

SEPTEMBER 2025

# Inside the FRAME



55 Lessons in Value Creation for Venture Firms  
and Their Portfolios

REFRAME  
VENTURE

## INTRODUCTION

# Reframing value in venture capital

Building great companies takes a village, and in the world of venture capital, that village includes investors, founders, LPs, everyone's employees and the wider ecosystem. Success is never going to come from capital alone. The strongest companies emerge when governance, culture and strategy work in harmony.

Inside the FRAME, our second booklet of case studies following last year's *Unlocking ESG Value*, gathers best and worst practices from 52 venture capital firms on ESG and responsible investment (RI) integration. While last year's booklet was about deepening evidence for the business case for ESG in VC, this year, we focus on how it is done – and not done – best.

Our community came together incredibly strongly and opened their internal processes to show how ESG, RI and sustainability thinking can be woven into both VC firms and their portfolios. The case studies capture moments when the right question, the right tool or the right timing made a difference; importantly, we also want to learn from things that don't work so the 'worst practice' examples hopefully help you to avoid making the same mistake twice, learning from concrete moments when good intentions fell flat.

In addition to the case study, you will also find some of the core principles underlying all our ESG integration work – from basic definitions and business case arguments to what materiality and proportionality really mean. Follow the yellow pages for your basic ESG crash course.

The aim is not to fit every company into the same frame, but to reframe how value is created so the full picture comes into view. What works for a fund with 50 active investments may not suit one with 150, so we focus on relevance, context and the courage to adapt. By sharing what worked and what didn't, we hope to help build companies that are not only successful, but sustainable. In this village, every action shapes the road ahead.

Dr Johannes Lenhard, CEO of Reframe Venture

## Join our community



Mikaela Murekian, Research Fellow of Reframe Venture and Editor of 'Inside the FRAME'

Oliver Nixon, Research Lead of Reframe Venture, Editor of 'Inside the FRAME'

Tiffany Tsoi, Research Fellow of Reframe Venture, Copy-editor of 'Inside the FRAME'

[reframeventure.com](https://reframeventure.com)

## OVERVIEW

## Contents

 Reframe Venture Insights	06
2150	08
2050.do	10

**A**

Ada Ventures	12
AENU	14
Airtree	18
Albion VC	20
Antler	22
Astanor	26
Atomico	28

**B**

b2venture	32
Balderton Capital	34
Base10	36
Beringea	40
Bethnal Green Ventures	42
Blume Equity	44
Burda Principal Investments	46

**C**

Catalio Capital Management	48
CIC	50
Contrarian Ventures	52
 Reframe Venture Insights	54
Cross Border Impact Ventures	58
Cusp Capital	60

**D**

Daphni	64
--------	----

**E**


Elaia	66
Energize Capital	70
Energy Impact Partners LP	72
EQT	74
Extantia	76

**H**

Heal Capital	80
Highland Europe	82
HTGF	84
HV Capital	86

**I**

Innovation Industries	90
-----------------------	----

 Reframe Venture Insights	92
--	----

**J**

Jenson Ventures	94
-----------------	----

**K**

Kinnevik	96
Knickerbocker Financial Group	100

**L**

Lifetime Ventures	102
Lightrock	106
 Reframe Venture Insights	108

**M**

Maki.vc	112
Molten	116

**N**

NGP Capital	118
noa	120
Northzone	122

**O**

Omnes Capital	126
Oxford Science Enterprises	128
Oyster Bay Venture Capital	130

**P**

Pact VC	134
Pitango	136
Project A	140

**R**

Revaia	142
--------	-----

**S**

Sawari Ventures	146
Serena	148

**U**

Unovis Asset Management	150
-------------------------	-----

**V**

Vickers Venture Partners	154
Volution	156



## INSIGHTS

# The Definition: ESG v Impact





Many investors and commentators alike are confused by the overlap between ESG and impact. ESG is short for environment (E), social (S) and governance (G) and entails a set of principles guiding a firm's or a fund's management, processes and practices. Impact investing refers to investments made with the intention to generate positive measurable, social and environmental impact alongside financial return. Impact here has to be intentional, measurable and manageable. As a result, impact investing is an investment strategy (often related to a thematic investment focus, e.g. on green or clean tech) rather than a set of practice-focused principles.

**ESG**  
=  
Process (internal)  
=  
*Strong resilient business,  
license to operate*

**IMPACT**  
=  
Outcome (external)  
=  
*More growth leads to more  
impact (lockstep)*

**CSR** = *outside of core business  
(philanthropy or charity)*

# ESG and impact are independent of each other

	ESG	NOT ESG
IMPACT	<p>Consider and address how environmental, social, and governance factors affect internal operations and revenue.</p> 	<p>Inadequately address how environmental, social, and governance factors affect internal operations and revenue.</p>  <p>Positive long-term environmental impact in accelerating the transition to electric cars.</p> <p>Poor governance, weak DEI leading to incidents and lawsuits, violations of air quality permits in manufacturing.</p>
NOT IMPACT	 <p>Credible net-zero plans, strong DEI procedures, strong governance practices. Evidence of positive share price effect of these measures.</p> <p>No positive impact, often unhealthy products, a significant amount of single-use plastic manufactured.</p>	

# 2150

2150 is a climate tech venture capital firm investing in companies which reimagine the built environment and urban sustainability. With a mission to make urban environments more sustainable and competitive, 2150 partners with early-stage innovators developing scalable technologies for how we build, operate and live in cities.

## 2150

### STAGE (PRIMARY FOCUS)

Series A

### GEOGRAPHIC FOCUS

Global

### SIZE OF PORTFOLIO

15-49 active portfolio companies



## Best practice: Simplifying climate risk for early-stage companies

Early-stage climate tech companies rarely have the time or expertise to evaluate their exposure to physical climate risks. To bridge this gap, 2150 offers a baseline climate risk assessment across its portfolio. Using an external platform, they assess each company's primary sites for acute risks such as floods, storms or heat waves, and chronic risks like sea-level rise.

They share these results with companies, translating potential risks into financial terms. For example, if a distribution centre is offline for two weeks due to flooding, what revenue loss or asset damage could result? Turning abstract climate models into clear monetary impacts helps make climate risk actionable for founders.

For most companies exposure was minimal, but for a few with facilities in high-risk zones the exercise showed the need to adopt climate risk governance early. The models are low cost yet provide outsized insights. 2150 now runs the analysis for all new investments or critical portfolio locations. The goal is simple: start the conversation, provide a framework and make climate risk a strategic consideration without overloading founders.

## Worst practice: Treating reporting as a numbers game

One of 2150's early attempts to standardise diversity reporting highlighted the challenges of applying a single framework across a global portfolio. The goal was to collect granular data on representation beyond gender, including ethnicity and other dimensions. In practice, the effort revealed more complexity than insights.

Companies faced legal uncertainty in some jurisdictions, especially in places under strict data privacy rules like GDPR, and hesitated to share sensitive information. Even where it was legally permissible, cultural context complicated the picture: an "underrepresented minority" in one market might be the majority elsewhere. The result was inconsistent data, confusion and frustration for both sides.

2150 has since shifted its approach. Rather than seeking uniform reporting, the team is exploring insights led by companies' own initiatives. Future efforts will emphasize clear guidance, voluntary participation and definitions adapted to local norms.

**Key lesson:** Well-intentioned metrics can alienate stakeholders if they're misaligned with legal realities or cultural nuance. Engage early, ask what makes sense and build reporting frameworks collaboratively.

# 2050.do

2050 is a mission-driven venture capital firm investing in systemic solutions to global challenges. The firm backs purpose-led companies at the intersection of technology, sustainability and societal transformation. In addition to equity investments, 2050 dedicates a portion of its capital to developing ecosystem assets such as open-source tools, research and frameworks that support long-term impact across its value chains.



## STAGE (PRIMARY FOCUS)

Seed to Series D

## GEOGRAPHIC FOCUS

Europe and US

## SIZE OF PORTFOLIO

15-49 active portfolio companies

## Best practice: Building alignment before term sheets

At 2050, alignment isn't an afterthought.

Before investing in its latest portfolio company, the team led a structured pre-investment process designed to align the founder, board and co-investors on key priorities. Developed as part of 2050's "ecosystem assets" strategy, the alignment method is open source and built on seven pillars: team, business, ecosystem, society, planet, mission and future.

The process takes a short, medium and long term view. It brings to surface tensions such as unrealistic forecasts, misaligned shareholder interests or shaky unit economics early, and helps turn them into shared priorities. In this company's case, the founder worked with 2050 to visualise their 10-year ambition and co-design a credible Series B plan, including narrowing the product focus, hiring a CFO and aligning shareholders.

These conversations took place before the term sheet was signed, allowing room for real discussion. Once aligned with the founder, 2050 engaged the board and co-investors to ensure consensus. While not all agreed at first, the structure made disagreements constructive. The alignment plan is now used in board meetings and referenced by the founder regularly.

By turning alignment into a method, not a mood, 2050 brings clarity and accountability to the investment journey from day one.

## Worst practice: Starting with bottom-up impact measurement

Early on, 2050 tried to build a mission-aligned portfolio by aggregating impact data bottom up from each company. The idea was to assess each startup's "positive impact" contributions and roll this into an overall alignment index. This index would eventually tie into the fund's own performance fee.

The ambition was right, but the method fell short. The data required, which included geolocation of inputs, extracted materials and scope 3 emissions, was either unavailable or simply not tracked by early-stage teams. While scientifically robust, the indicators were impractical for startups that lacked the time, resources or context to collect such granular data. Even when 2050 integrated these metrics into their ESG reporting process through Sweep, response quality varied too widely to draw reliable conclusions.

The team eventually pivoted to using Upright, a top-down platform that maps net impact based on company activities and sectors. This allows 2050 to track portfolio progress in a holistic, comparable way.

**Key lesson:** Start with something founders can actually do. Scientific integrity matters, but usability is non-negotiable.

# Ada Ventures

Ada Ventures is a UK-based pre-seed venture capital firm investing in the best, not just the best connected, and achieving impact through Inclusive Alpha®. With a mission to build a more inclusive venture ecosystem, Ada backs founders who are tackling systemic challenges across the themes of healthy ageing, climate equity and economic empowerment. They find and fund the Ada Lovelaces of today.



## STAGE (PRIMARY FOCUS)

Pre-seed/Seed

## GEOGRAPHIC FOCUS

United Kingdom and Europe

## SIZE OF PORTFOLIO

50-99 active investments

## Best practice: Supporting founder-parents with backup childcare

Ada Ventures is working to remove structural barriers to entrepreneurship, including those that disproportionately affect parents. In 2023, the firm launched a childcare support pilot in partnership with its portfolio company Bubble, offering up to 40 hours of free emergency childcare per founder annually. This reflects the average annual need for ad hoc backup care and aims to reduce one of the hidden frictions of building a company while parenting.

The programme is available to all founders with caregiving responsibilities and is part of Ada's broader effort to make venture-backed entrepreneurship more inclusive.

Ada also offers a similar benefit to its own employees in the first year following their child's birth and encourages portfolio companies to consider similar schemes for their teams. The goal is to set a precedent in the ecosystem and signal that caregiving and startup leadership are not mutually exclusive.

By tackling a specific, often overlooked barrier, Ada is reshaping what inclusive founder support can look like.

## Worst practice: Scoring impact without founder input

Ada Ventures used to conduct internal ESG and impact assessments as part of pre-investment due diligence, aiming to identify alignment and potential risks early in the process. Wanting to be respectful of founders' mental bandwidth during a high-stress period, the team chose not to share the results until after the investment was made (where no significant risks were identified). The intention was not to keep founders in the dark or act unilaterally. It was to avoid burdening already busy teams with yet another conversation before a deal was even signed.

But while the gesture was grounded in empathy, it sometimes backfired. In one case, a company was scored low on impact, only for the team to realise later that the founder had simply articulated their mission in a different way. Without space for dialogue, key context was missed, and the assessment did not reflect the company's real-world ambition or strategy.

**Key lesson:** If you are assessing a company's values, make sure the founders have a seat at the table. This is especially true at the early stages, when a company's impact vision may not be fully articulated from day 1.

# AENU

AENU is an impact-focused venture capital firm investing in early-stage climate tech companies across Europe, with a focus on DACH, the UK and the Nordics. The fund backs mission-driven teams advancing the energy transition, industrial decarbonisation and climate change adaptation, looking for companies which prioritise intentionality, interlock and additionality for CO<sub>2</sub> impact.



## STAGE (PRIMARY FOCUS)

Pre-seed to Series A

## GEOGRAPHIC FOCUS

Primarily Europe, with select investments in the US and SE Asia

## SIZE OF PORTFOLIO

15-49 active portfolio companies

## Best practice: Presenting ESG in a way boards can use

AENU puts serious thought into making ESG insights board-relevant from day one. After investment, each portfolio company receives a tailored onboarding session to identify material topics and set ESG goals. But the real differentiator is what happens next: a clean, visual performance report designed to fit seamlessly into board discussions.

These one-pagers include a summary “overview,” a forward-looking 202X roadmap, and focused sections on impact, environment, social and governance. Each section outlines where the company stands, where it could improve and why it matters commercially. The reports are easy to screenshot, reuse and build on. Founders regularly include them in their board decks.

One feature that has worked especially well is benchmarking companies not by size or stage, but within “maturity model buckets.” These group peers are based on operational complexity and ESG readiness, which makes comparisons more meaningful and motivating. It also helps boards assess progress with greater nuance.

By designing ESG materials that align with how boards already think and work, AENU ensures ESG becomes part of the strategic conversation rather than a disconnected side report.

## Worst practice: Assuming LPs aren’t open to dialogue

As an emerging manager, it can be easy to assume that institutional LPs expect full compliance with ESG reporting requests, with little room for negotiation. Early on, AENU’s team was eager to demonstrate that they could meet expectations, even if some metrics weren’t fully relevant to their portfolio. For instance, companies operating out of co-working spaces were asked to report on Scope 1 emissions or water consumption, despite having no control over either.

This approach strained founder relationships and resulted in patchy or low-quality data. In some cases, startups filled in estimates without a clear methodology, simply to move things along. Over time, AENU began proactively engaging LPs to explain where certain disclosures lacked materiality, and to propose alternatives that made more sense for small, asset-light, climate tech companies.

**Key lesson:** Institutional LPs are often more open to practical, honest conversations than emerging managers assume. By sharing context and co-developing expectations, VCs can improve data quality, avoid founder frustration and set up ESG systems that truly serve the fund’s goals.

“

One feature that has worked especially well is benchmarking companies not by size or stage, but within “maturity model buckets.” These group peers are based on operational complexity and ESG readiness, which makes comparisons more meaningful and motivating. It also helps boards assess progress with greater nuance.

”







# Airtree

Airtree is an early-stage venture capital firm backing ambitious founders across Australia and New Zealand. With over 100 portfolio companies, the firm supports teams from the earliest stages of building and scaling their businesses.

## airtree

### STAGE (PRIMARY FOCUS)

Early-stage

### GEOGRAPHIC FOCUS

Oceania

### SIZE OF PORTFOLIO

100-250 active portfolio companies

## Best practice: Personalised ESG feedback can drive action

Since co-leading the local industry adoption of the ESG\_VC framework, Airtree annually collects ESG data and uses industry benchmarking and analysis to provide personalised feedback reports to every participating company. While benchmarking is a common approach among investors, we have found that providing company-specific insights on performance, opportunities and ‘reasons to act’ can be more effective at driving action.

This approach takes time, but it delivers results. And whilst GenAI tools and other resources can help companies quickly draft policies and processes, we recognise that founders consistently seek to understand what “good” looks like from our perspective as investors. Tailored feedback, as well as providing curated guidance, templates and tools helps cut through decision paralysis by offering clear, practical next steps.

We know local industry adoption of a consistent ESG framework is making an impact. We have seen the results make their way into board packs, which is an encouraging sign that ESG is sparking leadership conversations. By providing a guiding framework and removing the friction in getting started, we help teams turn intention into meaningful action.

## Worst practice: Underestimating peer-to-peer learning

Expert-led information sessions are valuable for navigating complex or technical areas, but they don’t always generate deep engagement. In areas that may appear overly technical, such as decarbonisation, peer-to-peer exchanges can activate engagement and make the conversation more accessible.

Creating space for founders to connect – such as retreats, dinners and online forums, allows storytelling of their real journeys, including how teams got started, the challenges they faced and what they would do differently. This normalises the learning curve, and builds confidence that these topics can and should be navigated.

That said, there are moments when bringing in technical expertise is essential. For example, with recent shifts in Australian workplace legislation, we engaged a legal expert who could clearly explain the changes and answer questions directly. This helped founders quickly understand their obligations and saved them time and money in avoiding individual legal consultations.

# Albion VC

AlbionVC supports visionary founders and technologies with long-term capital and scale-up know-how. Founded in 1996, it was amongst the first to back leading global success stories such as Booking.com, Egress, Quantexa and Oviva. With £1bn in AUM and over 100 exits successfully realised, it funds venture breakthroughs that drive real outcomes for founders, investors and society.

