions associated with the Group's operations. The analysis was done in accordance with the international standard ISO14064.

The greenhouse gas inventory has been calculated in accordance with ISO14064 and the World Resources Institute's greenhouse gas protocol.

Emissions factors calculated based on an office location:

- UK – 2019 UK Government Greenhouse Gas Conversion Factors for Company Reporting
- USA – Emissions Factors for Greenhouse Gas Inventories 2018
- Australia - National Greenhouse Accounts Factors August 2019

TARGET AND BASELINES

Although IP Groups total emissions have reduced, IP Group's carbon intensity has increased in 2019 compared to 2018. Carbon intensity for the Australian offices is much higher than other parts of the business and has been a growth area for the business.

ABSOLUTE EMISSIONS

The total greenhouse emissions from IP Group plc's operations in the financial year 2019 (year ending 31 December 2019) were: 721.4 tonnes of CO₂ equivalent (tCO₂e) which we completely offset through the Dunbar woodland project as described on page 8.

	2019 Tonnes CO ₂	2018 restated ⁴ Tonnes CO ₂ e
GHG emissions	721.4	908.8
Scope 1 ⁽¹⁾	8.9	14.8
Scope 2 (location-based) ⁽²⁾	134.4	126.0
Scope 3 ⁽³⁾	565.1	768.0
Carbon offset via woodland projects	(721.4)	(908.8)
Total GHG emissions post carbon offset	-	-

(1) Scope 1 being emissions from the Group's combustion of fuel (direct emissions) and operation of facilities.

(2) Scope 2 being electricity (indirect emissions), heat, steam and cooling purchased for the Group's own use.

(3) Scope 3 being all indirect emissions (not in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions 2019 (112 employees and 2,245m² office space).

(4) Restated to reflect consistent estimation basis with 2018 GHG emissions.

INTENSITY RATIO

In order to provide context to IP Group's emissions year-on-year we've calculated the total carbon in relation to two relevant metrics, floor area and FTE, which give an indication to the size of the organisation and its potential impact on the resulting carbon emissions.

	Carbon tCO ₂ e	FTE	m ²	tCO ₂ e/FTE	tCO ₂ e/m ²
2019	721.4	111	2,245	6.4	0.32
2018	908.8	167	4,706	5.4	0.19

FLIGHTS

As with previous years, flights are still the largest contributor to IPG's carbon emissions despite a gradual reduction in emissions from flights from 581 tCO₂e in 2018 to 426.9 tCO₂e to 2019.

ESG AT GROUP LEVEL

SOCIAL

IP Group aims to conduct its business in a socially responsible manner, to contribute to the communities in which it operates and to respect the needs of its employees and all of its stakeholders.

We recognise the importance of diversity and have instigated a number of initiatives on this detailed on page 12 under “employee diversity”. A key community initiative for the Group has been its three-year strategic charity partnership with Generating Genius, a charity set up to support talented young people from disadvantaged backgrounds to help realise their potential in STEM (science, technology, engineering and maths) subjects.

The Group also seeks to ensure that there is diversity in the supply chain, working with SMEs as well as larger organisations. Where possible, we work with local suppliers, therefore impacting positively on the communities where we operate. The Group is also a signatory to the Prompt Payment Code. IP Group seeks to operate as a responsible employer and has adopted standards which promote corporate values designed to help and guide employees in their conduct and business relationships. The Group seeks to comply with all laws, regulations and rules applicable to its business and to conduct the business in line with applicable established best practice. We take a zero-tolerance approach to bribery and corruption and implement and enforce effective systems. The Group is bound by the laws of the UK, including the Bribery Act 2010, and has implemented policies and procedures based on such laws

CHARITIES THAT IP GROUP HAS SUPPORTED

In 2017, the Group entered in a three-year partnership with charity Generating Genius, which supports

2016

St Gemma's Hospice
Royal Voluntary Service

2015

The Multiple Sclerosis Society
The Percy Hedley Foundation

2014

The Pace Centre
Teach First

2013

Imagineering Foundation
Dyslexia Action

2012

Macmillan
Vauxhall City Farm

2011

Lend With Care
Young Enterprise Sands

PRE-2011

Candlelighters Charity
The Brightside Trust
The Prince's Trust

IP GROUP AND COVID-19

With the spread of coronavirus, the Group has set up a Crisis Response Group (CRG) to assess and adapt its operations. One of the CRG's resolutions has been to support charities responding to the pandemic directly, as well as to its wider effects in society.



Generating genius students participate in an IP Group 'host day'

COMMUNITY ENGAGEMENT

Of the 50 students recruited at the start of the Group's partnership with Generating Genius:

- 60% are female
- 64% have previously claimed/are currently claiming free school meals
- 38% will be the first in their family to go to university
- 28% come from local areas with the lowest participation in higher education

- 37 studied Chemistry – 64% grades 9-7
- 29 studied Biology – 82% grades 9-7
- 34 studied Physics – 69% grades 9-7

The original 50 have now joined Generating Genius' Uni Genius programme (for years 12 and 13), along with newly recruited individuals. The Group's donation has also been used to support an additional 104 students at different stages of Generating Genius' programmes.

In addition to its donation of £33,333 (2018: £33,333), the Group continued to work with Generating Genius through its Charity Liaison Team to deliver a Host Day and two weeks of work experience for four students. At the Host Day, students gained insight from the careers and professional history of speakers from both IP Group and selected Group portfolio companies. This was followed by a design challenge, where young people were put into groups and asked to solve a question sourced from the speakers' own work. Students were challenged to decide on the next step of a drug's development path, think of ways to commercialise quantum computing, and even grappled with business ethics.

Work experience weeks saw students learn about how IP Group works in more detail. This was achieved through meetings with representatives from teams

In 2019, IP Group entered the final year of its three-year strategic partnership with Generating Genius.

The charity aims to address the attainment gap of black, Asian and minority ethnic (BAME) students compared with other demographics within STEM (science, technology, engineering and maths) subjects and related industries by supporting talented and able students over a prolonged period of time with a mix of academic and professional engagement.

During the year, the original cohort of 50 students supported by the Group's donation completed their GCSE examinations. Out of these:

- 42 studied Maths – of which 88% achieved grades 9-7 (A**-A equivalent)



I was able to network with so many different people of so many different academic backgrounds and gain so much insight into how they got to where they are. I also got to speak in front of the CEO and COO of IP Group."

(Student when asked about the best part of their work experience)

across the Group and projects that ranged from making investment recommendations to formulating policy advice.

