

VentureESG/

supported by



KEY [†] KPI relevant to SFDR PAIs and/or EDCI

Environmental Impact

Biodiversity & Conversation

Governance

Team and Working Environment

Equity, Diversity & Inclusion

Data Practices

Responsible Product Design

Human Rights

Supply Chain

Disclosure

Early

The company is in its initial stages, focusing on product development and market validation. It may have launched its product and started gaining traction and refining its business model. **1-15 employees**

- Required

Ensure compliance with national environmental standards and international commitments that govern waste management, emissions, or sustainability practices, such as the [UK Environmental Protection Act](#) and [Climate Change Act](#)
- Recommended

Conduct an initial assessment of key GHG drivers [†]

Explore renewable energy procurement options for the company's operations
- Optional

Implement recycling and green office practices

- Required

Recommend
Map how the company's operations interact with ecosystems, especially in locations dependent on vulnerable ecosystems or areas facing water stress [†]

Assess your company's dependencies and impacts on nature, such as reliance on specific raw materials. Evaluate supplier dependency risks and develop a contingency plan for scenarios like water stress
- Optional

Assess locations of data centres to identify risks related to water stress which may cause business disruption

- Required

Assess relevant anti-bribery laws to prevent corrupt practices and maintain compliance with ethical standards [UK Bribery Act](#) | [UK Money Laundering Regulations](#) | [EU Anti-Money Laundering Directive \(AMLD5\)](#)

Ensure compliance with taxation and corporate structure regulations, including corporate income tax, VAT, and entity registration (e.g., LLC, corporation, etc.)

Adhere to board requirements. Every private company must have at least one director. Board requirements: Every private company must have at least one director ([UK Companies Act](#))
- Recommended

Establish independent board responsible for compliance, monitoring, finance and external audit

Implement basic financial control systems, such as 2+ set of eyes on all outgoing financial disbursements (one being CEO)

Conduct high-level mapping of risks and what actions are proportionate given the size of your business

Adopt company-wide ethics policy and/or Code of Conduct
- Optional

Establish process for monitoring pending legislation across relevant geographies to ensure compliance

Increase transparency about the board's structure and members (by for example adding information on the website) [†]

Create board skills matrix to identify gaps and plan future appointments

- Required

Understand and comply with relevant employment law, for example minimum wage, anti-discrimination, employee benefits, and dismissal procedures. Relevant examples in the UK include [Employment Rights Act](#) | [Equality Act \(Worker Protection\)](#)

Comply with health and safety regulations, including fire safety standards, worker injury protocols, accident prevention policies

Adopt a health and safety policy if employing 5+ workers (e.g. [UK Health and Safety at Work Act](#))

Buy insurance
- Recommended

Recognise workers' rights to freedom of association and collective bargaining (e.g. [ILO standards](#))

Adopt inclusive hiring practices

Foster an inclusive company culture by:
i) Implementing fair and inclusive operating policies, like flexible time-off for cultural holidays
ii) Creating inclusive office spaces for diverse needs (e.g., religious needs, disabilities, and lactation)

Publishise your commitment to DEI by drafting a statement
- Optional

Offer ESOP pool / employee ownership options

Provide unconscious bias training for managers

Measure diversity in the candidate pool

- Required

Abide by data protection regulations regarding privacy, data security, and consent [UK Data Protection Act](#) | [EU GDPR](#) | [US CLOUD Act](#) | [California Consumer Privacy Act \(CCPA\)](#)

Appoint person responsible for data security & data privacy

Inventory IT and software security assets and conduct regular data audits
- Recommended

Develop company-specific data management and data privacy policies

Consider ethical implications related to data usage, especially regarding sensitive information
- Optional

Establish produdces for addressing data breaches

Implement 'Privacy by Design' ([more info here](#))

- Required

Consider trademarks, copyrights, and patents to protect the company's intellectual property (e.g., [UK Intellectual Property Act](#))
- Recommended

Evaluate possible negative consequences and product safety, including Responsible AI considerations (see [EU AI Act](#) | [UK General Product Safety Regulations](#))

Implement characteristics of sustainable products as well as relevant regulation (see [EU Ecodesign for Sustainable Products Regulation \(ESPR\)](#) | [Right to Repair](#) (pending))
- Optional

Incorporate an inclusive product design free from bias

- Required

Establish processes to monitor compliance with global standards, including [OECD Guidelines for Multinational Enterprises](#), [UN Guiding Principles on Business and Human Rights \(UNGPRs\)](#), [UN Global Compact Principles](#) as well as Article 18 of the [EU Taxonomy](#) (minimum safeguards) [†]
- Recommended

Conduct a human rights impact assessment: Evaluate firm activities that may affect the human rights of employees, contract workers, supply chain workers, local communities, and end users of the products or services

Establish an operational-level grievance mechanism for those potentially impacted by the firm's activities
- Optional

Adopt a policy commitment to respect internationally recognised human rights, approved by the founder(s) / CEO and communicated to all staff, business partners, and relevant parties

Track % of suppliers screened on the basis of human rights performance

Monitor adoption of the [EU Forced labour import ban](#) (pending)

- Required

N/A
- Recommended

Conduct a high-level risk assessment of 'mission critical' suppliers, focusing on geographical and sector-related risks

Establish internal guidelines and supplier expectations to address these risks
- Optional

Develop mitigation strategies, such as flexibility in sourcing/ production and continuity planning

Create a shortlist of approved suppliers based on ESG criteria

- Required

Maintain a basic website with company registration number, disclosure of management and board members, and contact information
- Recommended

Develop a purpose-driven mission statement
- Optional

N/A

Scaling

The company is growing rapidly, expanding its market presence, and scaling operations. **11 - 249 employees**

- Required

N/A
- Optional

Introduce a sustainable travel policy

Adopt science-based targets
- Recommended

Assess products and services in the supply chain with the most significant impacts on biodiversity

Measure Scope 1-3 emissions [†]

Assess and map other environmental impacts, including waste, water usage, and the consumption of natural resources

- Required

Recommend
Assess products and services in the supply chain with the most significant impacts on biodiversity

Understand the actions required to address risks and opportunities, and prepare to respond (using [TNFD's response metrics](#))
- Optional

Assess locations of data centres to identify risks related to water stress which may cause business disruption

- Required

N/A
- Recommended

Appoint a dedicated ESG resource

Implement measures to achieve board diversity [†]

Establish mechanisms for grievances and whistleblowing (including policy)

Adopt an ESG strategy based on double materiality principles
- Optional

Introduce ESG-linked compensation & executive remuneration

Develop a succession planning strategy

- Required

N/A
- Recommended

Track organic new hires

Implement employee satisfaction survey (track eNPS score & % completing) [†]

Monitor staff turnover & reasons for quitting [†]

Develop an employee development program and measure average training hours
- Optional

Track work-related accidents and lost days due to injury [†]

Establish employee resource groups

Facilitate regular meetings between management and worker representatives to discuss work-related issues and employee concerns

- Required

N/A
- Recommended

Professionalise HR processes, including the formalisation of career development plans and adopt an employee handbook (covering DEI, anti-harassment, and anti-discrimination)

Establish a procedure, accessible and known to all workers, for safely reporting incidents of workplace discrimination

Create diverse mentorship programs
- Optional

Assess fair wages (considering not only the minimum but also the living wage)

Conduct company-wide DEI training on a regular basis

- Required

N/A
- Recommended

Provide regular cybersecurity awareness training for staff

Develop a business continuity plan

Assess contractual obligations associated with the data being protected (for suppliers and clients)
- Optional

Implement security framework(s) such as [ISAE 3000](#)/[SOC2](#), [NIST](#), and [ISO/IEC 27001](#)

- Required

N/A
- Recommended

Incorporate DEI into product development by for example assessing how accessible the products/services are, especially for people with disabilities
- Optional

N/A

- Required

N/A
- Recommended

Integrate ESG due diligence into the procurement process by:
i) Conducting in-depth risk assessments through supplier self-assessments
ii) Segmenting the supply chain into tiers and following up with due diligence on high-risk suppliers

Adopt a formal 'Supplier Code of Conduct' that includes human rights standards
- Optional