## AlbionVC

### STAGE (PRIMARY FOCUS)

Seed to Series A

### GEOGRAPHIC FOCUS

UK

### SIZE OF PORTFOLIO

50-99 active portfolio companies

## Best practice: Embedding ESG across the GP builds credibility and culture

At AlbionVC, we believe ESG integration should start from within. Rather than keeping ESG confined to a policy document or an isolated function, we embed it into our day-to-day operations through dedicated, cross-functional teams. Each team is composed of volunteers from across the firm based on their interest, and hones in on areas such as net zero, social outreach and DEI. Participation can be permanent or rotate, depending on each employees' preferences and availability. Objectives for each team are set as part of the company-wide annual OKR process, with each team having the autonomy to set their own targets and tasks. This distributed ownership model helps build real engagement and a sense of purpose. Staff have organised everything from Polar Bear Day (involving both employees and their families to help raise climate awareness) to twice-yearly insight days for young people from underrepresented backgrounds. Teams regularly share their updates as part of the company Town Halls. By making sustainability an active part of Albion's culture, we've found our team is more credible when engaging with portfolio companies on the same topics. It allows us to build trust and makes our support more practical.

## Worst practice: Adopting a skewed baseline

In our early ESG journey and with the best possible intentions, we committed to highly ambitious net zero goals which turned out to be unrealistic. Our baseline was set just after COVID-19 lockdowns, when travel and other emissions were artificially low. As activity returned to pre-pandemic levels, it became clear that our targets were not realistic.

Resetting meant acknowledging that some early assumptions were off. It also required explaining the shift to stakeholders and reinforcing that our revised goals were just as serious, if not more so. But no matter how strong the intention, a skewed baseline can distort progress. Whether the focus is emissions, diversity, or governance, it is worth asking: are we building ambition on solid ground?

**Key lesson:** Data integrity and leadership alignment are essential for setting credible targets. ESG works best when it is rigorous, not just aspirational.

# Antler

Antler operates in 27 cities and has backed more than 1,500 companies from inception. That scale brings both opportunity and responsibility. ESG cannot be a sideshow. It must be useful from the start, embedded into how companies build, raise and grow.



## STAGE (PRIMARY FOCUS)

Pre-seed to Series C

## GEOGRAPHIC FOCUS

Global

## SIZE OF PORTFOLIO

1,500+ active portfolio companies

## Best practice: ESG as a route to value

Antler embeds ESG directly into business strategy, treating it as a lever for growth rather than a compliance exercise. The focus is on timing and relevance so that founders see value in the process and engage meaningfully. Early ESG thinking can influence market positioning, strengthen investor pitches and uncover operational risks before they escalate.

This approach has delivered tangible outcomes. In one case, identifying climate-related risk in a fintech's client base led to a strategic shift in target segments. In another, early discussions about AI governance prompted a founder to improve model explainability, securing an enterprise customer concerned about transparency. These were commercial wins, driven by ESG insight.

To make this work, Antler provides stage-appropriate tools and guidance, integrating ESG conversations into regular founder support. This ensures the principles become part of decision-making from day one, helping companies build resilience and competitive edge without overburdening lean early-stage teams.

## Worst practice: ESG that derails founders

Antler avoids imposing ESG requirements that distract more than they help. At the early stage, lengthy clauses, irrelevant data requests and conflicting investor demands can quickly consume a founder's limited capacity. These well-intentioned but poorly timed measures often erode trust, create fatigue and risk positioning ESG as a burden rather than a benefit.

Instead of collecting excessive data, Antler focuses on surfacing the right issues at the right time. Conversations may cover AI governance, climate exposure, labour practices or reputational risk, i.e. topics not always captured in formal ESG frameworks but often decisive for later investors, customers and regulators. Addressing them early can prevent costly surprises and strengthen a company's strategic footing.

**Key lesson:** ESG should protect and create value, not derail progress; timing and focus are essential to getting it right.

“

Early discussions about AI governance prompted a founder to improve model explainability, securing an enterprise customer concerned about transparency. These were commercial wins, driven by ESG insight.

**ANTLER**

”





# 75%

of surveyed LPs recognise  
significant long-term investment  
risk in the negative externalities  
of data and AI technology\*

\*Source: 'Pushing Forward' – VentureESG LP White Paper, 2025

# Astanor

Astanor is an impact investment firm focused on transforming the future of food, agriculture and the bioeconomy. The firm backs mission-driven entrepreneurs from seed to growth stage, combining deep sustainability expertise with tailored portfolio support.

## ASTANOR

### STAGE (PRIMARY FOCUS)

Seed to Growth

### GEOGRAPHIC FOCUS

Europe and US

### SIZE OF PORTFOLIO

15-49 active portfolio companies

## Best practice: Bringing sustainability into core governance

Astanor encourages its portfolio companies to embed sustainability into governance by establishing dedicated sustainability committees. These bodies address ESG and impact matters, align key stakeholders and report directly to the board. Committees typically include internal sustainability leads, executives and impact-focused investors. They provide a forum to set priorities, track progress and coordinate efforts between leadership and investors.

While Astanor offers a guiding framework, each company adapts the committee's structure to its own context and needs. Meetings are usually held two to four times a year, with minutes recorded to maintain accountability. Formal oversight from the board, often through a shared member, ensures ESG and impact are integrated into strategy rather than treated as separate initiatives.

This model is effective in mature companies with multiple investors, where alignment is critical. It streamlines communication, reduces duplicative requests and embeds sustainability into decision-making. Over time, committees help ingrain ESG into the company's DNA, ensuring principles remain even post-exit.

## Worst practice: Not balancing simplicity with evolving capabilities

From Series A onwards, Astanor offers portfolio companies access to a user-friendly carbon footprinting tool to start their emissions accounting at no cost. This solution works well for early-stage teams new to carbon measurement. However, as companies mature, the tool's limited functionality and accuracy often fail to meet the needs of more advanced teams with complex data and growing climate ambitions. Relying too long on this basic platform can delay adopting more robust solutions.

Recognising that one size does not fit all, Astanor has enhanced its carbon maturity framework to introduce more sophisticated tools as companies scale. This tiered approach ensures alignment between tool complexity and a company's evolving capabilities.

**Key lesson:** While early standardisation eases initial adoption, flexibility and a long-term strategy are essential to avoid bottlenecks and support sustainable growth.

# Atomico

Atomico is a venture capital firm investing in ambitious European tech founders from Series A through to IPO. The firm, founded in 2006, is headquartered in London with offices in Berlin, Stockholm and Paris. The firm blends deep operational experience with long-term sustainability commitments across its portfolio.

## atomico°

### STAGE (PRIMARY FOCUS)

Series A to pre-IPO

### GEOGRAPHIC FOCUS

Primarily Europe

### SIZE OF PORTFOLIO

50-99 active portfolio companies

## Best practice: Sustainability engagement as a cross team effort

Atomico has found success by making portfolio sustainability a shared priority, not a standalone function. The firm developed an internal engagement benchmark that scores companies based on stage-appropriate yes/no KPIs, such as tracking emissions, measuring diversity or discussing sustainability at board, allowing seed-stage companies to score well on a few essentials while expectations increase with later stage maturity.

Each company's engagement score is visible to the investment committee and investment leads, and indicates whether a company is below, meeting or above benchmark. This simple but effective system enables investment leads to quickly understand how their portfolio companies are engaging on sustainability, and helps drive action where needed.

Before every board meeting, Atomico's sustainability team sends the investment lead a short update: the company's score, and a suggestion for a meaningful next step the company might take. The investment lead then decides how to raise the topic with the founder. This process has improved portfolio engagement, strengthened internal alignment and helped embed sustainability into standard workflows without creating unnecessary friction or heavy lifting.

## Worst practice: External training that failed to land

Atomico once piloted a sustainability training session aimed at improving board-level ESG conversations. Delivered by outside experts, the 90-minute session was intended to upskill the investment team, but ultimately fell flat. The content, though well-intentioned, lacked relevance to the team's daily decision-making. It was too broad, too abstract, and did not reflect the commercial context that VCs deal with when sitting on boards.

In retrospect, the firm realised that one-size-fits-all training, especially when outsourced, is unlikely to shift internal engagement. The most effective approach has been to work directly with individual investment leads on specific portfolio situations. These one-on-one touchpoints allow the sustainability team to suggest founder conversations that feel timely, relevant and additive to the business.

**Key lesson:** Engagement with the investment team (and by extension, the portfolio companies) is more effective when it is timely, personalised and linked to specific company needs.

“

In retrospect, the firm realised that one-size-fits-all training, especially when outsourced, is unlikely to shift internal engagement. The most effective approach has been to work directly with individual investment leads on specific portfolio situations. These one-on-one touchpoints allow the sustainability team to suggest founder conversations that feel timely, relevant and additive to the business.

atomico°

”



# b2venture

b2venture is a European venture capital investor, backing startups from the earliest stages and beyond with deep expertise, entrepreneurial insight and hands-on support, alongside a broad angel investor community.



---

## STAGE (PRIMARY FOCUS)

Pre-seed and Seed, with follow-ons to later stages

---

## GEOGRAPHIC FOCUS

Europe

---

## SIZE OF PORTFOLIO

50-99 active portfolio companies

---



## Best practice: Embedding ESG into a broader start-up support system

With a large and fast-growing portfolio, b2venture built an open-source Startup Resources platform to make high-quality, founder-friendly guidance easily accessible. ESG is a key pillar, but it sits alongside resources on fundraising, hiring, legal and product. This framing helps early-stage teams see ESG not as an add-on, but as part of building a well-run, commercially savvy company.

Each ESG section offers practical, plain-language guides co-created with portfolio companies. Built on Notion and integrated into b2venture's main website, the platform is kept current through a structured content plan. A content lead coordinates updates with contributions from across the firm, including the investment, legal and platform teams. Founders are not expected to navigate it alone; the team often shares direct links in response to specific questions, making ESG guidance feel accessible and relevant.

What makes the platform effective is not just the content, but the firm-wide ownership and its integration into everyday conversations. It is a scalable way to provide real support without turning ESG into yet another item on a founder's to-do list.

## Worst practice: Framing ESG as a separate conversation

Early on, b2venture tried to introduce ESG as a standalone topic through separate meetings, dedicated agendas and structured check-ins. But it rarely clicked. Founders already managing dozens of competing priorities often saw ESG as yet another external request.

What worked better was reframing ESG as part of core business conversations. Discussions about hiring naturally led to diversity and culture. Board composition was already governance. When ESG was presented not as “extra” but as integrated into how companies grow, founders became more engaged and (as an added bonus!) often realised they were already doing the work.

**Key lesson:** ESG conversations resonate more when they're contextualised. By embedding ESG in existing business discussions, funds can support progress without adding unnecessary complexity.

# Balderton Capital

Balderton is a multi-stage venture capital firm investing exclusively in European-founded technology companies. Its portfolio includes over 100 startups across sectors such as finance, health technology, software, mobility, food technology, entertainment, internet security and retail.

## B.

### STAGE (PRIMARY FOCUS)

Late Seed to Series B+

### GEOGRAPHIC FOCUS

Europe

### SIZE OF PORTFOLIO

100-250 active portfolio companies

## Best practice: Building a portfolio sustainability community

Rather than pushing ESG from the top down, we built a peer community for the people who want to get started, or to accelerate, their company's ESG journey. These champions often don't have "ESG" in their title. They might sit in ops, legal or product, and take this on alongside other responsibilities.

The community gives them a space to seek inspiration, share experiences, learn from each other and feel less isolated. We keep things practical: anchored around our very simple and tangible framework of the Sustainable Future Goals, we introduce concepts of materiality and proportionality, and share examples from within the group.

What makes it work is the energy coming from the participants themselves. We offer structure and support, but the value comes from peer learning. Sustainability is a team sport, and by creating a cohort of individuals we can help them drive change. For London-based companies, we run a schedule of in-person breakfasts and events, where the sense of community can be felt the most.

## Worst practice: Trying to engage everyone equally

When we launched the community, our initial goal was to have one active ESG contact in every portfolio company. In practice, only a smaller group was ready or motivated to engage.

The mistake was assuming universal participation was possible or even necessary. We spent too much time chasing lukewarm interest rather than focusing on where we had momentum. Not every founder or team has the time, capacity or buy-in to prioritise ESG at the same pace.

We've since shifted to a pull-based approach. We support the most engaged teams more deeply and use their progress to inspire others. It's a lesson in prioritisation: focus energy where it will have the most impact, and let strong examples drive broader change.

# Base10

Base10 Partners is a San Francisco-based venture capital firm investing in early-stage companies that apply automation and technology to solve real-world problems. The firm backs mission-driven founders across sectors such as logistics, food and fintech, combining financial returns with positive societal impact.

## Base10

### STAGE (PRIMARY FOCUS)

Seed to Series B

### GEOGRAPHIC FOCUS

North America, Latin America, Europe

### SIZE OF PORTFOLIO

100-149 active portfolio companies

## Best practice: Turning data requests into value for founders

To make ESG measurement meaningful, Base10 created the Base10 Governance Maturity Index (GMI), an annual assessment designed to be both efficient and actionable. The team cut the survey to the essentials so it could be completed in under 10 minutes, avoided ESG jargon and framed questions around familiar operational topics like governance, risk and people practices. Any senior leader can complete it without chasing details and outreach comes from the lead investor, ensuring credibility.

This approach consistently delivers a 95%+ response rate and avoids “compliance fatigue”. Each company receives a scorecard summarising its maturity level and three to five next steps tied to business objectives, such as implementing inclusive hiring systems or formalising compliance processes. Base10 aggregates the data for portfolio benchmarking and reports trends back to LPs, alongside financial metrics.

With year-over-year comparisons now in place, Base10 can show progress on both adoption and impact. The shift from abstract ESG to tactical guidance has turned reporting into a portfolio support tool, helping founders act early on governance and operational resilience while supporting growth.

## Worst practice: Leading with ESG jargon

Before developing the Base10 Governance Maturity Index, Base10’s portfolio support leaned heavily on ESG and DEI frameworks, delivered in language that felt distant from day-to-day business. Engagement was high among mid-level functional leads, but efforts rarely reached the C-suite. Founders often viewed the work as optional, deferring it in favour of go-to-market priorities. Even when Base10 delivered strong resources, uptake lagged because leadership didn’t see a direct link to scaling.

The firm also realised that focusing on frameworks over tactics created a perception of complexity. Time and resources were invested in conversations that didn’t drive change where it mattered most: at the decision-making level. Base10 pivoted. It stripped out jargon and recast initiatives in business terms, framing the work as helping founders build best-in-class compliance-ready systems or inclusive HR processes, a version of which they would need anyway.

**Key lesson:** Positioning support as a time-saver for operational essentials moved ESG from “nice to have” to “mission-critical”, driving deeper engagement and more measurable outcomes.

“

With year-over-year comparisons now in place, Base10 can show progress on both adoption and impact. The shift from abstract ESG to tactical guidance has turned reporting into a portfolio support tool, helping founders act early on governance and operational resilience while supporting growth.

”

**Base10**



# Beringea

Beringea is a transatlantic venture capital firm managing over \$900 million across the UK and US. Investing primarily at Series A and B, Beringea backs companies across sectors, with a strong focus on B2B SaaS, consumer, healthtech and tech-enabled services.

## BERINGEA

### STAGE (PRIMARY FOCUS)

Series A and B

### GEOGRAPHIC FOCUS

UK and US

### SIZE OF PORTFOLIO

50-99 active portfolio companies



## Best practice: Focus on programmes, not policies

Any founder conversation should begin with listening. However, at Beringea we have found this extra important when discussing ESG. Rather than prescribe a rigid playbook, the team works with portfolio companies to identify what is material to them and to set achievable goals in 12-month cycles. The focus is not just on what to report, but how to implement initiatives that generate internal buy-in.

One sustainability lead in the portfolio captured this best: “think about ESG in terms of programmes, not policies”. Policies might tick a box, but they rarely inspire change. Programmes, on the other hand, engage teams and support gradual progress. Companies are encouraged to identify small, practical initiatives they can implement over time, whether in governance, climate or DEI, to build internal engagement and experience.

Progress is more sustainable when it starts from business relevance, not external obligation. A light-touch, programme-based approach has proven more effective than asking early-stage teams to commit to long-term frameworks before they are ready.

## Worst practice: Enforcing before enabling

One realisation for Beringea has been the importance of finding the right balance between guidance and autonomy.

Founders are more likely to engage meaningfully when ESG is presented as part of their business strategy, not as a list of VC-imposed requirements. Today, Beringea starts with the ESG\_VC framework as a baseline, then collaborates with each company to define short-term goals aligned to their specific context. This allows founders to focus on what matters most and take ownership of their own progress.

**Key lesson:** VCs should act as enablers, not enforcers. ESG is most effective when introduced as a collaborative tool for growth rather than a compliance exercise.

# Bethnal Green Ventures

Bethnal Green Ventures (BGV) is Europe's leading early-stage tech for good VC. Since 2012, they've backed ambitious founders from all walks of life using technology to tackle the world's pressing social and environmental challenges. Often the first investor, BGV helps founders launch and grow their ventures, investing up to £1m into companies from pre-seed to Series A.



## STAGE (PRIMARY FOCUS)

Pre-seed to Series A

## GEOGRAPHIC FOCUS

UK

## SIZE OF PORTFOLIO

50-99 active portfolio companies

## Best practice: Building the memory muscle to anticipate tech risks

With rapid advancements in technologies, it is often hard for founders and investors alike to consider all the possible unintended consequences of the technologies they are building, especially when companies are incentivised to scale fast. As investors in tech for good, we are acutely aware that technology is neither good nor bad, and definitely not neutral.

This is why approaches to ideate, develop, and distribute technologies are incredibly important to us. Instead of thinking of responsible products as a one-off, we provide our portfolio companies with a workshop on impact risks and tech ethics through our flagship Tech for Good programme, so every founder starts from the same baseline and builds the memory muscle to anticipate any potential future harms of their technologies. The session is grounded in the context of understanding risks, and focuses on future-proofing your business to enable founders to maximise both their impact potential and future revenue.