Outside IP Group, Generating Genius students participated in a series of events, masterclasses, and work experience weeks to further develop their skills and inform their future education and career decisions at institutions such as St Anne's College at the University of Oxford, the University of Leeds, Barclays Bank, and Kilburn & Strode.

ESG AT GROUP LEVEL

GOVERNANCE

TRAINING

Our people gain significant experience from working with a number of startup enterprises and seeing first-hand what works and what doesn't, sharing knowledge and discussing these experiences (notably at our company away days). All employees who are involved with the regulated business of managing investment transactions receive compliance and anti-money laundering training, with periodic refresher courses. In 2019, all staff undertook training on the following topics: GDPR, IT/cyber security training, anti-bribery, unconscious bias and ESG training; as well as gaining access to an online learning platform.

RECRUITMENT AND DEVELOPMENT

All vacancies are advertised internally to offer opportunities to current employees in the first instance. Thereafter, we use our extensive networks to recruit for staff with candidates solicited from various backgrounds and expertise. All staff have now undertaken annual performance reviews to summarise their achievements as well as to highlight development needs which are then converted into learning and development plans.

REWARD AND RETENTION

We believe that exceptional people doing exceptional things should be well-rewarded for achieving exceptional results. While heavily weighted to successful performance over the medium to long-term, we consider that the Group offers an attractive overall remuneration package to all our employees with both short and longer-term components relevant to the seniority of the person. We benchmark remuneration and benefits regularly against industry peers. Our remuneration and benefits package focusses on supporting health (through private medical and Ride-to-Work) and family (insurance and through inclusion of families in some of our other benefit options and Childcare Vouchers) while also offering opportunities for investment and saving through certain schemes. Staff turnover in 2019 was unusually high at 37.5% as a result of the return of technology transfer operations to Imperial College earlier in the year and some small structural changes in the final quarter. Excluding the technology transfer operations, turnover was 18.5%, broadly flat with 2018.

HEALTH AND SAFETY

All our people are responsible for the promotion of, and adherence to, health and safety measures in the workplace. The Chief Operating Officer has overall responsibility for the implementation of the Group's health and safety policies and procedures. The primary purpose of the Group's health and safety policy is to enable all of the Group's people to go about their everyday business at work in the expectation that they can do so safely and without risk to their health. During the years ended 31 December 2019 and 31 December 2018, no reportable accidents occurred under UK Health and Safety regulations.

EMPLOYEE DIVERSITY

Diversity is key to the culture and to how we work at IP Group. We are committed to equal opportunities for all people when it comes to recruitment, selection and career development. In 2019, two new female non-executive directors joined the Group's main Board, bringing the total number of female directors to three or 27.3%. In March 2020, Jonathan Brooks retired from the Board and therefore the percentage of female directors on the Board has now risen to 30%. In addition, the Group also put several initiatives in place to support gender diversity and women in the workplace. For the year ended 31 December 2019, the Group employed 111 employees and had seven non-executive directors. A breakdown of our people by gender can be seen in the table below. IP Group supports the rights of all people as set out in the UN Universal Declaration of Human Rights and, insofar as it is able to, ensures that all transactions the Group enters into uphold these principles.

GENDER SPLIT AS AT 31 DECEMBER 2019	MALE		FEMALE	
Board	8	73%	3	27%
Senior Leadership Team ⁽¹⁾	8	100%	0	0%
Senior managers/partners	14	67%	7	33%
Senior Leadership Team & senior managers/partners	22	76%	7	24%
All Employees				
Total employees 111 ⁽²⁾	57	51%	54	49%

⁽¹⁾ Defined for these purposes as executive directors and other direct reports to CEO

⁽²⁾ Excludes non-executive directors

DIGITAL HEALTHCARE

Dr. Caroline Hargrove
(right) during her
Inspirational Speakers
session

Caroline Hargrove FREng
in conversation with
Manjari Chandran-Ramesh

Wow-Room, Walbrook
Thu, 14 November
12:00-13:30 GMT

ESG
AT GROUP LEVEL

INSPIRATIONAL SPEAKER SERIES

The 30% Club working group introduced a speaker series whereby high-profile women talk about their career paths and how, in some cases, they have achieved a successful career. Speakers referenced concepts including building mental resilience, handling corporate politics, balancing career with family, therefore providing invaluable insight and motivation to both women and men at IP Group. These are carried out in a 'fireside chat' format and are filmed and posted on the Group's intranet for those that cannot attend in person.

Speakers in 2019 included new nonexecutive director Aedhmar Hynes as well as Ceres Power Director Dr. Caroline Hargrove (CTO of Babylon Health and previously CTO of McLaren, pictured above right with Dr. Manjari Chandran Ramesh, left). The speaker series also provides the opportunity to raise the profile of IP Group's own female employees as the hosts for the fireside chats alongside the high-profile speakers.

The table on page 12 illustrates the gender balance across the Group. During the year, the Group made significant progress in support of the "30% Leadership" campaign to improve gender diversity with female representation of the Group's Board of Directors having risen to 27% from 11% on a like-for-like basis compared to last year.

Female representation on the Group's Senior Leadership Team remains below the desired level. The Senior Leadership Team has been in transition since the Touchstone transaction in late 2017, when the previous Executive Committee was disbanded, and the plc board widened through the addition of two observers to the four executive directors to create a single, unitary board structure. A wider Executive Committee, with delegated responsibility for implementing the Group's strategy and policies, day-to-day management of the business and monitoring performance, will be reconstituted in 2020 with diversity (in gender and perspective) as a key element. The Chief Executive Officer is progressing this as a matter of urgency and will include an update on progress for diversity in senior leadership in the half-year report. The Group recognises the need for improvement at the most senior levels in the business and continues to aspire to at least 30% female representation in the senior leadership team, having now reached this proportion at Board level. Female representation in senior employees just below the interim Senior Leadership Team is 33% which meets targets set by the HamptonAlexander

Review. The combined Senior Leadership Team and senior direct reports (senior managers and partners) together account for female gender representation of 24.1%, similar to the Hampton-Alexander reported average of 24.9% at ExecCo & Direct Reports across the FTSE 250. IP Group formed a '30% Club Working Group' in 2018. At the end of 2018, a focussed set of initiatives were drawn up and 2019 saw the working group meeting regularly with CEO Alan Aubrey as the accountable Executive Director. Initiatives to support women in the workplace during 2019 included:

- Improved gender diversity at the Board level, with the goal of at least three female directors (based on research showing effectiveness levels of Board diversity);
- Unconscious bias training for all employees;
- External mentoring scheme through 30% Club;
- Inspirational speaker series focusing on women executives and directors;
- Board development framework.

2019 HIGHLIGHTS

MENTORING

IP Group joined the External Mentoring Scheme of the 30% Club, which sees some 2,346 senior leaders from 100 organisations provide mentors to high potential women of every level of the career pyramid. At the end 2019, mentors and mentees from IP Group were paired with people from other organisations for a nine-month mentoring programme that concludes in 2020. Pairs are recommended to meet every four

ESG AT GROUP LEVEL

GOVERNANCE (CONT)

to six weeks and explore diverse areas such as work-life balance and career development identified by the mentee as areas where support is required. Initial feedback from the programme has been positive and will be reviewed in full when the programme concludes. In addition to the mentoring sessions, the 30% Club hold masterclass events that are free to programme participants. The most recent events (attended by IP Group participants) included an 'In conversation with' panel session with a diverse set of senior female leaders and an interactive event with an organisational psychologist and mental health expert.

BOARD DEVELOPMENT FRAMEWORK

This initiative is to enable a programme framework within IP Group to give everybody the opportunity to observe portfolio company boards when it is a relevant personal development area. Studies have indicated that board experience is seen as valuable and relevant for career progression amongst women. This framework recognises that IP Group has a diverse set of people having different levels of expertise in different sectors and hence this framework cannot be a one size fits all. It is envisaged the framework will be used to guide the initiatives and pilots that may be progressed in 2020.

2020 INITIATIVES

IP Group's '30% Club working group' will build on the achievements of 2019 aimed at supporting women in the workplace and encouraging diversity. The working group will continue to support and progress the current initiatives of a gender balanced board; a mentoring scheme to support female progression; and an inspirational speaker series focused on highly accomplished women. The Group will also review and create additional initiatives for 2020, including examination of gender diversity opportunities in the senior management team as well as improvement of family friendly policies across the firm.

GOVERNANCE AND POLICIES

The Group seeks to conduct all of its operating and business activities in an honest, ethical and socially responsible manner and these values underpin our business model and strategy. We are committed to acting professionally, fairly and with integrity in all of our business dealings and relationships with consideration for the needs of all of our stakeholders, including university partners, investors, suppliers, employees, and the businesses in which the Group has holdings.

IP Group endeavours to conduct its business in accordance with established best practice, to be a responsible employer and to adopt values and standards designed to help guide staff in their conduct and business relationships. As a publicly traded entity, IP Group actively seeks to engage and maintain an open dialogue with both institutional and private shareholders through its investor relations programme.

POLICIES

A list of the Group's policies are listed below and can be found on the Group's website.

- Anti-corruption and bribery policy
- Anti-slavery policy
- Modern Slavery Statement for the year ended 31 December 2019
- Environmental policy
- Equal opportunities and diversity policy
- Prompt payments policy
- 'Speaking Up' policy
- Anti-facilitation of tax evasion policy
- Data protection policy
- Health & Safety policy
- Sustainability & ESG Policy
- Ethical Investment Framework
- Top Technology - 'Treating Customers Fairly' policy

ESG POLICY

The Group considers environmental, social and governance (ESG) factors at both Group level and across its portfolio and investment approach. One of the key purposes of the ESG Working Group is to ensure that the Group's strategy, of building businesses with a positive impact on the environment and society whilst achieving financial returns, is aligned with its investment process.

ENVIRONMENTAL FACTORS

The Company is committed to ensuring that the environmental impacts of its business operations are positive and as far as possible, any negative impact is mitigated. IP Group is committed to:

- Ensuring that comprehensive environmental management initiatives are in place across all of its offices. These include initiatives aiming at increased energy efficiency, waste prevention and sustainable water consumption.
- Encouraging employees to prioritise using public transport in its commuting and business travel, where practically possible.
- Using carbon off-setting to mitigate the impact of overseas flying and other business travel.
- Giving due consideration to environmental issues and energy performance in the design, refurbishment, location and use of buildings.
- Providing opportunities for staff to work from home and utilise video conferencing facilities where appropriate.
- Comply as a minimum with all environmental legislation applicable to IP Group.

SOCIAL FACTORS

IP Group aims to conduct its business in a socially responsible manner, to contribute to the communities in which it operates and to respect the needs of its employees and wider stakeholders. It is therefore committed to:

- Ensuring a high-quality working environment for employees and opportunities for further training and professional development in sustainability and ESG related topics.
- Encouraging diversity and equal opportunity for all people in relation to recruitment, selection and career development.
- Creating diversity in its supply chain by working with SMEs as well as larger organisations.
- Working with local suppliers and therefore positively impacting the communities in which it operates. The Company is also a signatory of the Prompt Payment Code.
- Respecting human rights and not tolerating modern slavery in its business, portfolio companies or supply chain.
- Ensuring all employees are responsible for the promotion of and adherence to health and safety measures in the workplace as set out by the

Company's Health and Safety policy which enables all of the Company's employees to work in the expectation they can do so safely and without risk to their health.

- Supporting the communities in which it operates.

GOVERNANCE FACTORS

The Company seeks to conduct all of its business activities in an honest, ethical and socially responsible manner and these values underpin its business model and strategy. IP Group is committed to acting professionally, fairly and with integrity in all of its business dealings and relationships with consideration for the needs of all stakeholders including shareholders, university partners and other research intuitions, 3 co-investors, employees, regulators, portfolio companies and the wider community. IP Group is committed to:

- Complying with all relevant legislation, regulations and codes of practice that apply to the Company including requirements related to environmental and social impacts.
- The implementation and enforcement of effective policies and procedures to reflect its zerotolerance approach to bribery and corruption.
- Measuring our performance and promoting continual improvement through setting annual objectives and targets and undertaking internal audits.
- Sharing good practice with portfolio companies.
- Operating an ESG Working Group, comprising senior leadership from across the business and chaired by the Company's CEO Alan Aubrey, who is also the accountable director for ESG matters at Board level. The ESG Working Group's core remit being to monitor this policy and approve initiatives aimed at enhancing sustainability.
- Reviewing this policy and positioning statement annually to ensure its continuing suitability and effectiveness according to the nature and scale of the Company's operations.

ESG AT GROUP LEVEL

STAKEHOLDERS

The Group's stakeholders are people, communities and entities with an interest in the Group's purpose, strategy and business and who are or may be impacted by the Board's decisions.

The Board is responsible for creating sustainable value for the Group's shareholders and in order to ensure the Group's long-term success, it is critical that the Board engages with and considers the interests of the Group's wider stakeholders when making decisions. During 2019, the Group undertook a complete analysis of its stakeholders, to ensure that those stakeholders whom it had previously identified remained accurately characterised and relevant in 2019.

HOW STAKEHOLDERS' VIEWS ARE REPORTED TO THE BOARD AND INFLUENCE THE BOARD AGENDA

By understanding the views of its stakeholders, the Board can take into account their opinions, needs and concerns when debating and making decisions. Where considered appropriate, major institutional shareholders are consulted on significant decisions and transactions, changes to the Board and the structure of the executive directors' remuneration. For example, the major shareholders were consulted on the Group's capital reduction. Shareholders are increasingly asking the Board about the Group's ESG credentials, and the Group has shared its Sustainability & ESG policy and Ethical Investment Framework with shareholders when requested to do so.



COVID-19 RESPONSE

IP Group continues to assess and monitor the impact of the pandemic on our employees and on our business to ensure that both are effectively supported and managed. We remain committed to open dialogue with all of our stakeholders during this time. The Crisis Response Group (CRG), an internal team overseeing the Group's response has ensured all stakeholders' interests are considered

INTERNAL STAKEHOLDERS

We are, of course, conscious that the current situation is unsettling for people and, as such, we have sharpened our focus on the health and wellbeing of our employees. We are regularly communicating advice to all of our employees that is based on local government advice in each of our geographies. This advice focuses on safety, travel, hygiene (including self-quarantine) and recognising the symptoms of the virus.

EXTERNAL STAKEHOLDERS

The Group added a section to its corporate website, covering its central operations, financial position and portfolio companies including examples of companies supporting the response to the outbreak.

STAKEHOLDER ENGAGEMENT IN ACTION

EMPLOYEES

FOCUS ON: IP CONNECT AND DESIGNATED NON-EXECUTIVE DIRECTOR

During 2019, Aedhmar Hynes joined the Group's Board and was appointed the Designated NED responsible for engaging with the Group's workforce. This role complements Aedhmar's passion and commitment to ensuring a meaningful two-way communication between the Board and the Group's employees. In order to further facilitate the dialogue between employees and the Board, the Group set up an employee forum called 'IP Connect' during the year.

IP Connect allows the Board (via Aedhmar Hynes) to engage with employees, to ensure the views of employees are taken into account in the Board's decision-making process on those decisions that may have an impact on them. IP Connect's composition is comprised of 8 colleagues (plus Karen Callaghan, the Group's HR Consultant, acting as the Chair) from across the business, including representatives across different teams and jurisdictions and a mix of people in terms of gender, seniority and length of time with the Group. IP Connect meets with Aedhmar on a quarterly basis to discuss relevant HR matters requiring input, Board matters brought to the forum by Aedhmar for input and other matters tabled by the members for wider team input, together with hearing feedback from Aedhmar on how the Board has taken into account their views in any decisions it has made in the preceding quarter.

The Group's 2019 annual All- Staff meeting off-site focused on culture and engagement. Following a workshop at the session, feedback was taken and developed into a number of initiatives. IP Connect sought further feedback from employees on culture and values and intends to feedback to the Board via Aedhmar the results of this. The Executive Directors also sought the views of IP Connect in relation to communications to be issued to the wider workforce regarding certain small structural changes within the Group in the final quarter of 2019, and amended the communications as a result of such feedback.

In 2020, IP Connect has committed to focus on: (i) facilitating constructive dialogue with both the Executive team and the Board, to increase transparency within the Group; (ii) providing input on development of specific people and culture related initiatives (including the development of the Group's values); and (iii) engaging with HR to fast track various initiatives which will make the Group a better place to work (including actions identified at the 2019 annual All-Staff off-site).



IP Group considers employees to be important stakeholders, key to the performance of our business. The creation of IP Connect provides us with a forum, to bring the Board closer to employees, driving greater transparency and engagement. As a strong believer that the integration of culture and values within an organisation drives positive business outcomes, I'm pleased to act as the liaison between these two important groups".

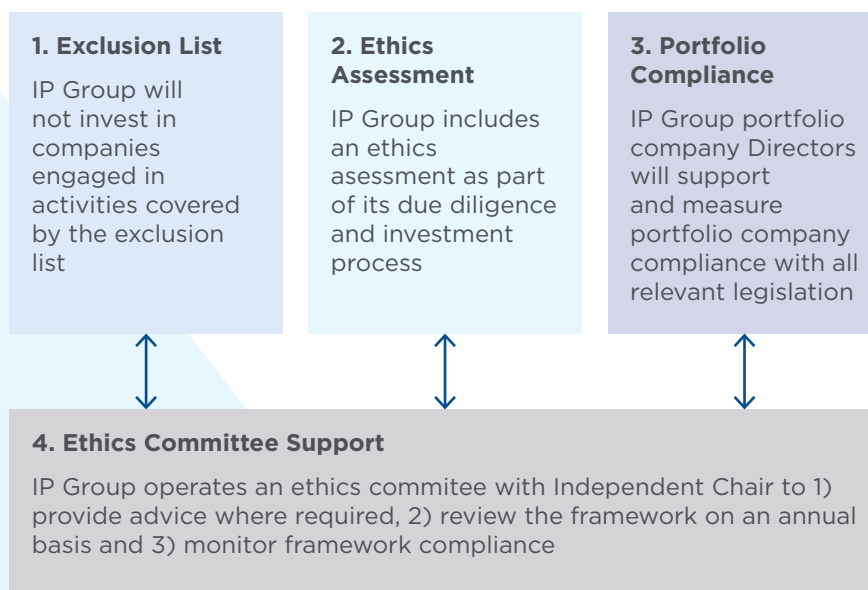
Aedhmar Hynes,
Non-executive Director

RESPONSIBLE INVESTMENT

RESPONSIBLE INVESTMENT

IP Group invests in companies with a focus on producing positive change in the Life Sciences and Technology sectors. ESG aims are embedded in the Group's culture, investment process and portfolio management.

IP Group's Ethical Investment framework puts into practice the Group's commitment to the following four principles:



ABOUT THE ETHICS COMMITTEE CHAIR

Professor Gordon Clark, Senior Consultant and Emeritus Professor of the Smith School of Enterprise and the Environment, Oxford University, will chair the Committee, providing advice on investments when required as well as reviewing the framework and ensuring compliance. As well as serving as a Professorial Fellow at St Edmund Hall, Oxford, Prof. Clark is also co-Director of the Zurich-Oxford research program at the Smith School of Enterprise and the Environment. He has been Sir Louis Matheson Distinguished Visiting Professor at Monash University's Faculty of Business and Economics (Melbourne) and is currently a Visiting Scholar at Stanford University's Global Projects Center (part of the Faculty of Engineering).

Professor Clark is one of the world's most influential academics in the field of investment management, particularly in relation to long-term ESG factors, such as environmental performance.

RESPONSIBLE STEWARDSHIP

In 2019, IP Group increased its focus on stewardship of our portfolio to ensure that investee companies are mindful of issues such as climate change, diversity and strong governance, themes which are key to the values of the Group.

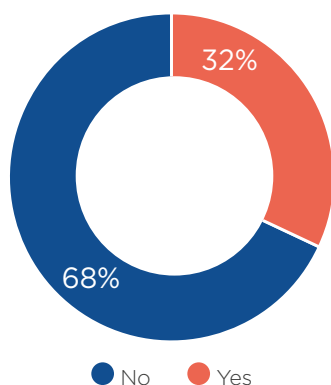
We recognise the importance of ensuring that the businesses we help create comply with all applicable environmental, ethical and social legislation. Furthermore, our direct involvement in many of these companies allows greater scope to engage with their management teams and offer guidance.

As a first step, IP Group collected data from portfolio companies to enable us to get a clearer picture of current ESG standards and to set a benchmark for future measurement.

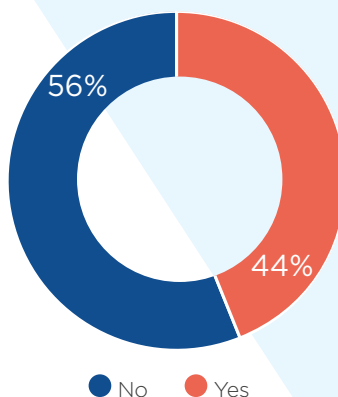
In 2019 we engaged with 49 companies representing 75% of the companies held in the focus portfolio at June 30th 2019.

Excellent compliance across governance with room for improvement in environmental and diversity policies

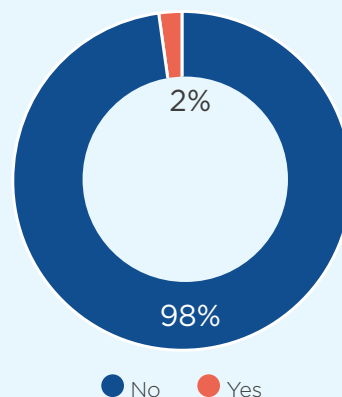
ENVIRONMENTAL POLICY



DIVERSITY POLICY



REPORTING ON GHG EMISSIONS



GOVERNANCE: POLICIES

100%

HEALTH & SAFETY

92%

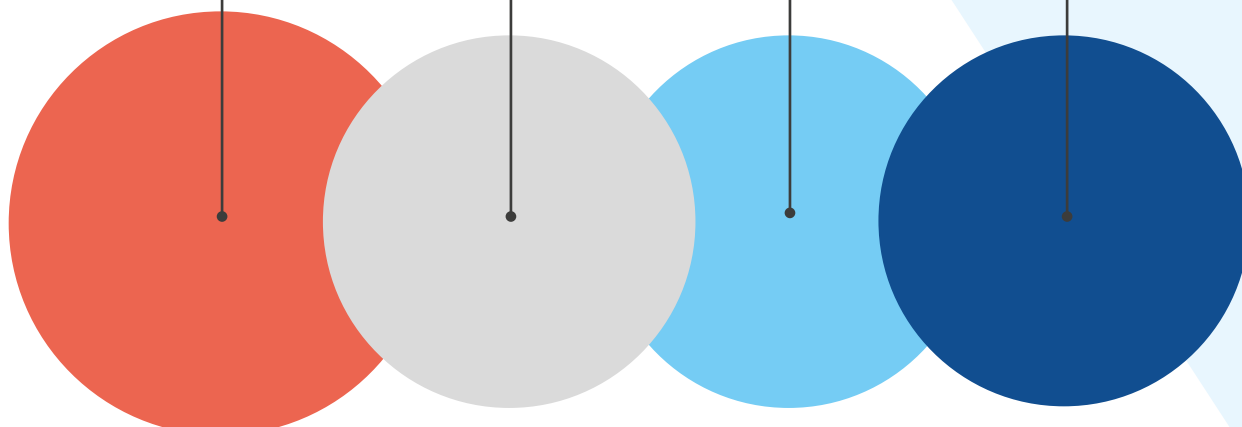
ANTI-CORRUPTION/
ANTI-BRIBERY

92%

HUMAN RIGHTS

92%

DATA PROTECTION



PORTFOLIO AND SDGs

A SUSTAINABILITY FRAMEWORK

In order to reiterate our commitment to responsible business practices and investment, IP Group has aligned its portfolio with the Sustainable Development Goals ("SDGs").

The SDGs, created by the UN, are the blueprint to achieve a better and more sustainable future for all. Through the activities of IP Group, we address a number of the global challenges identified by the SDGs.

As mentioned earlier in the report and by way of illustration of the positive impact of IP Group, we have invested more than £850m in the UK in science and technology, created more than 300 companies and approximately 5,000 jobs.

We invest in businesses that are developing cutting-edge solutions in the fight against non-communicable diseases such as cancer and lung disease as well as diagnostics companies that can identify and reduce national and global health risks. These companies can help to change the world through a **healthier society**.

One key global challenge is affordable and clean energy. IP Group's portfolio includes companies that provide **cheaper and cleaner energy**. Within our portfolio, we also have businesses that focus on the development of carbon capture technology in order to reduce CO₂ emissions and develop energy management systems for electric cars.

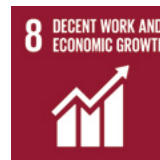
There are positive impacts from the technology and innovation supplied by IP Group's portfolio. We estimate that the Group and/or its portfolio companies are currently influencing all 17 SDGs.

However, to build on work done around mapping these companies to the SDGs last year, we have looked at which SDG targets are associated with individual goals and how our portfolio companies can help achieve these targets.

We have concentrated on the six most relevant SDGs to the Group. While SDG 13 is a high-level goal aimed at governments, we believe that the technologies and services provide by some of our portfolio companies can help to achieve the targets associated with this goal.

AT GROUP LEVEL WE:

- Support the wellbeing of our employees
- Provide training opportunities to continually develop our employees
- Have implemented a quarterly speaker series with 'high impact women' in our industry
- Support community projects that support talented young people from disadvantaged backgrounds
- Endeavour to conduct our business in accordance with best practice



	THEMATIC FOCUS	PORTFOLIO COMPANY	SDG TARGET	SUSTAINABLE DEVELOPMENT GOALS
TECH	DATA ANALYTICS CYBER DEFENCE IT TO IMPROVE EFFICIENCY	AMSL Aero Featurespace Garrison Technology Helio Display Materials C-Capture Mixergy Oxbotica	11.2 Affordable and sustainable transport systems 11.3 Inclusive & sustainable urbanisation 11.6 Reduce the environmental impact of cities 9.1 Develop sustainable, resilient & inclusive infrastructures 9.4 Upgrade all industries and infrastructures for sustainability 9.5 Enhance research and upgrade industrial technologies 9.C Universal access to ICT	<div> <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> </div> <div> <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> </div>
		Azuri Technologies Bramble Energy C-Capture Ceres Power Holdings Econic Technologies First Light Fusion Oxbotica Oxford Nanopore Technologies Mixergy RFC Power	7.1 Universal access to modern energy 7.2 Increase global percentage of renewable energy 7.3 Double energy efficiency 7.A Promote R&D and investment into cleantech 7.B Expand & upgrade energy services in developing countries 13.2 Integrate climate change measures into policies & planning 13.3 Build knowledge & capacity to meet climate change	<div> <p>7 AFFORDABLE AND CLEAN ENERGY</p> </div> <div> <p>13 CLIMATE ACTION</p> </div>
CLEANTECH	RENEWABLE ENERGY SUSTAINABLE TRANSPORT ENERGY TRANSITION	Econic Technologies Mixergy	12.2 By 2030, achieve the sustainable management and efficient use of natural resources 12.4 Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle	<div> <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> </div>
LIFE SCIENCES	DIAGNOSTICS THERAPEUTICS ONCOLOGY DIGITAL HEALTH	Artios Pharma Cell Medica Creavo Medical Tech Crescendo Biologics Diurnal Group Enterprise Therapeutics Genomics Ileso Digital Health Iksuda Therapeutics Inivata Istesso Mission Therapeutics MOBILion Oxehealth Oxford Nanopore Technologies Oxular PsiOxus Therapeutics	3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases 3.4 By 2030, reduce by one third premature mortality from non-communicable diseases and promote mental health and well being 3.d Strengthen the capacity for early warning, risk reduction and management of national and global health risks.	<div> <p>3 GOOD HEALTH AND WELL-BEING</p> </div>

IMPACT

C-CAPTURE

REMISSION EMISSION

In 2019, the UK became the first major economy in the world to commit to 'net zero' by 2050. The target will require the UK to bring all greenhouse gas emissions (GHGs) to net zero with any emissions balanced by schemes to offset equivalent amount of emissions through technology such as carbon capture and storage (CCS).

PARTNERSHIP WITH DRAX POWER STATION

C-Capture is currently one of three providers conducting a demonstration project at Drax Power Station in North Yorkshire which, when scaled up, will remove carbon dioxide from emissions produced by Drax's four generating units that are fuelled by sustainable biomass.

The bioenergy carbon capture and storage (BECCS) project at Drax, which is the first of its kind in the world to capture carbon from a 100% biomass feedstock, has the potential to be the greatest single CO₂ mitigation project serving the UK electricity sector. This is because it has the capacity to produce negative emissions meaning CO₂ is removed from the atmosphere at the same time as electricity is being produced.

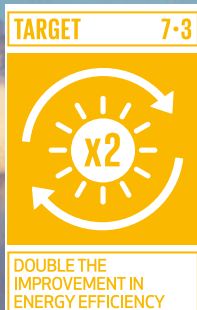
As work towards decarbonisation

and achieving net zero has progressed in 2019, so too has the adoption of C-Capture's technology. The company started the year being named as a Sunday Times Volvo Visionary, received a further £3.5 million in funding from IP Group, BP and Drax, signed an agreement to work with Norway's SINTEF institute on a new phase of R&D into carbon capture technologies and was in the 'Leading on Clean Growth: The Government's Response to the Committee on Climate Change's 2019 Progress Report to Parliament' Reducing UK emissions report, which highlighted the BECCS plant at Drax and its roles in helping in the UK's energy transition to net zero. The company ended the year on a high, being named as Business Green's 'Breakthrough of the Year' in its Technology Awards.



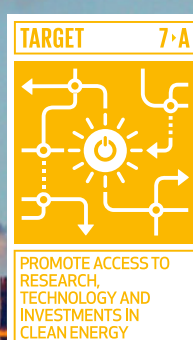


7 AFFORDABLE AND
CLEAN ENERGY



TARGET 7.3

DOUBLE THE
IMPROVEMENT IN
ENERGY EFFICIENCY



TARGET 7.A

PROMOTE ACCESS TO
RESEARCH,
TECHNOLOGY AND
INVESTMENTS IN
CLEAN ENERGY



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE

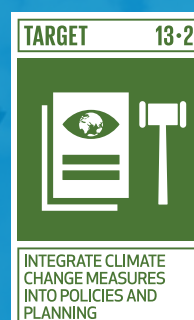


TARGET 9.4

UPGRADE ALL
INDUSTRIES AND
INFRASTRUCTURES
FOR SUSTAINABILITY



13 CLIMATE
ACTION



TARGET 13.2

INTEGRATE CLIMATE
CHANGE MEASURES
INTO POLICIES AND
PLANNING

LINK TO SDGS

C-Capture's goal is to make energy cleaner through decarbonisation and use of renewable fuels, without making it prohibitively expensive to the consumer.

AZURI

SOLAR EVOLUTION

Azuri Technologies is a commercial provider of pay-as-you-go home solar solutions to off-grid homes in Africa

An estimated 600 million people in sub-Saharan Africa lack access to electricity. Azuri has used mobile technology to turn this development challenge into a business opportunity through its solar home systems, which allow users to pay for solar power on a pay-as-you-go basis, just like they do for their phones and kerosene.

An Azuri Quad system is typically paid off over 18 months, after which the system is unlocked and all the energy generated is free of charge to the customer.

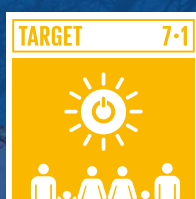
Azuri is continually innovating and committed to helping off-grid families access modern devices

and services that urban families often take for granted. In 2016, Azuri was the first to introduce home solar TV to Kenya to enable off-grid families access, for the first time in their homes, world information, news, entertainment and education programmes.

Azuri's life-changing technology delivers clean, safe renewable power to families at about half the cost of the kerosene it replaces. This helps to diminish poverty and provides sustainable energy for those who live in communities that are off the grid.

LINK TO SDGS

Azuri Technologies contributes to SDGs 7 and 9 by providing the innovative application of solar power and mobile payment technology therefore enabling off-grid African families to experience modern digital technologies and bringing with them access to education and financial inclusion.