Provide training on supply chain risks to staff

Include ESG liability clauses in contracts and require Tier 1 suppliers to pass these down the supply chain

- Required

N/A
- Recommended

Articulate how positive social and/or environmental impact is embedded in the company's business model, products, and services, particularly in relation to key stakeholders
- Optional

Ensure every ESG claim (on website, reports, IPO documents) is supported by verifiable proof points

Advanced

The company is well- established, optimising operations, and preparing for significant strategic moves, such as an IPO or trade sale >250 employees / >€36m in annual turnover / >€18m balance sheet

- Required

Adhere to [Streamlined Energy and Carbon Reporting \(SECR\)](#)
Threshold: Companies meeting at least two of the following: turnover of €36 million or more, 250+ employees, or a balance sheet total of €18 million+
Requirement: Report energy and carbon emissions in annual financial statements

Comply with the [Energy Savings Opportunity Scheme \(ESOS\)](#)
Threshold: Companies with more than 250 employees, or an annual turnover exceeding €44 million and a balance sheet total above €38 million
Requirement: Conduct energy audits covering buildings, industrial processes, and transport, aimed at identifying tailored, cost-effective energy-saving measures

Follow the [International Energy Efficiency Directive \(IEED\)](#)
Threshold: Large enterprises (250+ employees, turnover over €50 million)

Requirement: Conduct regular energy audits and implement energy-saving measures
- Optional

Incorporate just transition considerations
- IPO Requirements

Disclose GHG emissions (Scope 1-3) using a recognised carbon accounting protocol, such as the GHG Protocol
Follow ISSB climate-related reporting guidelines
Report on climate-related information across the company's supply chains that have a "material impact" on financial statements
Adhere to US regulations: SEC's "The Enhancement and Standardization of Climate-Related Disclosures for Investors" | California's climate disclosure laws ([SB 253](#) and [SB 261](#))

- Required

Abide by the [UK Corporate Governance Code](#)
Threshold: Listed companies in the UK
Requirements: Covers areas like board composition, remuneration, and stakeholder engagement
- Recommended

N/A
- Optional

N/A
- IPO considerations

Adopt a risk management policy, remuneration policy, and code of conduct

Ensure audited financial statements (generally minimum of three years), with regular internal and external audits

Maintain a majority of independent board directors, with at least two directors (as per UK Companies Act)

Ensure a minimum number of independent directors on key board committees, including the audit committee, compensation committee, and nominating committee

- Required

N/A
- Recommended

Create a cross-functional ESG team to help plan and execute the company's ESG strategy. Include team members from operations, financial reporting, legal and risk management, investor relations, IT, environmental health and safety, and other relevant business areas
- Optional

N/A
- IPO considerations

N/A

- Required

Comply with [Gender Pay Gap Reporting](#)
Threshold: UK businesses with 250 or more employees
Requirement: Written information on the company's gender pay gap, submitted to the [gender pay gap](#) service and uploaded to the company's own website
- Recommended

Obtain external certification, such as ISO 30415:2021

Adopt a family leave policy that is equally beneficial to all caregivers
- Optional

Develop a Diversity Policy for service providers

Measure promotions and attrition by diversity metrics
- IPO Considerations

Ensure board diversity in compliance with [UK FCA listing rules](#) | [US Nasdaq's board diversity objective](#) | [EU Directive on gender balance on corporate boards](#) (from mid-2026)

- Required

Ensure compliance with [Sarbanes-Oxley Act \(SOX\)](#) (if listed in the US)
- Recommended

Assess shadow IT and SaaS risks and implement appropriate mitigative actions

Develop protocols for crisis management rather than incident management, including communication plans
- Optional

Conduct penetration testing, breach assessment, and disclose previous data breaches to avoid triggering Material Adverse Change/Effect (MAC or MAE) clauses
- IPO considerations

Disclose material cybersecurity incidents (as needed)
US: [SEC Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure](#)
Disclose information regarding their cybersecurity risk management, strategy, and governance on an annual basis (as per SEC requirements)