What we've seen emerge as a result are founders who are not only comfortable talking about the potential harms that could occur, but actively seeking ways to integrate strong mitigation strategies as they grow and scale.

## Worst practice: Using restrictive taxonomy for D&I

At BGV, we take a permission-based approach by asking founders wanting investment from BGV to provide us with additional demographic data so that we can understand our pipeline diversity. However, what we've realised is that the taxonomy for some of the data around ethnic diversity and socio-economic background don't necessarily paint the full picture. As a UK-based company, we heavily rely on the UK taxonomy, but they feel restrictive for founders who didn't grow up in the UK, or who aren't UK nationals.

Data in isolation also often doesn't account for the intersectionality of founders, and we have yet to dig into our data to understand the complexity of a founder's lived reality and how that impacts their fundraising experience. Our efforts to collect appropriate diversity data doesn't yet include much to provide us with more insights on founder sentiment on inclusion and belonging, which is a crucial next step for us to increase access to capital to founders from all walks of life.

# Blume Equity

Blume Equity is a climate tech growth investor investing thematically with an impact lens in high-growth European scale-ups. Blume partners with disruptive businesses that are solving the climate emergency.

## BLUME EQUITY

Healthy Planet Healthy People

### STAGE (PRIMARY FOCUS)

Growth

### GEOGRAPHIC FOCUS

Europe

### SIZE OF PORTFOLIO

1-14 active portfolio companies

## Best practice: Support, don't just expect

The companies Blume Equity invests in infrequently have in-house sustainability teams, so Blume aims to act like an embedded partner by offering hands-on support on sustainability matters.

Instead of sending blank ESG data requests or templates, the team pre-fills any questionnaire using existing diligence materials, and asks founders/CFOs only to review and update. If a company has already or needs to complete something similar for another investor, Blume encourages reuse.

Blume also offers practical help where gaps exist. If a company doesn't yet track emissions, Blume pays a third-party provider to complete a carbon footprint assessment. If policies are missing, say on data privacy or DEI, Blume shares tailored templates or first drafts, giving companies a head start without overwhelming them. They're careful to co-create and adapt, so policies don't just sit in drawers but actually reflect how the business operates.

Finally, Blume works behind the scenes to coordinate with co-investors. If KPIs or frameworks differ, they offer to align directly with other GPs to save the company the admin load. It's about helping founders make progress without dragging down their momentum.

## Worst practice: One-size-fits all diligence templates

Blume Equity used to send a standard ESG questionnaire to every company during due diligence. The logic was simple: consistency makes it easier to compare companies and tick off reporting requirements. But in practice, it didn't work.

The template felt generic and disconnected from each company's reality, especially for earlier-stage or sector-specific businesses. Founders saw it as a compliance exercise, not a meaningful conversation. Instead of surfacing useful insights, it created friction and stalled engagement. It also missed a chance to build rapport or understand the company's actual risk profile.

Now, Blume tailors its ESG diligence based on each company's stage, sector and maturity. They use SASB's materiality guidance to frame a focused set of questions and build in space for conversation. This shift has made the process feel less extractive and more collaborative. Founders are more engaged, and the resulting discussions are sharper and more relevant.

**Key lesson:** A copy-paste approach may feel efficient, but it rarely delivers. Tailored questions lead to better insights, more buy-in and stronger relationships from day one.

# Burda Principal Investments

Burda Principal Investments (BPI) backs visionary entrepreneurs building category-defining companies across consumer tech, fintech, platforms and innovative materials. The firm invests globally with a focus on Europe and Asia, complemented by select investments in the US, and typically partners with growth-stage companies.

## **BurdaPrincipal Investments**

### **STAGE (PRIMARY FOCUS)**

Growth

### **GEOGRAPHIC FOCUS**

Europe, Asia and the US

### **SIZE OF PORTFOLIO**

15-49 active portfolio companies

## Best practice: ESG ambassadors and internal gamification

Embedding ESG into the investment process can be challenging when responsibility sits solely with compliance or operations. BPI addressed this by introducing ‘ESG ambassadors’ within the investment team across all offices. Each office appointed one representative. Sometimes those more passionate about ESG were appointed, and sometimes those less familiar, to ensure that everyone voices around the table.

Ambassadors meet online every month for 30 minutes to share feedback, align on priorities and cascade ESG-related insights within their teams. To build wider engagement, BPI launched monthly ESG challenges covering different topics. Examples include making offices “green” (i.e. replacing plastic bottles with water refill systems and switching to renewable energy), organising team volunteering activities and refreshing governance or feedback processes. Gamification added momentum: progress was tracked via Teams, and the office with the best performance received a prize at year-end.

This decentralised approach gave investment teams ownership of ESG, encouraged dialogue beyond formal meetings and helped move ESG from abstract compliance to a lived part of culture.

## Worst practice: Centralised portfolio training that fell flat

Early on, the BPI team organised centralised ESG education sessions for portfolio companies on topics like CSRD reporting and cybersecurity. While the aim was to create shared learning, the reality was different: scheduling was extremely difficult, senior managers frequently cancelled due to other priorities and attendance was patchy. Preparing sessions also stretched BPI’s limited ESG resources, resulting in low engagement and little measurable impact.

The experience highlighted a key lesson: centralised, one-size-fits-all training is rarely effective for busy growth-stage companies. BPI has since shifted to a more practical, decentralised model. Instead of webinars, the firm now connects companies directly with peers in the portfolio facing similar challenges, such as carbon footprinting or governance frameworks. This approach sparks candid conversations, enables real-world knowledge-sharing and achieves greater impact without adding unnecessary complexity for founders or the BPI team.

# Catalio Capital

Catalio Capital Management is a multi-strategy firm investing in breakthrough biomedical technology companies across both private and public markets. With a focus on innovation in the life sciences and healthcare, Catalio blends deep sector expertise with bespoke impact diligence to support transformative businesses from early stages through growth.

## CATALIO

### STAGE (PRIMARY FOCUS)

Growth stage private and public

### GEOGRAPHIC FOCUS

Primarily US, selective global

### SIZE OF PORTFOLIO

50-99 active portfolio companies



## Best practice: Tailored diligence that sets the tone

Rather than using a one-size-fits-all ESG or impact DDQ during pre-investment, Catalio develops bespoke diligence questionnaires for each company as they advance through the investment process. These tailored questionnaires are designed in collaboration with the investment team and reflect the specific technologies, risks and opportunities of the company in question. This makes the process more relevant and founder-friendly. You're not asking for diversity stats from a team of three or sending generic questions to a highly technical biotech startup.

For example, a radiopharma company might get questions about how it handles the supply chain related to specific types of metals or how they are dealing with radioactive waste. These aren't just better questions, they also show founders that Catalio understands their world.

Over time, the firm has built a growing library of tailored templates. These get reused and refined as similar companies come through the pipeline, making it easier for teams to hit the ground running. It also helps spread ESG ownership across the firm. Investment professionals now help shape the questions, rather than just responding to them, making ESG less of a separate process and more of a shared mindset.

## Worst practice: Forcing strategy consistency across divergent asset classes

Catalio operates across public and private markets, with teams focused on both equity and debt investing. Initially, the firm considered a single, unified ESG and impact strategy that would apply across all its investing activities. The intent was to streamline operations and promote consistency. But in practice, it wouldn't work.

Private equity timelines and engagement models don't look anything like public equities, and debt investing brings its own set of levers and parameters. Trying to apply a single framework across them would end up wasting time and making the ESG programme feel misaligned with how each investment team actually worked. It also risked eroding credibility internally, especially if investment professionals were asked to implement a process that didn't fit their day-to-day logic.

Instead, the firm shifted to a more flexible model: agreeing on high-level principles, such as what positive outcomes they want to see in healthcare, while tailoring implementation to each strategy's tools and touchpoints.

**Key lesson:** ESG works better when it's structured around how teams actually invest, not how someone wishes they did.

# CIC

CIC backs transformative science and deep tech companies emerging from the University of Cambridge and the wider ecosystem. With a hands-on approach and a deep network of institutional and academic partners, CIC supports early-stage companies as they grow from seed to scale.

## CAMBRIDGE INNOVATION CAPITAL

### STAGE (PRIMARY FOCUS)

Seed to Series D

---

### GEOGRAPHIC FOCUS

UK, with a focus on Cambridge-linked science and deep tech

---

### SIZE OF PORTFOLIO

15-49 active portfolio companies

---

## Best practice: Strength in collaboration

CIC has found real value in working with other venture funds to support ESG learning across portfolios. Rather than running parallel sessions in silos, CIC co-designs and delivers joint training with like-minded investors. Most recently, we teamed up with Oxford Science Enterprises to organise training. The result is better content, wider founder participation and a broader bench of portfolio champions who share real-world ESG journeys.

These sessions are deliberately peer-led, with founders from more advanced companies sharing both their progress and pitfalls. That kind of storytelling often lands more effectively than top-down guidance. For smaller teams juggling many priorities, hearing directly from a fellow founder who has “been there” can turn ESG from abstract obligation into strategic opportunity.

The collaborative model is also efficient. By pooling resources and aligning expectations, funds can give early-stage companies clearer, more consistent guidance which is grounded in materiality and designed to scale with company growth.

## Worst practice: Asking for too much, too soon

One early lesson CIC learned was the risk of overwhelming founders with too many ESG asks too early. Even well-intentioned checklists can feel like compliance exercises if they don't match a start-up's size or stage. In CIC's case, the shift came when founders shared that while they valued ESG, they struggled to prioritise it without clear context or relevance.

That feedback helped sharpen CIC's approach to focus on materiality and scale expectations over time. Today, early engagement emphasises just a few high-impact steps, like setting a DEI approach or conducting a basic materiality assessment, supported by templates and peer insights. The goal is not to front-load the entire ESG journey, but to help companies build readiness before larger stakeholders demand it.

**Key lesson:** ESG progress is more sustainable when it matches a company's capacity and commercial reality.

# Contrarian Ventures

Contrarian Ventures is a climate-first, early-stage venture capital firm backing bold founders who are building scalable solutions for the net-zero transition. Based in Vilnius and investing across Europe, the firm takes a hands-on, impact-integrated approach from pre-seed to Series A, with a sector focus on energy, mobility, the built environment and industrial decarbonisation.



## STAGE (PRIMARY FOCUS)

Pre-seed to Series A

## GEOGRAPHIC FOCUS

Europe

## SIZE OF PORTFOLIO

15-49 active portfolio companies

## Best practice: Co-creating KPIs with founders from day one

Contrarian Ventures engages on sustainability and impact from the start of the investment process, making it practical and founder-friendly, especially for those new to ESG. Early conversations during due diligence, supported by a streamlined ESG questionnaire, lay the groundwork for collaboratively defining impact priorities. These are then developed further in a dedicated impact KPIs session, using frameworks such as the Theory of Change and the Five Dimensions of Impact to translate mission into measurable outcomes.

Rather than imposing standard metrics, the Contrarian team works with founders to co-create KPIs that are relevant to their product, maturity and business strategy. Where co-investors are involved, Contrarian encourages alignment to reduce duplication and streamline expectations for founders. The goal is not to have perfect measurement from day one, but to embed impact thinking into strategy - building founder confidence and raising ambition as the company scales.

## Worst practice: Assuming founders are ESG-ready

At Contrarian Ventures, we've learned that how ESG is introduced matters as much as what is introduced. It's essential to first understand where the company stands – whether the team has prior experience with ESG, what initiatives may already be in place and whether other co-investors are involved in shaping sustainability efforts. Without this context, terms like “impact KPIs” or “policy requirements” can feel abstract or burdensome, especially to first-time founders.

We've refined our approach to make ESG engagement more tailored and constructive. ESG topics are introduced early, framed clearly as tools for strategic growth and tailored to the company's existing activities. Founders are reassured that they're not expected to have everything figured out from day one, and that ESG & Impact will evolve in step with their business. This contextual, collaborative approach ensures ESG becomes a value-adding part of the journey, not a distraction.

**Key lesson:** ESG expectations should be staged and supportive, especially at the pre-seed and seed stages, so founders view them as enablers rather than hurdles.

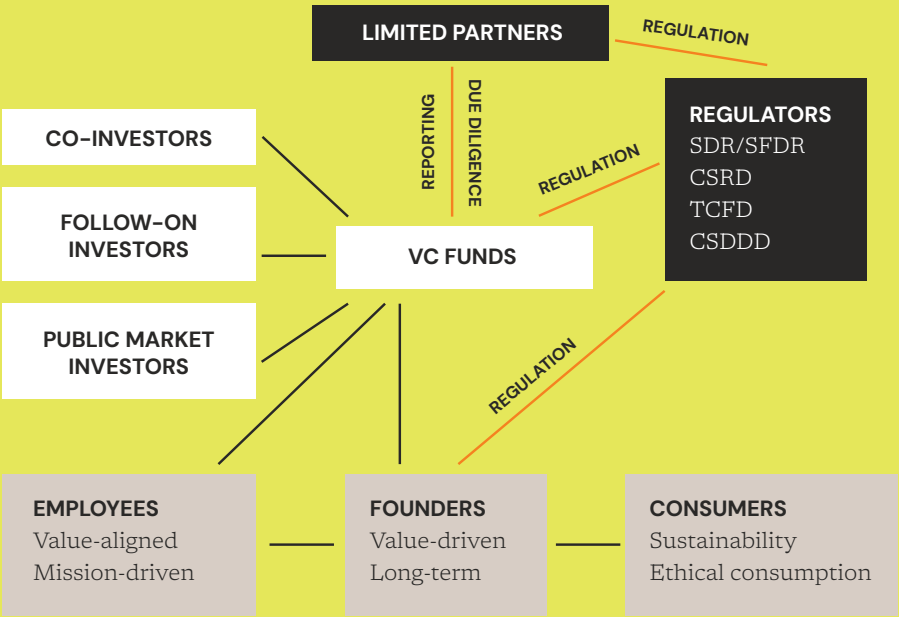
INSIGHTS

# Key stakeholders

Key stakeholders increasingly care about responsibility, resulting in 3 kinds of materiality for VC funds:

TOP-DOWN MATERIALITY

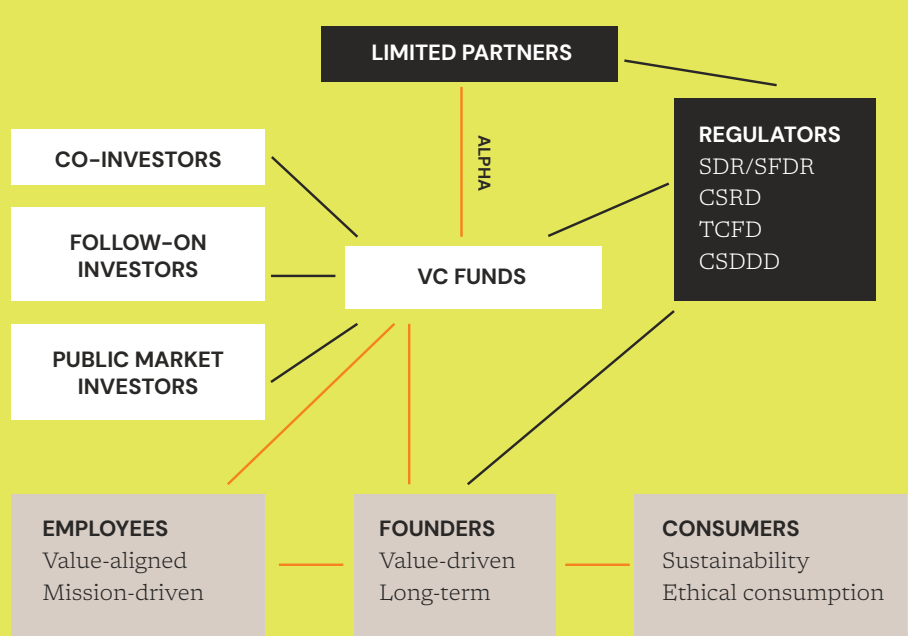
Regulatory requirements and LP demands are making ESG part of a ‘license to operate’ for VC and startups<sup>1</sup>.



1 — SFDR, KfW Capital 2022, VentureESG 2025

BOTTOM-UP MATERIALITY

Integrating enhanced environmental, social, and governance considerations can save costs<sup>2</sup>, avoid incidents, and attract both talent and customers<sup>3</sup>. Public markets data provides strong evidence<sup>4a</sup>; integrating material ESG factors leads to financial outperformance (2-7% p.a.)<sup>4b</sup> or an approximate 50% premium<sup>4c</sup>.

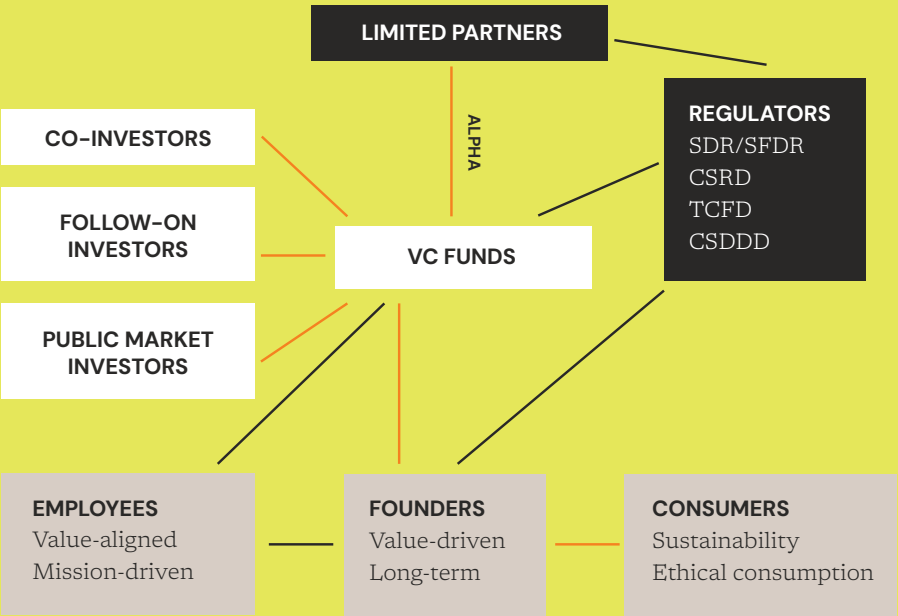


2 — CNBC 2023 ESGToday 2023  
3 — IBM 2021, Forbes 2022  
4 — a McKinsey 2023, b Khan/Serafeim/Yoon, 2017, c Kroll 2023

INSIGHTS

LATERAL MATERIALITY

Both in the process of selling products to public market buyers (e.g. B2B Saas)<sup>5a</sup> OR when going public / M&A<sup>5b</sup>, ESG will be scrutinised as a top CFO priority<sup>5c</sup>.



5 — a Citywire 2021, b BDC 2023, c ESG Today 2023





# Cross-Border Impact Ventures

Cross-Border Impact Ventures is an SFDR Article 9 impact fund investing in health tech solutions that improve access to quality care globally. The fund backs Series A and Series B companies in North America and Europe, with a focus on those that have the potential to scale into low- and middle-income countries, including sub-Saharan Africa where health system needs are significant and unmet.

## Cross|Border IMPACT VENTURES

### STAGE (PRIMARY FOCUS)

Series A to Series B

### GEOGRAPHIC FOCUS

North America, Europe  
(scaling into LMICs)

### SIZE OF PORTFOLIO

1-14 active portfolio  
companies

## Best practice: Start simple, iterate quickly

When Cross-Border Impact Ventures launched its first fund, they focused on one principle: start early and iterate. Within months of making their first investments, the firm introduced quarterly data collection across ESG and impact metrics. This cadence mirrors board meetings and creates touchpoints for meaningful conversations, providing actionable insights much sooner than an annual process would allow.

Data collection is streamlined through an ESG software, which keeps requests concise, easy to complete and standardised. ESG and impact data are captured at the same time and integrated into the firm's quarterly reporting, giving both investors and portfolio companies a clear view of progress. Because data comes in regularly, trends are easier to identify, such as an increase in emissions linked to the adoption of AI, and companies can address issues before they escalate.

Quarterly reporting also accelerates engagement initiatives, from benchmarking against peers to rolling out governance best practices. Rather than treating ESG as a compliance exercise, Cross-Border Ventures embeds it into the operational rhythm of portfolio companies, making it part of how businesses are managed from day one.

## Worst practice: Overengineering due diligence

Early on, Cross-Border Ventures considered adopting a standard ESG due diligence checklist as part of its pre-investment process. The templates they received were colour-coded spreadsheets with dozens of questions, but this approach soon proved duplicative and inefficient. Many “new” questions overlapped with data the investment team was already collecting, such as cybersecurity, clinical trial governance and compliance practices – core to assessing business risk but not always labelled ESG.

The format also seemed unlikely to appeal to portfolio companies, and the investment team worried the extra burden would frustrate founders and slow deals without adding value. Instead of persisting, Cross-Border Ventures integrated ESG into the existing diligence workflow by reviewing what was already captured, identifying gaps and holding an internal ESG review with the team to consolidate findings. This shift streamlined the process and kept discussions practical and founder-friendly.

**Key takeaway:** By building on existing data and focusing only on material gaps, the team avoided creating unnecessary friction while still meeting LP expectations and strengthening ESG integration from the outset.

# Cusp Capital

Cusp Capital is a venture capital firm investing in fast-growing European software and technology companies on the cusp of redefining their markets. With a thematic investment approach, the team partners with companies that align with their four investment theses: industry-specific operating systems, lower-income consumers and workers, digital sustainability and European digital infrastructure. Initial investments can be up to €10m.



CUSPCAPITAL

## STAGE (PRIMARY FOCUS)

Seed to Series A

## GEOGRAPHIC FOCUS

Continental Europe

## SIZE OF PORTFOLIO

15-49 active investments

## Best practice: ESG is everyone's job

At Cusp Capital, ESG is treated as a shared responsibility across the firm rather than the domain of a single expert. The team believes that strong ESG performance in the portfolio starts with internal alignment. Every new team member, from GPs to working students, attends a tailored onboarding session covering Cusp Capital's ESG strategy, internal practices and regulatory context.

This workshop is followed by access to a Notion-based knowledge hub, which includes deep dives on topics like responsible AI and emissions tracking. ESG is integrated into internal meetings, team calls and investment processes. Team members regularly present short sessions on emerging ESG topics to ensure that the firm stays current and consistent in its approach.

Crucially, investment managers lead ESG conversations during the deal process and own them post-investment. Each investment memo includes a custom ESG section, and the lead investor continues the conversation with the company after close. This avoids the disconnect that can arise when ESG is siloed and helps build stronger, more informed relationships with founders.

## Worst practice: Treating reporting as a numbers game

One of the biggest lessons at Cusp Capital has been recognising the value of leveraging the ESG reporting process as a source of strategic insight rather than merely fulfilling compliance requirements. In the first ESG reporting cycles, the team focused on collecting a broad set of metrics to meet LP expectations. But the process often raised more questions than it answered.

Founders often struggled to interpret the relevance of these metrics to their business models. Some submitted AI-generated estimates; others misunderstood the questions entirely or rotated the responsibility between team members each cycle – making consistency and comparability over time nearly impossible. Most crucially, reporting was treated as a numbers game, a box-ticking exercise devoid of strategic value.

In response, Cusp Capital shifted its approach, focusing on ESG factors most relevant to each portfolio company. By identifying and addressing these core issues, often through structured materiality assessments during due diligence, the team helps founders generate meaningful insights and long-term value.

**Key lesson:** Prioritise what matters most; impact comes from depth, not breadth.

“

Crucially, investment managers lead ESG conversations during the deal process and own them post-investment. Each investment memo includes a custom ESG section, and the lead investor continues the conversation with the company after close. This avoids the disconnect that can arise when ESG is siloed and helps build stronger, more informed relationships with founders.



CUSPCAPITAL

”



# Daphni

Founded in 2015, daphni is a venture capital firm investing primarily from seed to Series A. It has over 70 active portfolio companies and €700m AUM, including Back Market, Pasqal, Carbon Maps, Hubcycle, Swile, Moonwatt and Geev. The funds managed by daphni focus on disruptive technologies (deep tech), science and sustainable projects, from a societal and/or environmental perspective with the potential to scale globally.



## STAGE (PRIMARY FOCUS)

Seed to Series A

## GEOGRAPHIC FOCUS

France

## SIZE OF PORTFOLIO

50-99 active portfolio companies



## Best practice: Timing the ESG conversation for maximum impact – and starting with lunch

The most effective thing we've done to embed ESG into our portfolio companies is also the most human: a shared lunch. In the weeks following an investment, we organise a physical meeting between the founders and the broader daphni team, including relevant people from ESG/platform. This "honeymoon" moment, just after the money is wired, is perfect to break the ice and build trust. We use this opportunity to introduce ESG after lunch in a dedicated 30-min session, and this is where the relationship starts in a non-pressuring way.

The focus is on why ESG matters for them, how it can be an asset (not just an investor whim) and what resources we offer. The in-person format makes a huge difference: founders can read our tone and body language, which helps position ESG as an opportunity, not a burden (at least less of a burden). Many of our most committed ESG conversations started at that lunch table.

## Worst practice: Asking too much, too early

A few years ago, one of our early missteps was sending lengthy ESG questionnaires to early-stage companies, trying to cover everything from every framework and regulation without adapting to their reality. We asked about water consumption, hazardous waste and other detailed environmental KPIs. Unsurprisingly (as we now say), this completely overwhelmed founding teams, some of whom didn't even have an office yet. Most ignored the survey, even the few questions that were actually relevant. Some raised concerns with partners, which strained the relationship from the start.

**Key lesson:** ESG expectations should grow with company maturity. Today, we start with the essentials and build from there, progressively and proportionally.

# Elaia

Elaia is a European full stack tech and deep tech investor. We partner with ambitious entrepreneurs from inception to leadership, helping them navigate the future and the unknown. For over twenty years, we have combined deep scientific and technological expertise with decades of operational experience to back those building tomorrow.



## STAGE (PRIMARY FOCUS)

Pre-seed to Series B

## GEOGRAPHIC FOCUS

Europe and Israel

## SIZE OF PORTFOLIO

15-49 active portfolio companies

## Best practice: Working with and for the portfolio

Sustainability is most powerful when it's practical, personalised and integrated into the growth journey of each company — especially with a portfolio of 100+ tech and deep tech companies across all stages. That's why we launched the Sustainability Booster, a dedicated program designed to help our portfolio founders move from ESG intentions to real-world action.

Rather than offering one-size-fits-all content, the program focuses on hands-on, targeted support. Whether it's helping identify independent women board members, guiding companies in their efforts to reduce carbon emissions or diversifying recruitment pipelines, our goal is to focus on what matters most for each company, turbocharging specific goals with custom support.

We work side-by-side with founders to make sustainability a lever for resilience and value creation, not a checkbox. Along the way, we activate our network of experts, share best practices across the portfolio and adapt our approach based on stage, sector and materiality.

## Worst practice: Treating ESG as a separate department

One of the key lessons we've learned is that ESG can't be a side project owned by a single person or team — it needs to be part of the fund's DNA. In the past, like many others, we leaned too heavily on the ESG team to “do the ESG work”, while investors focused elsewhere. But ESG only becomes real when it's embraced by the entire investment team.

That's why we introduced ESG-linked incentives for everyone at Elaia, including collective and individual ESG bonuses, and launched an interdisciplinary ESG committee.

**Key lesson:** ESG is no longer a parallel track — it's a shared responsibility that influences how we source, invest, support and exit.

“

One of the key lessons we've learned is that ESG can't be a side project owned by a single person or team — it needs to be part of the fund's DNA.

”





# Energize Capital

Energize Capital is a leading climate-focused investment firm that invests in solutions accelerating the adoption of sustainable technologies. Headquartered in Chicago, the firm invests in asset-light, digital platforms driving efficiency, resilience and decarbonisation across energy and industrial sectors.



## STAGE (PRIMARY FOCUS)

Series A to Growth

## GEOGRAPHIC FOCUS

US and Europe

## SIZE OF PORTFOLIO

15-49 active portfolio companies

## Best practice: Working with and for the portfolio

Energize uses benchmarking not just for reporting, but to help portfolio companies act. Each year, ESG data is collected across core focus areas: employee attrition, leadership diversity, overall workforce diversity, employee engagement, greenhouse gas emissions, policy coverage and security certifications. Data is also collected on emerging issues like AI risk.

Data is then collected, analysed and shared. Companies are compared by stage, avoiding unrealistic comparisons between early and late-stage businesses. External datasets like EDCI benchmarks and platform benchmarks from Energize's ESG monitoring tool complement portfolio data, providing a broader market context.

The outputs go beyond a spreadsheet: benchmarks are shared in formats founders can use in board decks or with leadership teams, giving them leverage to advocate for resources. The result is better adoption and increased pull from companies eager to understand where they stand relative to peers.

## Worst practice: Narrow working groups on DEI

Energize launched bi-monthly working groups focused exclusively on DEI to support HR leaders in its portfolio. While the intent was strong, the format fell short. Participation lagged and conversations quickly revealed a challenge: many companies lacked foundational people-management systems such as applicant tracking or performance review frameworks, making it difficult to act on DEI-specific recommendations.

Recognising this gap, Energize pivoted. The DEI group was replaced with a broader People and Culture working group that embeds DEI as a lens rather than a silo. This shift allows leaders to build critical HR infrastructure while integrating inclusive practices from the start. By focusing on fundamentals first and layering in DEI, Energize created a more relevant and sustainable support model for portfolio teams.

**Key lesson:** Embedding diversity and inclusion into broader people-management conversations helps companies build inclusive practices on a strong operational foundation.

# Energy Impact Partners LP

Energy Impact Partners LP (EIP) is a specialized global investment firm dedicated to unlocking the energy transition. With dedicated research, strategic partnerships and impact teams, the firm partners with entrepreneurs and a coalition of 80+ strategic investors to accelerate innovation within their footprints. Founded in 2015, the firm has made over 140 investments to date and has over \$4.4bn in AUM across strategies.



ENERGY  
IMPACT  
PARTNERS

## STAGE (PRIMARY FOCUS)

Early stage to Growth

## GEOGRAPHIC FOCUS

Global

## SIZE OF PORTFOLIO

100+ active portfolio companies



## Best practice: Supporting companies with measurement and communication of impacts to increase value and mitigate risk

EIP understands that energy systems are highly complex. Transforming energy systems requires technologies that directly avoid emissions as well as foundational solutions that support them, alongside resilience, reliability and climate adaptation. Impact measurement methodologies are standardized for GHG emissions, but other impacts still lack systematic measurement frameworks, leaving investors without ways to assess impact beyond occasional KPIs or thematic alignment.

To overcome this challenge, EIP has implemented the Impact Performance Reporting Norms' theory of change: an impact measurement methodology that connects a company's activities and outputs to ultimate impacts. With this new methodology, EIP helps companies develop best practices to accurately communicate their contributions and overall impacts, helping them develop effective storytelling while mitigating reputational risk. This empowers portfolio companies to own and grow their impacts, and improve the ways in which they communicate them.

## Worst practice: Companies boxed into avoided emissions

In previous years, some EIP companies sought to have their impact reported in terms of avoided emissions, even when their most material contributions were related to the resilience or reliability of the grid. Market push for this metric puts companies at risk of overstating secondary or peripheral outcomes, as well as greenwashing risk. Prior to the adoption of the Impact Performance Reporting Norms, EIP lacked a structured approach to support companies in gathering meaningful metrics on their activities and the impacts these enable. With this new framework, EIP can also systematically track and communicate the impact of these companies in the same way they disclose their core contributions, reinforcing coherence across all stakeholders.

# EQT

EQT is a purpose-driven global investment organization focused on active ownership strategies, responsibly investing in, owning and developing companies and real assets. Over the past three decades, EQT has transformed from a Swedish firm with a Nordic focus into a global investment leader with a presence in over 25 countries. EQT has €273 billion in total assets under management, as of 31 March 2025, within two business segments – private capital and real assets.



## STAGE (PRIMARY FOCUS)

Ventures, Growth & Mature  
Buyouts

## GEOGRAPHIC FOCUS

Europe, US & APAC

## SIZE OF PORTFOLIO

300+ active portfolio companies

## Best practice: Embedding sustainability into value creation

At EQT, sustainability is integrated across the investment lifecycle, from screening and due diligence through to ownership and exit. We apply a thematic approach and invest in high-quality companies across early-stage healthcare and technology strategies.

In EQT Life Sciences, we back innovative healthcare companies developing therapeutics, medical devices, diagnostics and health tech. With EQT Ventures, we focus on deeptech and climatetech, supporting companies such as Einride, Candela, and MarvelFusion. We co-initiated The Climate Brick, an open-source playbook designed to accelerate climate tech scaling.

Portfolio companies benefit from the EQT platform, which offers access to sustainability advisors, tools, play books and curated peer-learning events. This model helps companies embed sustainability as a driver of value creation by growing revenue through new products and markets, reducing costs through efficiency gains, and attracting top talent.

## Worst practice: Overloading portfolio companies with reporting requests

A recurring challenge for smaller companies is the overload of overlapping sustainability reporting requests from investors. This can result in the same metric being requested multiple times, framed differently and tracked inconsistently.

This approach quickly leads to reporting fatigue, especially for smaller companies without large sustainability teams. It risks turning sustainability into a compliance exercise rather than strategic value creation.

EQT addresses this by aligning disclosures with SFDR Article 8/9 requirements and by supporting efforts to drive industry convergence, such as the ESG Data Convergence Initiative. The goal is to reduce friction, improve comparability and help management teams focus on future-proofing businesses.

# Extantia

Extantia is a Berlin-based venture capital firm backing pioneers in climate. Founded in 2020, it manages approximately €300m across two strategies: Extantia Flagship, which invests directly in climate-focused software and hardware solutions, and Extantia Allstars, which backs climate-oriented venture funds.



## STAGE (PRIMARY FOCUS)

Seed and Series A

## GEOGRAPHIC FOCUS

Europe

## SIZE OF PORTFOLIO

15-49 active portfolio companies

## Best practice: Making ESG practical and actionable

Extantia developed its ESG Playbook to give portfolio companies a clear, structured pathway for integrating ESG into their operations. The Playbook is a visual, easy-to-navigate guide that sets out what is expected, how the process works and where it leads. It begins with helping companies identify three to five material ESG topics that are most relevant to their business and climate impact.

For each topic, the Playbook offers a customised, step-by-step action plan, including timelines, milestones and regular check-ins. This structure turns ESG from an abstract concept into concrete, manageable tasks. Founders are empowered to take ownership of the process, working toward meaningful outcomes rather than chasing generic compliance targets or filling in checklists.

Because the Playbook is flexible and adaptable, it works across a broad range of business models and stages within climate tech. The result has been sharper ESG conversations, better alignment of expectations and stronger commitment from founders. Early engagement in this practical way increases the likelihood that ESG practices will endure and evolve as companies grow.

## Worst practice: Overloading a single platform

Extantia once attempted to combine ESG reporting, action planning and carbon accounting into a single software platform. The aim was to simplify early-stage ESG work by consolidating everything in one place, saving founders the effort of managing multiple systems.

In practice, this created more problems than it solved. The chosen platform was not specialised in (GHG) accounting and adapting it for carbon data led to inaccuracies and extra complexity. A task that required precision became muddled, and founders were left with a confusing process that undermined confidence in the data. Similarly, relying on the software to produce ESG action plans meant generalised and simplified suggestions, rather than bespoke and practical actions for the companies.

The experience highlighted that streamlining cannot come at the expense of functionality. Extantia has since shifted to recommending specialised, often free, carbon accounting tools, and creating our own action planning framework (see above) that encourages founders to fully engage with the methodology behind both. While this may introduce more steps, it ensures accuracy and builds genuine understanding.

**Key lesson:** Efficiency is valuable, but not if it compromises quality. Critical ESG tasks deserve tools built for the job.

“

For each topic, the Playbook offers a customised, step-by-step action plan, including timelines, milestones and regular check-ins. This structure turns ESG from an abstract concept into concrete, manageable tasks. Founders are empowered to take ownership of the process, working toward meaningful outcomes rather than chasing generic compliance targets or filling in checklists.

”





# Heal Capital

Heal Capital is a Berlin-based venture capital firm dedicated to accelerating the digital transformation of healthcare. The firm invests exclusively in health tech companies, partnering with founders who aim to improve accessibility, affordability and quality of care. Heal backs businesses from seed to Series A, with occasional pre-seed and Series B investments, supporting innovation in areas such as digital health platforms, AI-enabled diagnostics and health tech solutions.



## STAGE (PRIMARY FOCUS)

Pre-seed to Series A

## GEOGRAPHIC FOCUS

Europe

## SIZE OF PORTFOLIO

15-49 active portfolio companies



## Best practice: Building ESG into risk assessment

Heal Capital embeds ESG considerations directly into its risk assessment framework rather than treating them as a separate compliance track. In health tech, where governance, data protection and inclusivity are critical for both impact and commercial success, this integration feels natural.

From the earliest stage, due diligence covers issues such as GDPR compliance, information security, regulatory readiness and inclusion in clinical or user testing. These checks extend to assessing whether boards include members with clinical, regulatory and digital health expertise. For early-stage start-ups, checks assess whether there is a clinical advisory board with independent experts.

The approach also adapts to emerging technologies. For example, with large language models, Heal asks if customer data is used for training by default, how explicit consent is obtained and whether customers can opt out. By embedding these targeted ESG checks into due diligence and monitoring, Heal helps founders see them as strategic enablers for scaling in healthcare markets, while ensuring long-term trust and resilience.

## Worst practice: Not providing enough context to founders

When Heal Capital formalised ESG processes for its Article 8 fund, the team initially rolled out a comprehensive reporting template to all portfolio companies immediately after investment. For an early-stage founder with fewer than ten employees, this felt overwhelming and misaligned, creating confusion and pushback as they assumed full disclosures were expected from day one.

Heal has since redesigned the process. An onboarding call now explains the ESG approach, clarifies expectations and identifies priority metrics based on stage, size, sector and revenue. The questionnaire is streamlined with filters, drop-downs and embedded guidelines. Founders can attach existing documents, update pre-filled historical data, and focus on policies and early safeguards at the outset, with quantitative metrics added as the company matures.

**Key lesson:** Sequencing and communication are critical. Tailoring ESG requests to a company's stage builds trust, reduces friction and ensures reporting supports rather than distracts from growth.

# Highland Europe

Founded in 2012, Highland Europe is a venture growth firm investing in technology companies in Europe and nearby markets. With over €2bn AUM, notable investments in the ESG space include Huel, Deepki, ActiveFence, PVCase, Oritain, SoSafe, Signal AI, Descartes, AMCS and Meditopia.



## STAGE (PRIMARY FOCUS)

Growth

## GEOGRAPHIC FOCUS

Europe

## SIZE OF PORTFOLIO

49-100 active portfolio companies

## Best practice: Simplifying ESG reporting to boost engagement

Highland Europe recognised that annual ESG reporting can easily become a burden for portfolio companies, particularly in the growth phase when resources are stretched. To address this, the firm reviewed its reporting process last year, consolidating and streamlining its questionnaires. The team adopted the ESG Data Convergence Initiative (EDCI) framework, which aligns with LP expectations and is significantly shorter than the firm's previous template.

This change reduced reporting complexity for portfolio companies and freed internal resources to focus on providing value-added feedback rather than processing data. As a result, Highland achieved over 90% response rates across its portfolio and improved the quality of insights shared with LPs, contributing to stronger ESG scores. The simplified approach has also enhanced trust and engagement with founders by demonstrating respect for their time and prioritising relevance over volume. By focusing on material metrics and leveraging widely recognised standards, Highland has ensured reporting remains both manageable and meaningful, setting portfolio companies up for success as they scale.

## Worst practice: Keeping ESG too isolated from the investment team

Initially, responsibility for ESG at Highland Europe sat within the finance and operations function, operating somewhat independently from the investment team. While this ensured compliance, it also meant ESG was less visible during deal discussions and portfolio engagement. As a result, sustainability considerations were not consistently embedded into investment decision-making or founder conversations.

The consequences were twofold: portfolio companies perceived ESG as an operational task rather than a strategic priority, and investment professionals lacked ownership of ESG commitments. To address this, Highland created an ESG Committee that includes two partners alongside finance and operations leads, ensuring shared accountability at senior level. Annual ESG training for the full team further reinforces knowledge and alignment.

The key lesson was that ESG cannot operate in a silo. Integration requires active involvement from deal teams to maintain credibility and influence at board level. By bringing investment professionals into governance structures and regular discussions, ESG has become part of Highland's core investment narrative rather than a peripheral requirement, strengthening engagement with both portfolio companies and LPs.

# HTGF

HTGF is a pre-seed and seed investor backing tech founders with bold visions for the future. With deep technical expertise, a strong business and science network and firsthand startup experience, HTGF supports early-stage companies from day one.

## HTGF

### STAGE (PRIMARY FOCUS)

Pre-seed/Seed

### GEOGRAPHIC FOCUS

Germany and Europe

### SIZE OF PORTFOLIO

250-500 active portfolio companies

## Best practice: Cheat sheets and Q&As

With over 100 active portfolio companies in their latest fund, HTGF faces the challenge of collecting ESG data across a large, pre-seed and seed portfolio. Despite this, the firm has consistently achieved a full response rate (100%!) on its annual ESG reporting by offering targeted support and anticipating founder needs.

One key tool is a detailed carbon accounting cheat sheet that guides founders through the data needed to provide. It covers common startup setups such as remote work or shared office spaces, and offers average values when exact figures are unavailable. The sheet also addresses frequent points of confusion, such as how to interpret emission units or estimate energy use. By removing guesswork and making expectations clear, HTGF helps founders avoid errors and feel more confident in completing the task.

In addition to the cheat sheet, HTGF hosts multiple Q&A sessions during the reporting period, along with topic-specific workshops. These combine expert insights with live demonstrations of reporting tools, making the process easier to understand and more engaging for time-strapped teams.

By making ESG reporting feel manageable, HTGF boosts both participation and data quality.

## Worst practice: Too broad to land

HTGF once attempted to run advanced ESG workshops tailored to specific sectors like life sciences and chemicals, expecting higher engagement by targeting companies with shared ESG challenges. More than 100 portfolio companies were invited, but only a handful attended. In hindsight, the team realised that even these “narrow” categories were still too broad: a drug developer faces very different questions than a company dealing with industrial chemicals.

The invitations were sent through a general portfolio-wide mailing list as part of HTGF’s “Academy” programme. Without personal outreach, the invite felt generic and failed to capture interest. HTGF also suspects that founders were unsure of the workshop’s direct relevance or value.

The team has since rethought its approach, moving toward more focused, hands-on sessions and personal invitations based on specific company needs.

**Key takeaway:** Even with a targeted topic, founders need a clear reason to show up. Narrow your audience and personalise the outreach.

# HV Capital

HV Capital is one of the leading early-stage and growth investors in Europe. With nine fund generations in 25 years and €2.8bn in managed assets, HV Capital is one of the continent's most active investors. HV Capital has invested in more than 250 internet and technology companies, supporting startups with ticket sizes ranging from €0.5m to €60m.



## STAGE (PRIMARY FOCUS)

Seed to Growth

## GEOGRAPHIC FOCUS

Europe

## SIZE OF PORTFOLIO

100-149 active portfolio companies

## Best practice: Prioritise materiality post-investment

To ensure that we achieve maximum impact, we evaluate annually which companies would most benefit from ESG advice to focus our work post-investment. Based on investment exposure for us as a firm and the potential for constructive engagement with the specific portfolio company, we interact with a small group of companies to encourage them to work on material issues. Our most effective ESG engagements are rooted in tailored, strategic conversations that reflect the reality of each startup's model, market, stage and team.

Tailored approaches can vary based on the inherent needs of each company. For example, with some companies, we schedule regular check-ins while they work through a specific topic; with others, we set up longer in-person sessions involving more team members. Most often, we act as sparring partners: sharing best practices, offering feedback and providing a sounding board as they explore areas like materiality, ESG strategy or their impact narrative for fundraising. Finally, in some instances, we leverage our network of experts so they can dive deeper into specific topics.

## Worst practice: One size does not fit all

It might seem like the obvious counterpoint to our best practice, but it's worth repeating that generic approaches tend to yield lower results. When we first began our engagement with the portfolio on ESG practices, we tested broad-brush webinars covering topics that we assumed would be universally relevant for all companies.

However, for a large generalist fund like HV Capital, delivering a session to meet the specific, just-in-time needs of a diverse portfolio spanning different maturity stages and industries, from Deep Tech to Consumer and everything in between, is challenging. In addition, the online format removed the opportunity for meaningful peer connections. Without a genuine chance to interact, share stories and learn informally from one another, these sessions lacked the necessary stickiness. That is why we now propose tailored solutions that directly address real-world portfolio needs and deliver more effective outcomes.

“

Most often, we act as sparring partners: sharing best practices, offering feedback and providing a sounding board as they explore areas like materiality, ESG strategy or their impact narrative for fundraising.

”

**HV**  
CAPITAL





# Innovation Industries

Innovation Industries is a deep tech venture capital firm focused on Europe, investing from seed to Series B in pioneering technologies across sectors such as photonics, robotics, semiconductors and agritech. With around €500 million AUM, the firm backs science-based companies with long development timelines and high impact potential. Its third fund is classified as Article 9 under SFDR, reflecting its loyalty to sustainability and impact.

## Innovation Industries

### STAGE (PRIMARY FOCUS)

Seed to Series B

### GEOGRAPHIC FOCUS

Europe

### SIZE OF PORTFOLIO

15-49 active portfolio companies

## Best practice: Making Article 9 work for early-stage investments

When Innovation Industries launched its third fund as an Article 9 fund, LPs questioned whether early-stage VC could credibly qualify given the lack of measurable outcomes. The team decided to prove that it was possible by shifting the focus from impact results to impact potential and impact maturity.

Before investing, each opportunity is assessed for impact potential through a proprietary framework. Once onboarded, companies are evaluated annually on two dimensions: (1) their progress toward impact milestones, using stage-specific KPIs such as technology readiness level (TRL) during R&D, and commercial metrics like units sold later, and (2) their impact maturity, which tracks how embedded impact is in the company's operations, governance and culture.

Rather than relying solely on numbers, the approach uses an "impact maturity grid" that shows companies what is expected at each stage and how these expectations grow toward maturity. This roadmap gives founders clarity, helps the investment team hold impact-focused discussions throughout the growth journey and reassures LPs that impact intent remains intact even before products reach the market.

## Worst practice: Relying on annual ESG check-ins

Early in its ESG journey, Innovation Industries took a classic approach: the ESG officer met with each portfolio company annually to review progress and set goals. These sessions were positive and inspiring, but a year later, little had changed. Not because founders were unwilling, but because ESG slipped to the bottom of their priorities amid the realities of scaling deep-tech businesses.

The lesson was clear: sporadic touchpoints and single-owner responsibility do not work in venture. ESG must be integrated into regular conversations, and investment teams, who speak to companies weekly, are best placed to drive this. Today, ESG and impact topics are embedded in portfolio discussions, and every annual meeting includes an investment partner alongside the ESG officer. This joint approach ensures continuity, reinforces accountability and makes ESG a part of core business dialogue rather than a side project.

INSIGHTS

# ESG is a Full-Body Workout

Effective integration requires engagement in all VC functions.



# The Universe of Issues

ESG covers a broad range of topics and it can be difficult to understand the scope which could be material to VC investments. To address this, Reframe Venture maintains a ‘Universe of Issues’ – an extensive list of due diligence questions and expectations – available to our community and membership. It covers the following areas:

## ENVIRONMENTAL MANAGEMENT

Being conscious of the environmental footprint across the business

## DATA PRIVACY & SECURITY PRACTICES

Instilling a strong culture of trust, responsibility and best practice around data

## GOVERNANCE

Have appropriate governance structures in place by stage

## DIVERSITY & INCLUSION

Integrating diverse and inclusive practices across all areas of the business

## WORK ENVIRONMENT & TEAM CULTURE

Building a strong culture & being a conscientious employer

## SUPPLY CHAIN & THIRD-PARTY RISK

Working towards an ethical and environmentally resilient supply chain

## RESPONSIBLE PRODUCT DESIGN

Designing and building products with consideration of the ethical and human implications on the end-user and society

## LEGAL & REGULATORY

Being on top of and aligned to latest regulations

## DEDICATED ADDITIONS

- + Responsible AI
- + Human Rights
- + Biotech
- + Dual Use

# Jenson Ventures

Jenson Ventures is a UK-based pre-seed and seed-stage investor supporting early-stage founders at the very beginning of their journey. With an active portfolio of around 80 companies, the firm provides hands-on guidance to help startups grow with strong governance and inclusive thinking from day one.



## STAGE (PRIMARY FOCUS)

Seed to Growth

---

## GEOGRAPHIC FOCUS

UK

---

## SIZE OF PORTFOLIO

15-49 active portfolio companies

---

## Best practice: Guiding without prescribing

At the earliest stages, founders are rarely thinking in terms of ESG frameworks, but that does not mean the principles cannot be embedded from the start. At Jenson Ventures, monthly portfolio calls are used as a space to nudge, question and guide founders toward thoughtful decisions on topics like board construction, governance and inclusivity. Rather than setting mandates, the goal is to create space for reflection.

In one example, early conversations about what a founder needed from their board evolved into a broader reflection on representation and diversity. Months later, without being prompted, the founder returned with a revised board composition and a clearer articulation of why diversity mattered for their business. By integrating ESG themes into regular, strategic dialogue rather than separating them out or prescribing solutions, Jenson helps founders internalise these ideas in a way that feels natural and founder-led.

## Worst practice: Underestimating the reporting burden

While Jenson Ventures supports ESG initiatives that improve practices and transparency, reporting obligations have sometimes proven more demanding than expected. In one case, the team joined an initiative aligned with their values, only to find the reporting requirements far more time-consuming than anticipated.

With multiple frameworks requesting similar but slightly different data, tracking progress became inconsistent and administratively heavy. For a lean team, these demands can quickly divert time and focus from core priorities.

It is important to balance the benefits of ESG initiatives with the reporting load they create — particularly for early-stage funds with limited resources. A principles-based approach may be more effective at this stage, allowing businesses to embed strong foundations without the pressure of premature target-setting. Targets can be valuable, but are often most impactful once a company is ready to track and deliver against them realistically.

**Key lesson:** Focus early efforts where they add the most value, introducing targets later when they are actionable and sustainable.

# Kinnevik

Kinnevik is a Stockholm-based growth and venture investor backing transformative businesses across Europe, the Nordics and the US. Founded in 1936, the firm invests in tech-enabled companies with strong long-term growth potential and a commitment to sustainability. Kinnevik typically takes ownership stakes of 5-15 percent and supports its portfolio through active board involvement and strategic guidance.



---

**STAGE (PRIMARY FOCUS)**

Growth

---

**GEOGRAPHIC FOCUS**

Europe and US

---

**SIZE OF PORTFOLIO**

15-49 active portfolio companies

---



## Best practice: Funding the first step in carbon measurement

Kinnevik ensures portfolio companies start their climate journey on the right footing by funding their first GHG emissions inventory. The firm covers the cost of an initial screening and the first year provider platform licence fee, enabling companies to measure accurately and identify emission hotspots.

A strong start matters because early-stage businesses have both limited time and resources. Poor quality, spend-based assessments often fail to provide actionable insights. By ensuring the first measurement is robust and granular, companies are better positioned to set credible targets, track reduction efforts and integrate a climate narrative into commercial strategies.

This approach is designed for flexibility. Kinnevik maintains a preferred provider through a framework agreement but allows companies to choose any platform. The goal is not control, but to make sustainability data practical, actionable and aligned with the company's business needs, particularly as customer RFPs increasingly require emissions data and reduction plans.

## Worst practice: Anchoring ESG in passion, not governance

A recurring challenge arises when sustainability responsibility sits with an enthusiastic individual rather than being anchored in management and the board. Engaged employees are a treasured resource, but without top-level buy-in, ESG often becomes a side project, leaving the designated person to advocate internally without authority or resources.

This approach rarely works. To be effective, ESG initiatives must start at board and executive level, ensuring leadership understands the scope, resource needs and strategic value. When ownership is embedded in governance, sustainability becomes part of decision-making rather than a personal mission.

Kinnevik addresses this risk by leveraging board representation to escalate concerns when alignment is missing. Discussions are tied to tangible business drivers such as customer expectations, regulatory changes and IPO readiness to secure commitment and embed sustainability in core strategy.

“

To be effective, ESG initiatives must start at board and executive level, ensuring leadership understands the scope, resource needs and strategic value. When ownership is embedded in governance, sustainability becomes part of decision-making rather than a personal mission.

”

**Kinnevik**



# Knickerbocker Financial Group

Knickerbocker Financial Group (KFG) is a New York based venture investment and family office capital network that invests in blockchain, fintech, digital media & marketplaces and climate tech/ESG.



---

## STAGE (PRIMARY FOCUS)

Seed and Series A

---

## GEOGRAPHIC FOCUS

United States

---

## SIZE OF PORTFOLIO

20 active portfolio companies

---

## Best practice: It's all about good due diligence

KFG approaches ESG due diligence with a focus on uncovering tangible, real-world risks that could undermine compliance, safety or long-term viability. The process is designed to be both rigorous and practical, identifying gaps between stated policies and day-to-day practice.

One portfolio company had a robust cybersecurity program on paper, yet still allowed employees to log in from unsecured personal devices at home, creating an overlooked vulnerability. Another, a solar installation firm, lacked adequate fall protection for staff working at heights. Rather than leaving them to navigate solutions alone, KFG pointed the team toward the free OSHA Small Business Safety and Health Handbook, enabling them to meet standards without incurring extra cost.

Governance is treated as equally critical. Early-stage teams are encouraged to adopt a concise two-sentence code of conduct to empower employees to raise issues early, avoiding escalation. By addressing concrete risks and sharing accessible tools, KFG makes ESG due diligence a constructive, founder-friendly exercise that supports both immediate operations and future growth.

## Worst practice: Thinking public safety only applied to big companies

In its early years, KFG assumed that public safety risks were the domain of large, complex corporations rather than small start-ups. It seemed unlikely that an early-stage business could trigger serious harm on the scale of a wildfire, building collapse or industrial accident. That assumption proved shortsighted. Even small companies can create products or services with safety implications that, if unmanaged, can cause harm to people, property or the environment.

Today, KFG's due diligence includes targeted questions that probe for hidden risks, such as whether green building materials meet structural engineering standards, or if chemicals in health and beauty products are safe for people, pets and waterways. These conversations are designed to be constructive, helping founders see public safety not as a regulatory burden but as part of building a trustworthy, resilient brand.

**Key lesson:** By embedding public safety considerations into early-stage culture, KFG equips companies with an ability to predict and prevent incidents as the business grows, ensuring risks are addressed long before market or regulatory forces demand it.

# Lifetime Ventures

Lifetime Ventures is a seed-stage venture capital firm based in Japan, partnering with founders at the frontier of deep tech innovation for human and planetary health. Founded in 2018, Lifetime has invested in 50+ investments across blue economy, age tech, AI & robotics and sustainable living. Through our flagship OIST-Lifetime Ventures Fund, launched in 2022, we collaborate with the Okinawa Institute of Science & Technology, Asia's #1 research institute.



---

## STAGE (PRIMARY FOCUS)

Seed

---

## GEOGRAPHIC FOCUS

Japan

---

## SIZE OF PORTFOLIO

15-49 active portfolio companies

---

## Best practice: ESG as a value-add starting point

Lifetime Ventures uses their ESG questionnaire not only as a screening tool, but as a post-investment action plan guide. Shortly after an investment, once trust is established, the team revisits the DDQ to highlight some of the high-value items, surface gaps, share best practices and align on priorities where impact and enterprise value intersect.

This timing and framing allow the DDQ to serve two purposes: first, it exposes founders to ESG topics and raises awareness of the existing gaps. Second, it prioritises support areas that are most relevant to the company's stage and roadmap. Examples include recommending a lifecycle assessment before trials or adding an inclusion lens ahead of executive hiring.

Instead of templates, Lifetime Ventures attempts to integrate ESG into real operations such as board setup, product roadmap and fundraising, so that impact becomes part of execution rather than an external burden.

This approach has helped position ESG as a strategic asset while tailoring support to drive both product success and long-term value.

## Worst practice: Overwhelming founders with a long list

Early efforts involved translating standard ESG frameworks into Japanese without adapting them to the stage, sector or geography in focus. The result was a questionnaire with dozens of questions, many of them irrelevant to early stage companies, which often operate pre-incorporation. Many founders, especially research-driven teams, felt the questionnaire was alien to their day-to-day challenges, e.g. setting up a lab or validating clinical endpoints.

For one startup, the founder thought that such administrative burden was going to be the way forward, and almost stopped engaging in our investment conversations. Worst of all, the back and forth as well as nitty gritty focus at the less-relevant phase led to slower progress on startup execution side, which meant delayed impact, defeating the purpose of implementing the questionnaire in the first place.

**Lessons learned:** Start from where the founder is, not from what the template says. After iterations, Lifetime Ventures now has the most essential items in the questionnaire, and builds upon these in their weekly/ bi-weekly meetings with the portfolio company to co-create ESG and impact, as opposed to passively monitoring them.

“

Lifetime Ventures now has the most essential items in the questionnaire, and builds upon these in their weekly/ bi-weekly meetings with the portfolio company to co-create ESG and impact, as opposed to passively monitoring them.

”







# Lightrock

Lightrock is a global investment platform committed to building a sustainable future. Operating across private and public markets, Lightrock manages over \$5.5 billion in assets and invests in Europe, North America, Latin America, Asia and Africa. Lightrock is a certified B Corp with a dedicated team of over 130 professionals working across a network of six offices.



## STAGE (PRIMARY FOCUS)

Growth

## GEOGRAPHIC FOCUS

Global

## SIZE OF PORTFOLIO

50-99 private companies

## Best practice: Finding ESG allies below the C-suite

At the growth stage, CEOs and founders are often overloaded, and dedicated ESG leads may not exist. Lightrock has found that the most effective ESG engagement happens by building relationships with operational leaders one or two levels below the C-suite, such as chief of staff, CEO office teams or heads of strategy. These individuals usually have a broad view of the business, the capacity to engage and the internal credibility to get things done.

Rather than defaulting to founder-level conversations or waiting for a formal ESG hire, Lightrock encourages the executive team, during or shortly after the deal, to nominate someone at the C-1 or C-2 level to act as the key sustainability contact. That person becomes the core counterpart, leading implementation, liaising across departments and helping to embed ESG into strategic and operational decisions.

This relationship tends to be more open than formal board discussions, allowing for honest, practical conversations. The approach has helped Lightrock maintain momentum on ESG plans, avoid bottlenecks and keep sustainability connected to day-to-day operations.

## Worst practice: Separating investment and portfolio ESG work

When Lightrock first structured its portfolio function, ESG responsibilities were split between pre- and post-investment activities. Investment partners handled due diligence with the support of the central ESG team, while the portfolio team led implementation. The intention was to avoid duplication, but the result was a disconnect.

By keeping ESG conversations separate, the team missed a key opportunity to build trust and set expectations while founder attention was highest. The portfolio specialist was brought in only after the deal closed, making it harder to translate diligence insights into action. This also delayed onboarding and diluted the impact of post-investment support.

**Key lesson:** Early involvement helps establish relationships, shape expectations and ensure a smoother transition once the deal is complete.

INSIGHTS

# Proportionality is Key

Whilst implementing ESG considerations is often easier and more effective, ESG factors tend to become more material with scale. Therefore, a proportional approach to expectations can help overcome resistance. See our ‘Materiality Maturity Map’ on our website for an expanded version of this table.

	EARLY	SCALING	MATURING
ENVIRONMENTAL IMPACT	<p><b>Required:</b> compliance with environmental standards and regulation</p> <p><b>Recommended:</b> initial assessment of GHG drivers, renewable energy procurement options and biodiversity assessment</p>	<p><b>Required:</b> compliance with environmental standards and regulation</p> <p><b>Recommended:</b> environmental policy, GHG emissions measurement, environmental impact mapping, target-setting, biodiversity impact of operations and supply chain</p>	<p><b>Required:</b> compliance with environmental standards and regulation (may include SECR, ESOS, EED and energy audits)</p> <p>Consider regulator/investor requirements for IPO</p>
GOVERNANCE	<p><b>Required:</b> compliance with AML, anti-bribery laws, taxation, corporate structure regulations, and board requirements</p>	<p><b>Required:</b> compliance with AML, anti-bribery laws, taxation, corporate structure regulations, and board requirements</p>	<p><b>Required:</b> compliance with AML, anti-bribery laws, taxation, corporate structure regulations, and board requirements, considering the UK Corporate Governance Code</p>

GOVERNANCE	<b>Recommended:</b> independent board members, basic financial control systems, risk mapping, company-wide code of conduct	<b>Recommended:</b> dedicated ESG resource, board diversity measures, whistleblowing policy, double materiality ESG strategy	Consider regulator/ investor requirements for IPO
TEAM AND WORKING ENVIRONMENT	<b>Required:</b> compliance with employment laws, health and safety regulation, adopt a health and safety policy and purchase insurance  <b>Recommended:</b> inclusive hiring practices and company culture, recognise freedom of association	<b>Required:</b> compliance with employment laws, health and safety regulation, adopt a health and safety policy and purchase insurance  <b>Recommended:</b> professionalise HR processes and incident reporting mechanisms, track hiring and turnover, implement employee survey	<b>Required:</b> compliance with employment laws, health and safety regulation, adopt a health and safety policy and purchase insurance. Comply with gender pay gap reporting  <b>Recommended:</b> obtain external certification (e.g., ISO 30415:2021), create a cross-functional ESG team  Consider regulator/ investor requirements for IPO
DATA PRACTICES	<b>Required:</b> compliance with data protection regulations, appoint responsible person, and inventory and audit IT assets  <b>Recommended:</b> develop data management and privacy policies	<b>Required:</b> compliance with data protection regulations, appoint responsible person, and inventory and audit IT assets  <b>Recommended:</b> cybersecurity training, business continuity plan, implement security frameworks	<b>Required:</b> compliance with data protection regulations, appoint responsible person, and inventory and audit IT assets  <b>Recommended:</b> assess shadow IT and SaaS risks and mitigate, develop protocols for crisis management, conduct penetration testing  Consider regulator/ investor requirements for IPO

INSIGHTS

RESPONSIBLE PRODUCT DESIGN	<b>Required:</b> consider trademarks, copyrights and patents to protect IP	<b>Required:</b> consider trademarks, copyrights, and patents to protect IP	<b>Required:</b> consider trademarks, copyrights and patents to protect IP
	<b>Recommended:</b> consider possible negative consequences and product safety, responsible AI considerations and sustainable product characteristics	<b>Recommended:</b> consider inclusivity in product design	<b>Recommended:</b> consider inclusivity in product design  Consider regulator/ investor requirements for IPO
SUPPLY CHAIN	<b>Required:</b> Establish processes in compliance with global human rights standards	<b>Required:</b> establish processes in compliance with global human rights standards	<b>Required:</b> establish processes in compliance with global human rights standards, Comply with disclosures of Modern Slavery Act and CSDDD.
	<b>Recommended:</b> conduct a human rights impact assessment and set up a grievance mechanisms  Conduct a high-level risk assessment of ‘mission critical’ suppliers and establish guidelines to manage these risks	<b>Recommended:</b> conduct a human rights impact assessment and set up a grievance mechanisms  Integrate ESG due diligence into procurement process and adopt a formal supplier code of conduct, train staff	<b>Recommended:</b> track and monitor human rights issues with experts, NGOs, and at-risk stakeholders  Engage with suppliers through audits, request ESG KPIs, establish processes to remedy any potential adverse impact  Consider regulator/ investor requirements for IPO

Source: [Materiality Maturity Map](#)



# Maki.vc

Maki.vc is a Helsinki-based venture capital firm investing mainly in pre-seed and seed-stage startups across the Nordics. The firm was founded in 2018, and is currently investing from its third fund, which is an Article 8 fund with a specific interest in investment opportunities that promote environmental and social objectives. Maki.vc approaches ESG as an opportunity to create value from the inception.



## STAGE (PRIMARY FOCUS)

Pre-seed to Series A

---

## GEOGRAPHIC FOCUS

Primarily Nordics, with selective investments across Europe

---

## SIZE OF PORTFOLIO

50-99 active portfolio companies

---



## Best practice: Using ESG data for tailored impact

Maki.vc conducts an annual ESG survey across its portfolio, covering a broad spectrum of topics relevant to the company – from implementation of policies to gender diversity at board, management and employee levels. While the survey serves the purpose of regulatory and LP reporting, its real value lies in how the data is used.

Rather than just aggregating results, the firm creates individual ESG summaries for each company, translating raw data into clear, actionable insights. These reports highlight gaps and strengths, offering concrete steps for improvement that are relevant to each company's stage and sector. This has made ESG a topic of real engagement – reports can be used in board meetings to develop action plans, track historical progress and set long-term goals.

By moving beyond carbon metrics and tailoring ESG to include governance practices, inclusive hiring and ethical conduct, Maki.vc aims to make ESG a growth driver, not a compliance burden.

## Worst practice: Biting off more than you can chew

Early on, Maki.vc integrated ESG onboarding into its investment process, aiming to define policies, set KPIs and align on long-term ESG strategies from day one. While the ambition was to embed ESG thinking early, we've learned that this approach can be challenging in practice – particularly for pre-seed teams still focused on product and team development. In some cases, introducing detailed expectations too early created pressure, as founders worked to balance ESG ambitions with the realities of building a company from the ground up.

The firm realised that a one-size-fits-all ESG strategy doesn't work, especially at the inception stage. In response, it shifted the approach: onboarding now begins with a focus on foundational ESG education – covering what ESG actually means beyond emissions, including areas like company culture and governance. The firm also tailors ESG goals to each company's maturity and capacity, rather than pushing every company through the same process.

This more measured, realistic approach has improved implementation and engagement, ensuring ESG is embedded in the company's DNA from the start – without becoming an operational burden.

“

The firm realised that a one-size-fits-all ESG strategy doesn't work, especially at the inception stage. In response, it shifted the approach: onboarding now begins with a focus on foundational ESG education – covering what ESG actually means beyond emissions, including areas like company culture and governance. The firm also tailors ESG goals to each company's maturity and capacity, rather than pushing every company through the same process.

**MAKI.VC**

”



# Molten

Molten Ventures is a publicly listed venture capital firm backing high-growth technology companies in the UK and Europe. By investing in growth-stage companies as the core business, as well as access to seed stages via their Fund of Funds programme, Molten has an active portfolio of more than 70 directly held investments across consumer tech, enterprise tech, hardware & deep tech and digital health.

## Molten

### STAGE (PRIMARY FOCUS)

Series A and Growth

### GEOGRAPHIC FOCUS

Europe

### SIZE OF PORTFOLIO

100+ active portfolio companies

## Best practice: Aligning sustainability with major customer requirements

Molten helps portfolio companies embed sustainability into their commercial strategy by aligning with the expectations of major customers, thus shifting the focus away from compliance towards a genuine commercial opportunity.

For several health tech companies within Molten's portfolio, the NHS is a key target customer, and the NHS Net Zero Supplier Roadmap has real implications for procurement. Companies unable to demonstrate alignment with its short- and mid-term targets may struggle to win contracts. Molten supports its health tech investments in understanding these expectations early, ensuring action and enabling them to use this as a competitive differentiator.

The team has also worked with fintechs exploring green mortgages and SaaS companies replacing hardware with cloud-based services to reduce emissions and waste. These are not sustainability-native businesses, but by identifying sector-specific hooks and procurement trends, Molten helps them embed sustainability into their value proposition.

## Worst practice: Imposing timelines without context

In earlier iterations of Molten's sustainability approach, the team set portfolio-level KPIs for policy adoption, supporting portfolio companies to implement key policies within a set timeframe. While well-intentioned, this rigid approach often clashed with the operational reality of early-stage teams and other business priorities.

For some companies, particularly those focusing on hiring rounds, product launches or fundraising, the timing simply wasn't right. Rather than enabling better practice, the deadlines may have led to portfolio companies viewing the task as a 'tick box' exercise resulting in rushed or superficial compliance.

Since then, Molten has shifted its focus to demonstrating the value of strong ESG practices and timing these engagements around portfolio companies' natural inflection points. Recognising that fast-growing startups are not always ready to prioritise policy frameworks helps ensure that when companies do act, they are more committed and the outcome is more meaningful, effective and impactful.

**Key lesson:** Clear standards still matter, but timing and context shape whether they stick.

# NGP Capital

NGP is a global early stage investor with an active portfolio spanning Europe, the United States and Asia. The firm prioritises a practical, cross-functional approach to sustainability and governance across its investments.



## STAGE (PRIMARY FOCUS)

Series A to Series C

---

## GEOGRAPHIC FOCUS

Global

---

## SIZE OF PORTFOLIO

50-99 active portfolio companies

---

## Best practice: Building ESG ownership through a cross-functional team

For a lean organisation without a dedicated ESG hire, NGP created a cross-functional ESG group to share responsibility and embed sustainability into core processes. The team includes three partners (covering operations, investments and ecosystem relations): the head of marketing, a portfolio analyst and an administrative lead. Each member owns a defined area: investment professionals integrate ESG into due diligence and portfolio reviews, marketing drives community initiatives such as female founder dinners and partnerships with organisations like Firstboard.io, and operations manage reporting frameworks, including PRI.