UNIVERSAL ACCESS TO
MODERN ENERGY



INCREASE GLOBAL
PERCENTAGE OF
RENEWABLE ENERGY



EXPAND AND UPGRADE
ENERGY SERVICES FOR
DEVELOPING
COUNTRIES



FACILITATE
SUSTAINABLE
INFRASTRUCTURE
DEVELOPMENT FOR
DEVELOPING
COUNTRIES

OXFORD NANOPORE TECHNOLOGIES

TRACKING A PANDEMIC

In January 2020, Oxford Nanopore announced it was working with a number of public health laboratories in China and elsewhere, to support the rapid sequencing of the novel Coronavirus that was first seen in Wuhan, China.

SEQUENCERS PROVIDE RAPID, NEAR SAMPLE SEQUENCING TO MONITOR THE VIRUS

Sequencing the virus can support 'genomic epidemiology' - characterising the virus and helping public health authorities to understand the identity of the virus, whether it is changing and how it is being transmitted.

Nanopore sequencing workflows can map the virus's genome within eight hours. It is the only technology in the world that can provide this field-based, real-time sequencing capability and has provided support in many outbreaks in this field setting, including Ebola, Zika, yellow fever and Dengue.

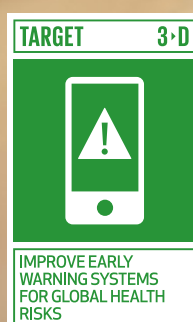
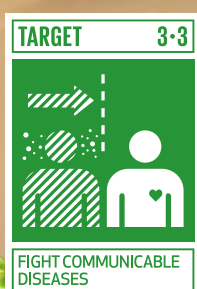
In January, Oxford Nanopore sent 200 of its MinION sequencers to China to support surveillance of the outbreak of the Coronavirus. The portable sequencer, which is approximately the size of stapler, was designed for broad

accessibility. It weighs under 100g and is run with a laptop or special accessory, the MinIT, to perform data analysis.

Oxford Nanopore staff have also been working with communities in China to support the development and sharing of best practice and protocols for the sequencing of this virus. Staff also offer technical support to public health authorities all over the world, the technology is also being used in the USA, UK and many other countries.

HOW IP GROUP HAS SUPPORTED ONT

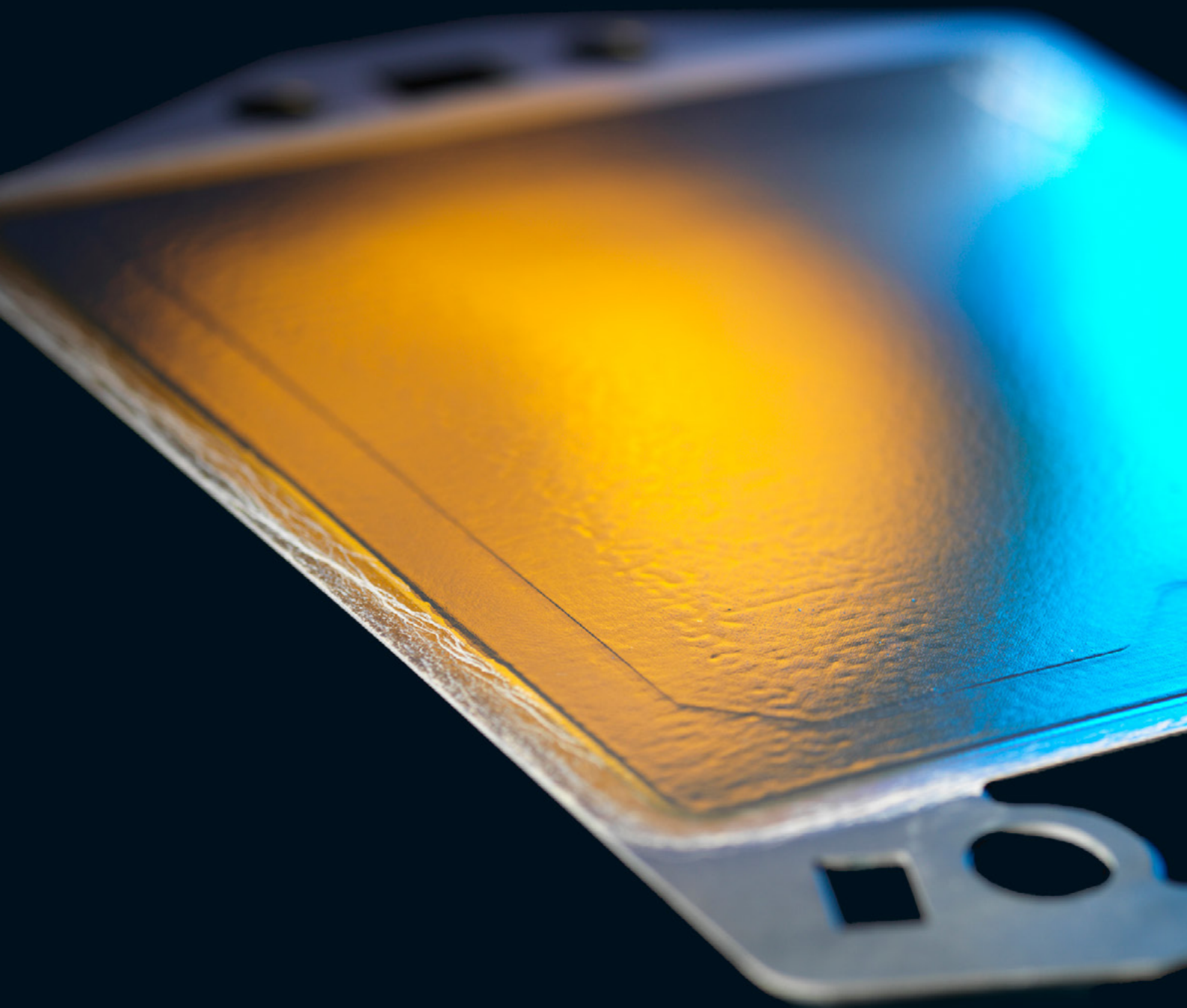
IP Group provided the original seed funding to Oxford Nanopore (ONT) in 2005 and has backed numerous follow-on funding rounds. The Group has introduced many new shareholders and helped recruit directors, including a number of members of the executive team.



SDG CONNECTION

Oxford Nanopore is the Group's largest holding by value and its work is aligned with a number of the SDGs, including: SDG 3 and SDG 3 target - 3.3 Fight Communicable Diseases

CERES POWER



Professor Brian Steele, one of the scientific pioneers behind the Li-ion battery, subsequently spent ten years researching materials and methods for a robust and affordable fuel cell for clean power generation.