- Required

Adhere to the [Modern Slavery Act](#)
Threshold: Businesses in the UK with an annual turnover of €36m or more
Requirement: Publish a statement on actions taken to prevent slavery and human trafficking in supply chains

Comply with the [Corporate Sustainability Due Diligence Directive \(CSDDD\)](#)
Threshold: EU companies with 1,000 employees if, during a financial year, they had an annual worldwide net turnover of more than €450 million. Non-EU companies which have more than €450 million net turnover in the EU
Requirements: Companies must identify, prevent, mitigate, and account for adverse sustainability impacts in their operations and value chains
- Recommended

Track and monitor human rights issues through ongoing engagement with experts, NGOs, and at-risk stakeholders

Engage with suppliers through audits and request ESG KPI reporting from direct suppliers

Establish processes to remedy any adverse impacts the firm may cause or contribute to
- Optional

Provide quantitative information on positive human rights outcomes to which the company has contributed

Recognise and reward suppliers excelling in ESG practices, encouraging improvements from others

Join or support multi-stakeholder initiatives such as industry groups, NGOs, or global platforms like the UN Global Compact
- IPO considerations

No explicit human rights or supply chain due diligence requirements for IPOs across London, the US, or the EU. However, a growing trend towards greater scrutiny of human rights and supply chain risks is emerging

- Required

Adhere to the [Corporate Sustainability Reporting Directive \(CSRD\)](#)
Threshold: Companies meeting at least two of the following: 250+ employees, €40 million+ turnover, €20 million+ in total assets
Requirement: Sustainability reporting on environmental, social, and governance (ESG) factors

Follow the [Sustainability Disclosure Requirements \(SDR\)](#)
Threshold: Applies to UK-based asset managers; Anti-greenwashing rule applies to all FCA-authorised firms
Requirement: Anti-greenwashing measures, investment labels, name and marketing considerations, and sustainability disclosure
- Recommended

Consider ESG ratings and benchmarks
- Optional

N/A
- IPO considerations

Prepare a prospectus that includes comprehensive company details, management, and investment risks, reviewed by the FCA for compliance with Listing Rules and PRRs

Disclose business information such as wages, finances, and tax in compliance with transparency rules post-listing.

Submit quarterly (I0-Q) and annual (I0-K) financial statements.

Produce mandatory reports, including quarterly, half-yearly financial, and sustainability reports.

Tools

- General

[VentureESG's guide on material E topics](#) | [Planet A's free carbon footprint calculator](#) | [Link between nature-related risks and opportunities, and business performance as set out by the TNFD](#) (see page 39) | [PAI Partners's guide on biodiversity](#)
- Tools

[WWF's Biodiversity and Water Risk Filter Tool](#) | [WRI Aqueduct Water Risk Atlas](#)
- Policy

N/A

- General

[OECD's Principles of Corporate Governance](#)
- Tools

[Balderton's board guidance](#) | [Velocity Ventures Corporate Governance Playbook for Startups](#) | [Burkland's Financial Control Matrix for Startups](#)
- Policy

N/A

- General

N/A
- Tools

[OIRA's Free H&S Assessment tool](#)
- Policy

N/A

- General

[Diversity & Inclusion in Tech](#) (by Diversityc and Atomico) | [Company Ventures DEI Playbook for Startups](#)
- Tools

[FIBS DBI self-assessment tool](#)
- Policy

[Diversityvc's parental leave guide](#)

- General

[DLA Piper: Data Protection Laws of the World](#)
- Tools

[Nasdaq IPO Cybersecurity checklist](#)
- Policy

[Diversityvc's parental leave guide](#)

- General

N/A
- Tools

[VentureESG's / Ravit Dotan's ethical AI risk assessment tool to evaluate risk](#)
- Policy

N/A

- General

[Universal Human Rights Index \(UHR\)](#) | [UNHRI: The corporate responsibility to respect human rights](#) | [PBI Managing ESG risk in the supply chains of private companies and assets](#)
- Tools

[UN LCBTQ+ Standards Gap Analysis Tool](#) | [Shift Business Model Red Flags indicator](#)
- Policy

[UN Global Compact: A Guide for Business: How to Develop a Human Rights Policy](#)

- Required

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