Meetings occur monthly (or twice a month during peak periods) with structured agendas that include standing updates from each function, alongside ad hoc topics such as the annual report or policy updates. This structure ensures ESG is not siloed but woven into investment, reporting and stakeholder engagement.

The model has proved effective in building accountability and progress without the cost of a dedicated ESG role, and it creates clear internal ownership while fostering regular communication. For firms without large teams, distributing ESG responsibilities across existing roles can turn ambition into action.

## Worst practice: Packaging ESG too visibly

Early on, NGP presented ESG as a distinct category, with separate due diligence sections and follow-up processes explicitly labelled “ESG”. While transparent, this framing often triggered pushback from smaller companies which saw the requirements as extra work, and from regions such as the United States, where ESG terminology is politically charged. Engagement varied: European companies delivered 100% reporting compliance, while US and Chinese portfolios averaged 60–65%. These differences underscored the need to be mindful of regional context and language.

Rather than always creating a separate category, NGP now adapts their approach by company and region to avoid misunderstandings. ESG metrics remain central to their focus on risk management and responsible investing, whether in a standalone section or embedded in broader due diligence.

Key lesson: By integrating ESG into operational and governance discussions when appropriate, they frame it as value creation and risk management. This flexibility has improved engagement, reduced resistance and maintained oversight.

# noa

noa (formerly A/O) is Europe's largest tech fund dedicated to transforming the built world. Viewing the built world as "humanity's OS", the firm backs pioneering founders and breakthrough technologies that decarbonise and modernise the infrastructure around us. With a focus on long-term impact and innovation, noa invests from pre-seed to Series B, supporting companies developing solutions that matter for people and the planet.



## STAGE (PRIMARY FOCUS)

Pre-seed to Series B

## GEOGRAPHIC FOCUS

Europe and North America

## SIZE OF PORTFOLIO

15-49 active investments



## Best practice: Helping founders set their own ESG KPIs

At noa, the team has found that the most effective ESG conversations happen when founders are in the driver's seat. Rather than forcing a generic questionnaire or a rigid list of KPIs, noa tailors onboarding sessions by first exploring what ESG metrics founders already track and what they think they should track to manage real business risks. These sessions are structured but flexible, with investment and ESG team members guiding discussions to connect ESG topics with the core risks of each unique business, whether it's hardware, SaaS or services.

Founders are prompted to think about material issues across environment, social and governance dimensions relevant to their operations and growth plans, including supply chain risks, employee health and safety, or governance needs as they scale. By letting founders define two to three material KPIs themselves, noa ensures the process is relevant and motivating rather than a tick-box exercise. This approach turns ESG into a practical, founder-owned strategy that strengthens risk management and supports future fundraising readiness.

## Worst practice: Trying to build founder communities too soon

noa attempted to launch peer working groups where portfolio companies could share ESG insights and advice. The hope was that more experienced founders would support earlier-stage peers on practical challenges like implementing ESG policies. But despite outreach and individual follow-ups, the initiative fell flat. Founders, especially those who needed the most support, showed no interest, feeling they didn't have time or trust in the process.

In hindsight, the noa team realised that trying to build a founder community proved challenging while founders were busy scaling their businesses and understandably hesitant to spend time on an initiative that felt unproven. The lesson? Community-building works best when there is a foundation of trust and clear value for participants; otherwise, even a great idea can struggle to take off.

# Northzone

Northzone is a global venture capital firm with experience spanning multiple economic and technology cycles. Founded in 1996, it has raised more than ten funds, including its most recent \$1.2 billion vehicle, and has backed over 175 companies from seed to growth across Europe and the US.

## NORTHZONE

### STAGE (PRIMARY FOCUS)

Seed to Growth

### GEOGRAPHIC FOCUS

Europe and US

### SIZE OF PORTFOLIO

50-149 active investments

## Best practice: Focusing on the ‘S’ & embedding ESG through what founders value most

The most effective ESG initiatives don’t announce themselves as “ESG” – they feel like good investing, thoughtful people practices and resilient company-building. Northzone has found ESG sticks when it’s embedded into the moments that matter most, often starting with the “S.”

That’s because human capital is where founders are already focused, and where they can add immediate value. Social topics like leadership, team structure, culture and wellbeing are often the most tangible ESG entry points and create trust and traction early on.

Post-investment support starts with social topics because that’s where the need and engagement are highest. Coaching Circles bring similar-stage founders together for structured leadership coaching and conversations on scaling culture. Peer Matchmaking connects operational leaders across the portfolio for mutual support and shared learning. The Operator Network gives access to experienced advisors and subject-matter experts across topics like DEL, sustainability, team design, change management, GTM and product.

## Worst practice: Treating ESG as a separate track

What doesn’t work is treating ESG like a parallel process or a label in search of a problem.

Northzone has seen low engagement when ESG due diligence or onboarding is disconnected from the investment process. Founders feel like they’re repeating themselves. Investment teams often deprioritise it when timelines are tight. Valuable insights get lost, and ESG becomes a burden.

To address this, ESG has been woven into internal workflows. Most relevant questions already appeared in diligence; they just weren’t always labelled as ESG. When integrated, they are far more likely to lead to action.

Similarly, siloing ESG into a single person’s remit can also limit impact. The most effective approach is connecting the dots across investment, board discussions, platform, legal and communication so ESG becomes a shared responsibility.

ESG generally doesn’t fail because people don’t care. It fails because it is deprioritised, and it isn’t always easy to engage with. Keeping it lean, relevant and embedded is what turns good intentions into lasting impact.

“

Human capital is where founders are already focused, and where they can add immediate value. Social topics like leadership, team structure, culture and wellbeing are often the most tangible ESG entry points and create trust and traction early on.

”

**NORTHZONE**



# Omnes Capital

Omnes Capital is a French investment firm active across venture, growth and infrastructure strategies, with a strong focus on sustainability. Through its Article 9 'Real Tech II' fund, Omnes backs European deep tech companies tackling real-world challenges, with particular emphasis on dual-use technologies, sustainability and industrial innovation.

## OMNES

### STAGE (PRIMARY FOCUS)

Series A

### GEOGRAPHIC FOCUS

Europe

### SIZE OF PORTFOLIO

50-99 active portfolio companies

## Best practice: A stage-based maturity grid for clearer expectations

To make ESG integration more actionable and aligned with company growth, Omnes Capital developed a 13-point maturity grid for its Article 9 Real Tech Fund. Tailored to early-stage deep tech companies, the framework sets expectations from Series A through later rounds, moving from ‘Sustainability Unaware’ to ‘Sustainability Mature’.

It outlines what good looks like across dimensions such as diversity, board composition, reporting, cybersecurity and end-user rights. Starting with the basics like scope 1 and 2 emissions measurement, it builds towards advanced practices like reduction targets, climate risk assessments, root cause analyses and ISO certification.

The maturity grid is used pre-investment and updated throughout the holding period, giving investment teams a roadmap for long-term engagement. Crucially, it aligns progression with a company’s operational maturity, ensuring that expectations remain realistic and proportionate. Developed with input from PwC, Bpifrance, EIF, VentureESG and likely co-investors, it reduces friction post investment.

## Worst practice: Coordination breakdown between co-investors

Even with the best intentions, implementation of an ESG action plan can falter when co-investors are not aligned. In earlier funds, Omnes encountered recurring friction when trying to coordinate sustainability efforts across a syndicate. Each investor had their own tools and platforms – Greenly, Novata, Sweep - and their own timelines. This often resulted in multiple, overlapping data requests to portfolio companies, leading to confusion and fatigue on the founder side.

Despite making resources freely available (such as Novata’s Carbon Navigator or the online learning platform Sustainability Unlocked), Omnes found that unless the lead investor actively championed alignment, tools went unused or data remained siloed. The firm’s hope of streamlined ESG engagement quickly turned into frustration as well-meaning processes became duplicative.

The lesson? Even if you’re not the lead, there’s value in proactively aligning with co-investors early, preferably before reporting even begins. Clear, simple agreements on tools, timelines and data sharing can prevent founders from becoming the bottleneck and make ESG a shared responsibility rather than a burden.

# Oxford Science Enterprises

Oxford Science Enterprises (OSE) is a venture builder backing University of Oxford spin-outs in life sciences, health tech and deep tech, investing from pre-seed and backing its winners through to exit. Structured as a company, OSE focuses on a core portfolio of c.50 companies focused on tackling some of the world's greatest challenges.

O X F O R D  
S C I E N C E  
E N T E R P R I S E S

## STAGE (PRIMARY FOCUS)

Pre-seed/Seed

## GEOGRAPHIC FOCUS

United Kingdom

## SIZE OF PORTFOLIO

15-49 active portfolio  
companies



## Best practice: The power of a roadmap

At OSE, we are keen to ensure that ESG is integrated into our everyday engagement, and is actionable rather than abstract. In 2024 we developed a roadmap that presents sustainability as a sequenced journey for our portfolio companies. Rather than expecting early-stage companies to do everything at once, the roadmap outlines how ESG priorities evolve over time, helping founders focus on what matters most at each stage.

With a portfolio of early-stage companies, simplification is a strategic choice. The roadmap aims to reduce the perceived complexity of ESG and support better decision-making and prioritisation. By overlaying each company's 2023 reported data, we identified gaps and suggested three actionable focus areas for their stage, accompanied by relevant guidance and resources. The goal is clarity, not compliance.

The roadmap and resources were shared as a slide deck to companies ahead of the launch of the 2024 ESG survey. We also continued to share it in workshops and reference it in our ongoing engagement with portfolio companies. It helps companies interpret what's being asked of them and calibrate their priorities appropriately. The response has been strong: portfolio companies cited the roadmap in their 2024 ESG submissions as one of the most useful tools provided by OSE, particularly for understanding expectations and sequencing next steps.

## Worst practice: Gaps in later-stage engagement

Post-investment sustainability workshops have been built into OSE's onboarding process, enabling early-stage companies to benefit from tailored support. This has been a successful initiative to help embed sustainability into businesses from day one and to facilitate an ongoing dialogue on sustainability. However, this approach has meant that some later-stage companies, where the initial investment came prior to the launch of the ESG strategy, may not have received the same amount of focused engagement and support.

While the workshops remain a key aspect of the OSE's engagement strategy, OSE has made additional efforts to close engagement gaps with later-stage businesses through events, proactive outreach and ongoing board engagement. OSE focuses on companies where the firm has a board seat/board observer rights, and uses data that is aligned with the VCA, such as financed emissions results and results from the year-end sustainability survey, to ensure engagement efforts are focused appropriately.

ESG is not something founders outgrow, and maturity brings new risks and expectations. At scale, continued engagement is just as valuable, if not more so, to ultimately enable meaningful progress.

# Oyster Bay Venture Capital

Oyster Bay Venture Capital is a Hamburg-based fund focused on transforming the food value chain. Founded in 2018, the firm backs ambitious founders from seed to Series A, acting as lead or co-lead investor. Its portfolio spans from sustainable farming and ingredient innovation to consumer packaged goods and circular solutions for packaging and waste.



**OYSTER BAY** | VENTURE  
CAPITAL

## STAGE (PRIMARY FOCUS)

Seed and Series A

---

## GEOGRAPHIC FOCUS

Europe

---

## SIZE OF PORTFOLIO

15-49 active portfolio  
companies

---

## Best practice: Making ESG a standing board agenda item

When Oyster Bay launched its second fund in 2024 with an integrated impact framework, one of the first steps was to ensure ESG was not treated as an afterthought. The team introduced a simple but powerful requirement: ESG and impact must appear as a fixed agenda point in every board meeting.

This approach keeps ESG visible, ensures accountability and allows strategic and operational challenges to surface early. To make discussions meaningful rather than perfunctory, Oyster Bay pairs this rule with tools like materiality assessments and company-specific engagement plans. These guide board conversations beyond box-ticking, focusing instead on progress, hurdles and what support is needed.

Board meetings typically cover three elements: status updates on ESG goals, any pressing issues founders are facing and next steps. A favorite question, “what keeps you up at night?,” often sparks candid dialogue on challenges that intersect ESG and business strategy. The result is consistent attention to sustainability without overwhelming founders, and a shared sense of ownership between management and investors.

## Worst practice: Overengineering early ESG scorecards

When Oyster Bay first introduced ESG and impact scorecards, the ambition was high. Companies were scored on a scale from one to six, with detailed questions on everything from wastewater to diversity metrics. The problem? Nearly every early-stage company landed in the middle, and the exercise provided little actionable insight. It also frustrated founders who lacked resources to meet such advanced expectations.

The team learned that rigid frameworks designed for mature businesses do not work for seed-stage ventures. Instead of scrapping ESG altogether, Oyster Bay restructured the process. Impact alignment is now assessed through simple knockout questions linked to the fund’s three impact pillars: access to nutritious food, sustainable supply chains and environmental sustainability. For ESG, the emphasis shifted to basics: contracts for employees, talent processes, early risk awareness and willingness to improve over time.

**The takeaway:** Ambition matters, but in early-stage VC, pragmatism wins. Start simple, assess intent and build capacity gradually rather than overwhelming founders with requirements they cannot yet meet.

“

Ambition matters, but in early-stage VC, pragmatism wins. Start simple, assess intent and build capacity gradually rather than overwhelming founders with requirements they cannot yet meet.

”



**OYSTER BAY** | VENTURE  
CAPITAL



# Pact VC

Pact VC is a London-headquartered global early-stage venture firm investing in companies across three core themes: Access, Betterment and Climate.

Founded by three former operators, Pact backs founders with a mission-driven approach and deep sector insight. The firm invests primarily in pre-seed and seed rounds, with ticket sizes between £300k and £1M, and takes an active role in shaping impact and ESG practices from the start.

***pact***

---

#### STAGE (PRIMARY FOCUS)

Pre-seed and Seed

---

#### GEOGRAPHIC FOCUS

Majority UK & Europe

---

#### SIZE OF PORTFOLIO

1-15 active investments

---

## Best practice: Embedding ESG conversations through open questions

At pre-seed and seed stage, ESG requirements can feel overwhelming and disconnected from the urgent realities of building a business. Pact has learned that the best way to drive engagement is through open, curiosity-driven conversations from the beginning. During due diligence, every investment memo includes an ESG and impact section, formalising this focus so it cannot be overlooked when timelines are tight.

Rather than asking founders to produce reports or policies they cannot yet deliver, Pact frames ESG questions to draw out long-term thinking: what is the mission? Who benefits most? Could there be unintended consequences such as job displacement, bias or data misuse? These conversations create space for reflection, allowing founders to articulate both their vision and blind spots.

The approach serves multiple purposes. It identifies risks early, such as resistance to ethical considerations or misalignment on values. It also deepens trust between founders and investors, positioning ESG as an enabler rather than a burden. This foundation makes it easier to introduce structured policies and metrics as companies grow, because dialogue has been open from day one.

## Worst practice: Asking for carbon data too early

When Pact first launched its ESG program, the team encouraged all portfolio companies, even those at pre-seed stage, to calculate their carbon footprint and offset emissions. While this ambition was well-intentioned, most founders lacked the time, resources and processes for accurate measurement. The result was frustration, and in some cases, disengagement. The ask felt disconnected from the business priorities that were critical for survival at such an early stage.

The experience reinforced an important lesson: ESG cannot be a one-size-fits-all approach. Today, Pact prioritises readiness over reporting. Instead of pushing for carbon calculations too soon, the firm focuses early-stage discussions on practical, high-impact actions that founders can realistically take, such as building inclusive hiring practices, ensuring cybersecurity and identifying basic supply chain risks.

**Key lesson:** Carbon tracking and emissions reduction remain part of the long-term roadmap, but only once companies have the operational bandwidth to do it well.

# Pitango

Pitango is one of Israel's largest and most established venture capital firms, backing start-ups from seed through growth across sectors including healthcare, fintech and deep tech.



---

**STAGE (PRIMARY FOCUS)**

Early and Growth-stage

---

**GEOGRAPHIC FOCUS**

Primarily Israel, with some activity in the US & EU

---

**SIZE OF PORTFOLIO**

50-99 active portfolio companies

---



## Best practice: Share timely insights through founder-friendly channels

Pitango believes long-form sustainability content can quickly become outdated in a fast-moving landscape, a thesis that is now seen in action at a terrifying speed. Rather than overwhelm start-ups with fixed frameworks, the team focuses on staying informed and sharing timely, relevant insights through channels that founders already use. Pitango includes impact and sustainability content in the fund's quarterly newsletter. These updates are kept concise, with links for those who want to explore further. LinkedIn posts are also used to highlight emerging topics, tag founders and increase visibility without adding to inbox load. Topic-specific playbooks are written and shared with the portfolio companies and the wider community, aiming to provide best practices and share relevant and specific knowledge. The goal is to expose founders to what is coming next — especially in fast-moving areas such as responsible AI or new regulation and best practices. By keeping updates short, timely and embedded in familiar channels, Pitango helps make impact and sustainability feel relevant, accessible and easier to act on.

## Worst practice: Leading with ESG instead of listening for the business need

When sustainability is disconnected from immediate business priorities, it risks being seen as a distraction rather than a value-add, especially in a period of extreme changes, confusion and misinformation.

Companies are often required by their global customers or investors to disclose their ESG practices and sometimes go through third party assessments. If this is seen as a step in the procurement process that is all about compliance, it will always be a burden on companies and external to their core. If, however, the company management sees it as an opportunity to tune into what matters most to the company, find the business value in introducing and monitoring ESG-related practices and leverage them to reduce risk and increase opportunities — it can turn into a huge win for the company's business.