The result was the application of cerium oxide onto stainless steel. This ceria coating, previously dismissed as too fragile to be practical, provided the required conductivity while the steel made the fuel cell durable. The trick of printing ceria on steel is Ceres Power's core IP, and nearly 20 years later remains known only to Ceres. The core patents were filed and Nigel Brandon, Steele's colleague at Imperial College London, joined Ceres full time to lead an initial funding round in 2001. The company listed on the AIM market in 2004.

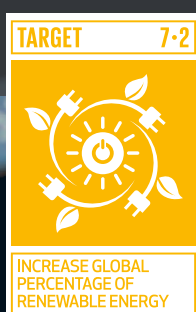
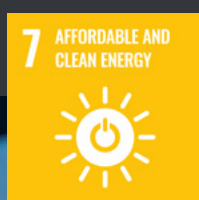
Ceres' core SteelCell technology overcomes two problems traditionally associated with other solid oxide fuel cells (SOFC): cost and lack of robustness. Made from mass-market and widely available materials like steel and ceramics, it is inherently cost-effective, robust and scalable.

The SteelCell can generate power

from conventional fuels such as natural gas and from sustainable fuels like hydrogen and biogas and it does at very high efficiency. It is an ideal technology to tackle air pollution and climate change as it significantly lowers carbon emissions and pollutants, lowers running costs and can enable renewables.

Ceres has partnerships with Bosch, Weichai, Doosan, Miura and others to use its technology across various applications around the world. These include applications in the home, commercial and light industrial scale locations, transport and data centres. All areas of growth and which require access to low-cost, clean energy.

NO-FOSSIL FUEL CELL



MIXERGY

RUNNING HOT AND COLD

Mixergy is a spin-out company from the University of Oxford. Its aim is to develop domestic energy storage capacity and facilitate its operation within the existing power distribution infrastructure.

Mixergy is dedicated to developing intelligent solutions to heating water which are cost-effective, energy-efficient and convenient for customers.

In working towards a low-carbon future, there is a global decentralisation of the energy system, with more energy being generated and managed off-grid.

Mixergy's 'Internet of Tanks' vision provides a low cost and green solution to enable more renewable power generation in the grid, through building a large-scale hot water 'battery' of Mixergy tanks.

Mixergy hot water tanks are unique in their ability to offer a Demand Side Response (DSR) service to the National Grid, heating up when too much renewable energy is generated, and electricity demand is low, to free up more space for renewable generation.

HOW DOES IT WORK?

- The Mixergy tank monitors and controls the hot water environment to prevent unhygienic conditions. As a minimum, the Mixergy tank runs a periodic fortnightly sterilisation routine to ensure water is clean and hygienic.
- Energy use is optimised through Mixergy's tank which ensures that water is heated in the most cost effective manner.
- By maintaining a good separation between the hot and cold water, the Mixergy tank is able to store up to 30% more hot water when compared to a cylinder which doesn't feature a diffuser (National Physical Laboratory accredited).



LINK TO SDGS

- Utilises renewable heat sources, creating sustainable cities and communities.
- Enables users to be savvy with energy use, this is a form of responsible consumption.
- Ensures energy is used efficiently which supports climate action.



7 AFFORDABLE AND
CLEAN ENERGY



TARGET 7.3

DOUBLE THE
IMPROVEMENT IN
ENERGY EFFICIENCY



11 SUSTAINABLE CITIES
AND COMMUNITIES



TARGET 11.6

REDUCE THE
ENVIRONMENTAL
IMPACT OF CITIES

OXFORD NANOPORE TECHNOLOGIES



ONT technology
has multiple
applications with
multiple impacts

SUPPORTING BIODIVERSITY

Bees are in vast decline in the UK and across Europe, as are the wild flowers on which they rely. Bees have an essential role in our ecosystems and a third of all our food is dependent on their pollination; in economic worth, pollination by bees is annually estimated at £265 billion, worldwide.

HOW TO ENSURE THE RIGHT PLANT SPECIES ARE IN PLACE TO ATTRACT BEES?

The main risks to bees include wide-spread pesticide used in agriculture, parasites, disease and climate change, and crucially - the loss of valuable biodiversity which poses a further threat to bees and other wild pollinators. One way to help boost their numbers is by planting the correct wild flowers, providing a better habitat for pollinators to disperse, nest and breed.

However, it is unclear which plant species are the most preferred between different pollinators, including bees, and how this might change over time and in different environmental conditions. In agriculture, farmers want to know that the pollinators are actually visiting the plants they need them to. Historically, scientists used light microscopy to identify individual bee-collected pollen grains, which was a time-consuming and impractical method.

ONT'S MINION ALLOWS FOR MORE ACCURATE POLLEN INSPECTIONS

To obtain a more accurate understanding without the need for laborious manual inspection of pollen, scientists have developed a rapid analysis method called 'Reverse Metagenomics' (RevMet) that can identify the plants that individual bees visit using the MinION, a portable DNA sequencer from Oxford Nanopore Technologies.

The portability of the equipment involved means that this type of analysis could be performed on-site where bees are collected and sampled - vastly increasing our understanding of where bees look for pollen on a national scale.

Research carried out at the Earlham Institute in the UK showed what species of plant bees have visited and also the relative quantities of each type of pollen collected. This type of analysis can be applied not only to conserving pollinators and precious biodiversity but also to helping us improve sustainable crop production.



CONTACT

Should you have any questions on the content of this document, please contact:

Liz Vaughan-Adams

Director of Communications & IR
Liz.VAdams@ipgroupplc.com
+44 20 7444 0062

Ashleigh Lezard

Communications and IR Manager
ashleigh.lezard@ipgroupplc.com
+44 20 7186 1911

DISCLAIMER

This ESG Report may contain forward-looking statements. These statements reflect the Board's current view, are subject to a number of material risks and uncertainties and could change in the future. Factors that could cause or contribute to such changes include, but are not limited to, the general economic climate and market conditions, as well as specific factors relating to the financial or commercial prospects or performance of individual companies within the Group's portfolio. Further details can be found in the Risk management section of the Annual Report on pages 36 to 49.

Throughout the ESG Report, IP Group plc and its subsidiaries are referred to as 'IP Group', the 'Group' or the 'Company', as appropriate. The Group's holdings in portfolio companies reflect the undiluted beneficial equity interest excluding debt, unless otherwise explicitly stated.

IP Group can give no assurance that such statements will prove to have been correct and therefore cautions any person not to place undue reliance on these forward-looking statements which speak only as at the date of this ESG Report. IP Group undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

IP Group plc
Top Floor,
The Walbrook Building,
25 Walbrook,
London, EC4N 8AF
T +44 (0)20 7444 0050
F +44 (0)20 7929 6415
www.ipgroupplc.com

