

Aurora I Impact Framework



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# Mission and Aspirations

We believe that VCs can be a force for good with opportunity and change.

Our fund has always invested at an early stage with the belief that, if we are committed to investing in the best solutions and the best ideas, then we need to be attracting them from the entire market – not the same homogenous group. This is the underlying thesis of all Jenson funds and has provided our investors exits and returns over the last 10 years.

Our Aurora funds are based on the underlying Jenson ethos, with a further view to focus on the transition to net zero, investing in companies that are sustainable-at-core, that solve problems for people and planet, and by doing so, generate financial returns.

This **Impact Framework** has been developed to help us find, at an early stage, the companies who will drive this change, allow us to work with them through their growth and evaluate the impact that they will have on the planet.

The following is an overview of the framework detailing our approach to finding, growing and assessing the many companies that are focussed on the transition to net zero, whilst ensuring the core ethos of inclusivity and social awareness are upheld. The framework will be used to:

- 1. Ensure that a Company meets the threshold for investment
- 2. Enable a framework for measuring impact
- 3. Ensure that there are sufficient legal terms that support our impact outcomes

At Jenson, we hold the view that only companies that are truly sustainable at their core will drive exponential impact, and will also be more resilient and successful businesses in the long-term:

- Innovation through diversity, equity & inclusion.
- Growth through solving net zero market needs.
- > Efficiency through resource stewardship.
- De-risk through policy alignment & climate resilience.
- Trust through demonstrated purpose / social license to operate.

We will – make a difference

The following themes underpin the entire investment process, from initial assessment through to portfolio support.

Net Zero Emissions

Climate

Innovations that will promote mitigation of or adaption to the effects of climate change and promote sustainable and circular use of resources

**Equity Gaps** 

**ESG** 

Targeting innovations to bridge the gap in science-based solutions crucial to achieving a net zero future focusing on underserved:

- Sector Gaps
- DEI Gaps
- Funding Gaps

Consumer Behaviour Change

**Societal impact** 

Drive paradigm shift and reshape consumer demand by making sustainable choices the default option desirable, accessible and affordable **Profit and Purpose** 

**ESG** 

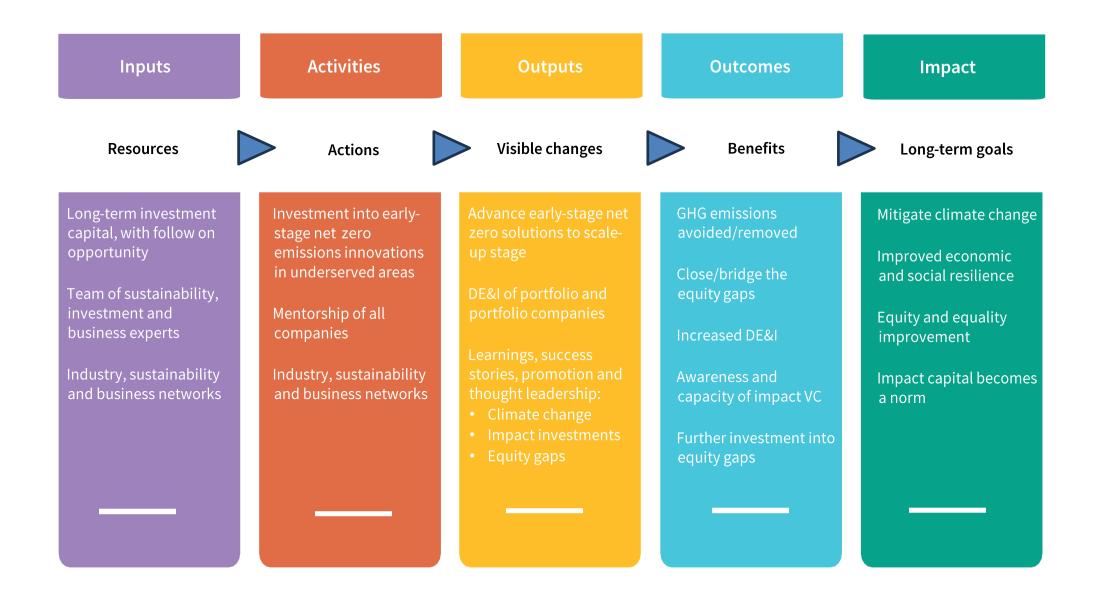
Companies that embed social and environmental purpose at their core will drive exponential impact and are also more resilient businesses

We are already – making a difference

Jenson Funding Partners | Impact Framework 2023

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# Theory of Change



### Sub-sector Focus: The other 85%

Net zero will need multitudes of solutions.