Seeing this through the perspective of change and improvement, creating opportunities and reducing risk brings tangible value to companies.

Pitango's takeaway is simple: impact and sustainability should strengthen the business and create tangible value. Founders are more engaged when applying impact and sustainability practices helps them win customers, raise capital or build stronger teams.

“

The goal is to expose founders to what is coming next — especially in fast-moving areas such as responsible AI or new regulation and best practices. By keeping updates short, timely and embedded in familiar channels, Pitango helps make impact and sustainability feel relevant, accessible and easier to act on.

”

 pitango



# Project A

Project A is a leading European early-stage investor with €1.2bn AUM, championing ambitious tech founders from idea to scale. We provide pre-seed and seed capital to firms shaping Europe's future across key themes including Fintech, European Resilience, Global Supply Chains and the Future of Autonomous Work. Our portfolio features category leaders such as Trade Republic, Sennder, Zepz, and Quantum Systems.

## Project **A**

### STAGE (PRIMARY FOCUS)

Pre-seed and Seed

### GEOGRAPHIC FOCUS

Europe

### SIZE OF PORTFOLIO

100-249 active portfolio companies

## Best practice: Making ESG a natural part of the first 30 days

We believe that ESG integration is most effective when it's a natural part of broader business discussions, not a separate agenda item. Therefore, we introduce ESG early, typically within the first 30 days of investment, but always as part of the broader business conversation. Rather than presenting ESG as a checklist or a separate process, the team integrates it into finance and reporting touchpoints founders already expect.

Conversations begin with a clear understanding of the company's vision and operating model. Materiality assessments are conducted during the investment process and revisited post-investment to shape portfolio engagement. For higher-risk sectors, such as defence, we use tailored questions to identify relevant focus areas from the outset.

Founders receive an onboarding session, practical resources, and follow-up. By anchoring ESG in sector relevance and using familiar communication channels, we have seen stronger engagement, better data quality and fewer barriers to participation.

## Worst practice: Overestimating the benefits of all-in-one platforms

Project A initially attempted to collect ESG and financial data through a single platform, assuming consolidation would improve efficiency. In practice, this resulted in operational challenges for both portfolio companies and internal teams.

Platforms designed for financial reporting often lack the flexibility and ESG-specific functionality required for effective engagement. ESG metrics are inherently complex – there are numerous interdependencies between metrics, significantly more data volume and collection occurs annually rather than frequently like financial data. Due to this volume and complexity, ESG processes require their own dedicated framework.

Having all data in one place seemingly offers convenience but involves a trade-off of using a general-purpose tool rather than one specifically designed for ESG requirements. Dedicated ESG platforms offer superior API capabilities and maintain strong relationships with regulatory and framework-setting institutions. This ensures they consistently adapt to and integrate the latest reporting frameworks and data taxonomies, staying current with evolving standards, which streamlines data transfer and ensures investors receive accurate, up-to-date information efficiently.

# Revaia

Founded in 2018, Revaia is a growth-stage tech investment firm with offices in Paris, Berlin and London. With €600 million under management across two funds, Revaia invests from Series B and onwards in sustainable innovation across verticals such as the future of work, climate tech and AI. As a minority investor with regular board access, Revaia leads or co-leads, actively supporting portfolio companies in their ESG roadmap to create long term value.

## Revaia

### STAGE (PRIMARY FOCUS)

Series B and onwards

### GEOGRAPHIC FOCUS

Europe

### SIZE OF PORTFOLIO

15-49 active portfolio companies

## Best practice: Turning ESG into a lever for winning new business

Revaia approaches the challenge of limited time and focus on ESG within its portfolio companies by deliberately avoiding the framing of ESG as a regulatory obligation.

The focus is on material topics aligned with each company's core business, ensuring ESG delivers tangible benefits.

In practice, this often means identifying where ESG can support revenue growth. Corporate clients increasingly include sustainability requirements, such as SBTi commitments, in procurement processes. Meeting these criteria can be the difference between winning and losing major contracts, making ESG performance a gateway to new business opportunities. Demonstrating this link early on helps secure internal buy-in and build momentum across portfolio companies.

This pragmatic, value-oriented approach also supports long-term scalability. Rather than overwhelming teams with extensive reporting, ESG data infrastructure is developed gradually in line with company maturity. This positions businesses to meet the expectations of acquirers and public markets while ensuring effort and cost remain proportionate. ESG becomes a lever for competitive advantage.

## Worst practice: Assuming self-service is enough

Revaia initially developed a comprehensive ESG toolbox on Notion, designed to help portfolio companies learn and act on key sustainability topics independently. The resource was detailed, covering frameworks, best practices and implementation guides and was intended as a self-service solution.

Two challenges soon emerged. First, ESG is a rapidly evolving field, and maintaining up-to-date content required significant ongoing effort. Second, the assumption that founders and operational teams would proactively engage with the material proved optimistic. While the information was available, most teams lacked the time or internal expertise to turn guidance into concrete actions.

Knowledge alone rarely drives change. Effective ESG integration demands active engagement, with resources complemented by direct support and operational guidance. Bringing content into conversations, workshops and ongoing advisory sessions ensures that ESG priorities are implemented rather than remaining theoretical.

**Key lesson:** Sustainability cannot be fully automated, and digital toolkits, however well designed, are not enough on their own. Human interaction and tailored support remain critical to translating ESG ambition into measurable progress.

“

Knowledge alone rarely drives change. Effective ESG integration demands active engagement, with resources complemented by direct support and operational guidance. Bringing content into conversations, workshops and ongoing advisory sessions ensures that ESG priorities are implemented rather than remaining theoretical.

”

# Revaia





# Sawari Ventures

Sawari Ventures backs ambitious founders across Egypt, Tunisia, Morocco and beyond. Investing primarily at Series A, Sawari works closely with start-ups to navigate the unique opportunities and challenges of emerging markets, with a hands-on approach to sustainable growth and impact.



## STAGE (PRIMARY FOCUS)

Series A

## GEOGRAPHIC FOCUS

Pan-African

## SIZE OF PORTFOLIO

15-49 active portfolio companies

## Best practice: Meeting early-stage founders where they are

As an Africa-focused VC, Sawari Ventures has found that making ESG work in emerging markets starts with meeting founders where they are. Many local Series A startups look more like European seed-stage companies, with limited resources and few applicable ESG regulations. Overwhelming founders with heavy ESG requests just doesn't work. Instead, Sawari keeps things practical, relevant and aligned with each company's context.

Sawari starts by identifying one to three ESG topics that actually make sense for the company's stage and business model. For example, a fintech startup might zero in on client protection and data security, while another company might focus on better working conditions. This way, founders can quickly see how ESG ties into their bottom line.

By working together on simple, practical plans, Sawari helps founders make steady progress. This hands-on approach has already paid off: around 80% of their active portfolio now have at least some basic ESG management system(s) in place. The most common initiatives established have been around strengthening HR processes and employee rights, including grievance mechanisms; data privacy and security policies and safeguards; and provisions against sexual harassment and discrimination in the workplace.

## Worst practice: Reporting overload without relevance

One of the biggest lessons for Sawari Ventures has been the risk of overwhelming early-stage founders with ESG reporting requirements that don't match their context. Because many of the fund's LPs are DFI's with strict ESG expectations, there's often pressure to collect comprehensive data, which isn't always suited for mostly digital, pre-Series B startups.

For example, companies operating in North Africa often have no access to renewable energy options, making questions about green energy procurement irrelevant. Similarly, without standardised frameworks for carbon accounting, it's nearly impossible for small startups to report credible emissions data. Even seemingly basic diversity metrics, like ethnicity or gender identity data, can pose challenges when local norms or legal frameworks don't support collecting that information. The team learned that trying to cover every ESG topic yields diminishing returns, and distracts founders from high-impact actions.

**Key lesson:** Now, Sawari focuses on helping LPs understand what's realistically actionable for their portfolio whilst simultaneously broadening LP reporting to include regular ESG status calls, which provide a sounding board, opportunity for feedback, and facilitate alignment of expectations.

# Serena

Serena is a French venture capital firm with 17 years of experience and a hands-on approach rooted in its founders' entrepreneurial backgrounds. With an active portfolio of around 80 companies, the firm focuses on supporting tech startups across Europe with strong operational expertise.

## serena

### STAGE (PRIMARY FOCUS)

Seed to Growth

### GEOGRAPHIC FOCUS

Europe

### SIZE OF PORTFOLIO

49-100 active portfolio companies

## Best practice: Tackling gender diversity through dual-track leadership programmes

Serena recognised that signing diversity charters and running unconscious bias training were not moving the needle on gender equality in tech. In response, the firm launched its Programme to Accelerate Leadership and Mixity (PALM) three years ago, providing 10 senior women across its portfolio with six months of coaching, leadership training and workshops on governance and media skills.

In 2024, Serena partnered with Ring Capital to double the programme's scale, before spinning it out as an independent non-profit supported by six funds and 30 companies in 2025. The initiative now runs on two tracks: one for women leaders, and a second for male CEOs and founders, equipping them to act as allies and address culture and inclusion within their organisations. Each participating company must complete an employee survey on gender equity, often revealing gaps between male and female perceptions of inclusiveness.

Results are promising: companies involved in the programme have increased female representation at executive level three times faster than those outside it. By combining individual empowerment with systemic culture change, Serena has demonstrated how targeted interventions can accelerate progress on diversity far beyond traditional pledges.

## Worst practice: Relying on toolkits to embed ESG at board level

With nearly 80 portfolio companies, Serena initially leaned on toolkits and template resources to bring ESG into boardroom discussions. The logic was clear: a “one-to-many” approach seemed efficient for busy founders and investors. The firm even created a practical “sustainability at the board” slide deck, outlining key questions, suggested metrics and a scalable framework for discussion.

However, despite positive feedback on the resource itself, adoption stalled. Only 30% of boards engaged with ESG topics in 2024, the same figure as the two previous years. When ESG did feature, it was often superficial, such as reporting on a charitable donation rather than embedding sustainability in strategic decision-making. The conclusion was clear: information alone does not drive behaviour change.

Serena is now shifting towards a more collaborative approach. It is launching a “sustainability at the board club” through France Invest, bringing together VCs and board members to exchange experiences, trial practical steps and share results. This creates accountability, peer learning and a sense of collective progress that toolkits alone cannot achieve. The lesson is simple: scaling ESG impact requires dialogue, not just documents.

# Unovis Asset Management

Unovis Asset Management is a global investor focused on transforming the food system through sustainable innovation. The firm backs early and growth-stage companies, driving the shift toward plant-based, alternative protein and climate-friendly solutions.



## STAGE (PRIMARY FOCUS)

Early stage

## GEOGRAPHIC FOCUS

Global

## SIZE OF PORTFOLIO

15-49 active portfolio companies

## Best practice: Start with curiosity instead of assumptions

Unovis learned early that assumptions, even well-intentioned ones, often miss the mark. Instead of simply applying a uniform ESG framework, the team focuses on open, in-person conversations with founders to uncover what they truly need. Asking questions like “what is keeping you up at night?” or “what challenges feel most urgent?” provides insights far richer than standardised surveys alone. Similarly, “what’s going on for you at the moment?” is a great way to start more human conversations.

This dialogue-driven approach positions Unovis as a partner rather than an auditor. Support becomes specific and practical: brainstorming solutions, connecting founders to external expertise or sharing lessons learned from peers. By being transparent about their own missteps and those they have observed in the market, the team builds trust and accelerates problem-solving.

The principle is simple but often overlooked: ESG should serve as a tool to address a founder’s most pressing challenges, not an added burden. When engagement starts with curiosity, it creates space for ESG to enhance strategy rather than distract from execution.

## Worst practice: Not providing enough context to founders

Early on, Unovis believed that more information equated to more value. The team shared long lists of frameworks and dense resources to “help” founders, but the effect was the opposite: confusion, overwhelm and disengagement. For resource-constrained teams, broad guidance felt like noise rather than meaningful support.

The pivot came with a “take it or leave it” model: presenting a short, curated set of priority metrics and asking founders to validate or adapt them. This simple shift turned ESG from an abstract compliance exercise into a practical, founder-driven discussion. Today, Unovis times ESG data requests alongside annual financial reporting to reduce duplication and minimise fatigue.

For one portfolio company, consolidating investor asks into a single metric set saved significant hours of reporting and improved data quality for the participating funds.

**Key lesson:** Clear, concise and well-timed ESG guidance drives founder engagement far better than overwhelming them with excessive information.

“

The principle is simple but often overlooked: ESG should serve as a tool to address a founder's most pressing challenges, not an added burden. When engagement starts with curiosity, it creates space for ESG to enhance strategy rather than distract from execution.

”

**Unovis**





# Vickers Venture Partners

Vickers Venture Partners is a global deep tech investor headquartered in Singapore, backing early-stage companies solving big problems with science-driven innovation. The firm focuses on Series A investments in sectors like biotech, medical devices, energy and advanced materials, with portfolio exposure split across Asia, North America and Europe.



## STAGE (PRIMARY FOCUS)

Series A

## GEOGRAPHIC FOCUS

Asia, North America,  
Europe

## SIZE OF PORTFOLIO

15-49 active portfolio  
companies

## Best practice: Don't be afraid to start small and scale smart

When building out an ESG strategy, it is easy to feel pressure from LPs or industry peers to launch with highly detailed frameworks and extensive policies from day one. We were even advised that being “serious” about ESG meant signing up to the PRI and producing hundreds of pages of policy documentation – a very high and, frankly, unrealistic bar.

This kind of pressure can lead to an approach that is all breadth with no depth, where you end up focused on ticking boxes rather than creating meaningful impact. Instead, we decided to focus on what truly mattered for early-stage deep tech companies.

For example, Scope 3 emissions aren't relevant for pre-revenue biotech companies. Instead, we discussed their clinical trial design with an ESG lens to consider issues like data integrity and inclusive recruitment.

By anchoring on the issue most critical to company success, our companies felt that ESG is both relevant and manageable. The greater trust with our entrepreneurs has likewise enabled us as managers to start small and build up and out to more robust and sophisticated ESG practices.

## Worst practice: Overvaluing quantitative metrics

Vickers initially built a uniform data platform loaded with standard metrics from Scope 1-3 emissions, to granular environmental disclosures to collect consistent, comparable data across the portfolio. The idea sounded good on paper, but in practice, it became clear that it didn't work well.

The push for uniformity created frustration, both for founders and the Vickers team. We spent significant effort in data collection to middling success, and the result was often irrelevant or unused data with a bunch of busywork for all parties to boot.

The experience prompted Vickers to adopt a more qualitative, materiality-driven approach, focusing on what ESG means for each business rather than forcing standardised metrics. For some, that might be lab safety or trial accessibility; for others, supply chain resilience or employee retention. Letting go of rigid KPIs created space for deeper engagement and alignment with each company's mission.

**Key lesson:** Tailored, mission-relevant ESG conversations often deliver more value than one-size-fits-all metrics.

# Volution

Volution is a UK-based venture capital firm focused on helping early stage fintech and SaaS businesses to reach global scale. The firm typically backs companies generating £5–20 million in annual recurring revenue, offering both capital and hands-on support to scale responsibly. Volution integrates ESG into its approach as a core lever for building resilient, well-managed businesses.

## VOLUTION

### STAGE (PRIMARY FOCUS)

Companies with £5-20m in annual revenues

### GEOGRAPHIC FOCUS

United Kingdom

### SIZE OF PORTFOLIO

1-15 active investments

## Best practice: Aligning incentives by sharing carried interest

Volution has pioneered a “Carbon Carry” initiative to incentivise companies to embed ESG into the heart of their operations. Under this scheme, companies that meet defined ESG milestones are eligible to receive a share of carry. The incentive also includes a matched donation from Volution toward verified carbon offsetting or removal initiatives.

Rather than imposing rigid standards, the scheme uses the ESG\_VC framework as a benchmark, allowing for flexibility while keeping expectations structured. Companies are assessed annually across environmental, social and governance areas, with improved scores recognised and rewarded.

This approach has helped open up honest, commercially grounded ESG conversations with founders, particularly those new to the topic. In one example, a founder who had never previously considered ESG began engaging meaningfully and made material progress across the board. That company was later acquired, reinforcing Volution’s belief that strong ESG practices are often linked to strong business outcomes.

## Worst practice: Thinking incentives will work without early engagement

Even with strong incentives in place, not every company is immediately ready to engage. In 2024 Volution’s annual ESG completion rate was 86%. For the few companies that didn’t complete it, the reason was clear: ESG simply wasn’t a priority amid competing operational pressures.

Volution found that where companies skipped onboarding calls or didn’t have an internal ESG champion, they were less likely to participate in the annual survey. This experience reaffirmed the value of early conversations and clear expectations. Volution makes a point of holding onboarding calls at the point of investment, using them to explain the framework, the business case and the Carry Scheme, by walking through expectations, and sharing examples from peers. They also encourage founders to form internal ESG task forces to build momentum and distribute ownership.

**Key lesson:** Incentives help, but founders need clarity, encouragement and a sense of relevance if ESG is going to stick.

“

Volution has pioneered a “Carbon Carry” initiative to incentivise companies to embed ESG into the heart of their operations. Under this scheme, companies that meet defined ESG milestones are eligible to receive a share of carry. This approach has helped open up honest, commercially grounded ESG conversations with founders, particularly those new to the topic.

VOLUTION

”



Join our community