We focus on the more underserved subsectors that will have the biggest impact on emissions as well as capital deployed

Based on alignment with IPCC and Paris Agreement, EU Taxonomy, IEA Net Zero 2050 Pathway, UNEP Clean Energy

Including energy distribution, storage, managemen t, distributed systems



Sustainable Food & Land Use

Including regenerative agriculture, waste avoidance, nature restoration



Green Built Environment & Infrastructure

Including design, construction, materials, building management



Circular Industries

Regenerate & circulate resources, avoid waste and pollution avoidance for industries and consumer products



Carbon & Climate Management

Cross-sectoral GHG emissions management, reduction and removal, measurement, reporting & verification (MRV), climate risk and fintech, consumer engagement.

## North Star Ultimate goal of the Fund















<b>Levers</b> To achieve a Net Zero Future		GHG Emissions Reduction or Removal	Sustainable resource use	Better NZE Management	Climate Change Adaptation	
Business Models Combinations to operationalise levels	REGENERATE Natural materials, energy and ecosystems	SHARE Fully utilize through sharing or recommerce	OPTIMIZE Use of materials and energy	LOOP Materials for zero-waste	VIRTUALIZE Reduce need for physical materials	EXCHANGE With more sustainable alternatives
Sustainable Operating Principles	Net Zero Emissions	Sustainable- by-design	DE&I	Ethical Work Practices	Governance	Do-No-Significant- Harm

Based on Geissdoerfer, Pieroni, Pigosso and Soufani (2020).

# **Approval Process**

**Investment Screening Initial Meeting Review Panel Term Sheet Due Diligence Funded** Committee Aurora Board Member • Initial review and prep by Investment Manager Financial Deals sourced for • Aurora Partner 'sponsors' best ideas Marketing & Sales • LP Representative through process to ensure investment ready balanced portfolio and Technical pre-vetted criteria Innovation Impact/ESG 100% 60% 2% 24% Investment Funnel 1,200 companies screened per year Naturally selective

### Assessment

Combining Jenson traditional investment review with an assessment based on SDGs, impact, Net Zero underserved sub-sectors, operating principles and levers.

Each investment will be scored on each of the below criteria, this will form an overall score that will inform the decision making regarding investments into the fund. Companies are measured by an Impact Score and Investment Score, both are graded out of 5 and each must achieve a minimum score of 3 to be considered for investment.

### **Impact score**

#### **Alignment with SDG**

- Focus on SDGs 7.11.12.13.14.15 for Aurora
- Review of all 17 SDGs
- Rated from negative to positive impact

#### Sector

- 34 sub-sectors to be targeted
- 7 main categories
- Food and land use, transportation. built environment, carbon, climate management, industrial

#### **Impact**

- Net Zero emissions
- Sustainable by design
- DF&I
- Ethical work practices
- Governance

#### Levers

- How well is it solving a problem of
- Reduce of remove GHG emissions
- Sustainable and efficient use of energy and natural resources
- Enable adaptation to climate change

#### Investment score

- Proof of concept established
- Reduced product risk
- MVP started and in development
- Pre/post revenue

- Innovative and disruptive and defensible
- Solving an identified problem within the sub-sectors
- Product/market fit graded significant
  - **Business Concept**
- Domain expertise and experience
- Fit with Jenson culture (will they listen, act on feedback)
- Minimum 2 founders
  - **Management Team**

- Realistic and achievable milestones
- Balanced business model that demonstrates staged growth
- Team's understanding of underlying
  - **Business Risks**

- Pre-seed round £350k for 15% (Aurora only)
- Seed-round £1m for 15% (Aurora
- Follow-on £2m (External Lead)

**Equity Deal** 

#### **Business Momentum**

### Outcomes

GHG emissions is our primary metric for assessment at this early stage. Other metrics we will assess based on the primary impact thesis of the portfolio company, and the feasibility to measure. We shall also consider this with the potential at scale.

### **Key Performance Indicators for impact**

	Description	Measure	Core SDG			
Core	GHG Emissions Mitigated or Removed	TCO2e/yr	13			
Other	Energy Saved	GJ/yr	7			
Other	Clean energy use increased	MWh / yr	7			
Other	Virgin resource use reduced	Tonnes or vol / yr	12			
Other	Waste avoided	Tonnes / yr	12			
Other	Water use saved	M3/yr	14			
Other	Degraded land reduced/regenerated	Ha/yr	15			
Other	Air quality improved	Tonnes PM, NOx, SOx/yr	11			
Any others specifically relevant to the Investee Company						

#### Core SDG focus:













# Net zero/impact clause

#### Clause to include:

- Defined core KPIs
- Clear goals for contribution to net zero achievement by 2050
- Commitment to continually review goals

### **ESG** clause

#### Clause to include:

- Commitment to best practices
- Continual review of ESG commitments

### Governance clause

#### Clause to include:

- Impact accountability
- Reporting requirements

### Framework contributors























Other memberships:







