



ESG in Venture Capital

State of play - 2023

Environment

Decarbonising and safeguarding our world

- carbon emissions reduced
- air pollution is reduced
- circular economy
- responsible procurement

Social

Building a resilient, engaged and supported workforce

- parental policy
- measuring diversity
- encouraging diversity and inclusion
- staff wellbeing
- working with community

Governance

Operating ethically and responsibly

- board oversight
- fair and equal pay
- data governance and cyber security
- corporate policy

Environmental score*

Air pollution is reduced	23%
Carbon emissions reduced	14%
Circular Economy	40%
Responsible procurement	24%
Total	20%

Social score*

Encouraging diversity & inclusion	58%
Measuring diversity	36%
Parental policy	63%
Staff Wellbeing	75%
Working with community	34%
Total	50%

Governance score*

Board oversight	52%
Corporate policy	57%
Data governance & cyber security	75%
Fair and equal pay	36%
Total	58%

This report presents findings for **2023** from a pilot program conducted in collaboration with a limited number of venture capital (VC) firms across Oceania. The initiative collected Environment, Social, and Governance (ESG) data from portfolio companies ranging from pre-seed to Series C+ stages, using the [ESG VC](#) framework. ESG VC is administered by UK-based group, Reframe Venture

Ten venture capital firms voluntarily participated in the program, representing a subset of Australia's broader VC ecosystem. Not all operate an ESVCLP or VCLP. The department oversaw data wrangling and reporting, with the Australian Investment Council playing a coordinating role

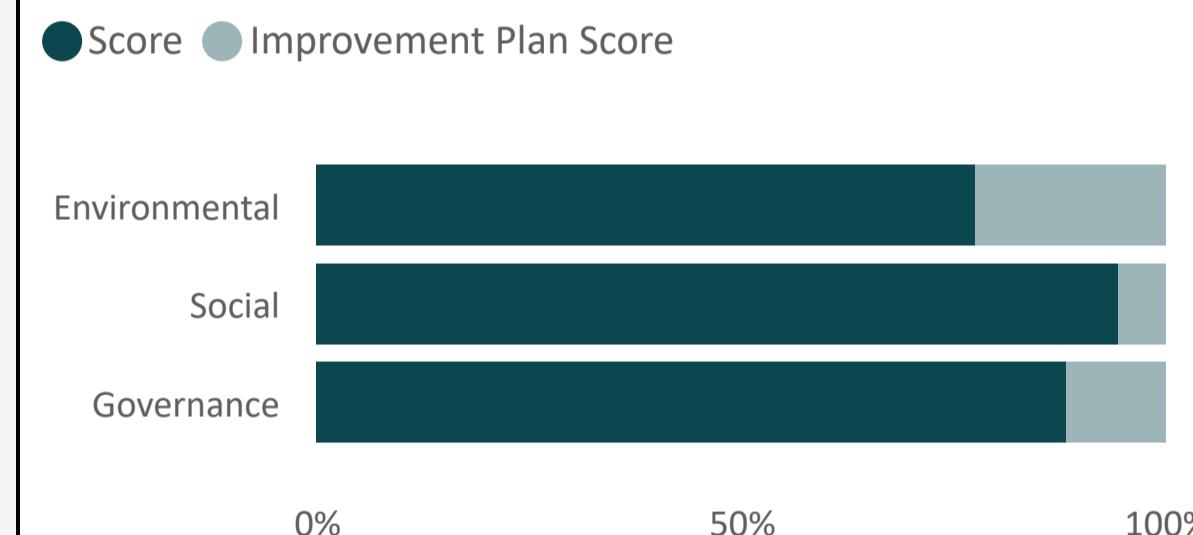
ESG considerations remain important in VC as investors seek greater transparency around non-financial performance. The pilot represents efforts to bring greater structure and consistency to ESG measurement within the early-stage investment ecosystem

A considered ESG approach can enhance company valuations, unlock new opportunities, and improve portfolio management. By adopting internationally used frameworks such as ESG VC, VC firms can help startups build long-term value and remain aligned with evolving global regulatory standards. Early measurement is particularly valuable for startups at the beginning of their ESG journey, providing a foundation for sustainable growth

In 2023, Governance is the strongest ESG pillar at 58%, driven by robust data governance and cyber security (75%). Staff wellbeing (75%) is the strongest Social score. The Environmental score (20%) is to be expected, given the early-stage investing typical of VC and the fact that companies in this dataset were overwhelmingly SaaS products which have a smaller environmental footprint when compared to industries with more physical structures, supply chains and products

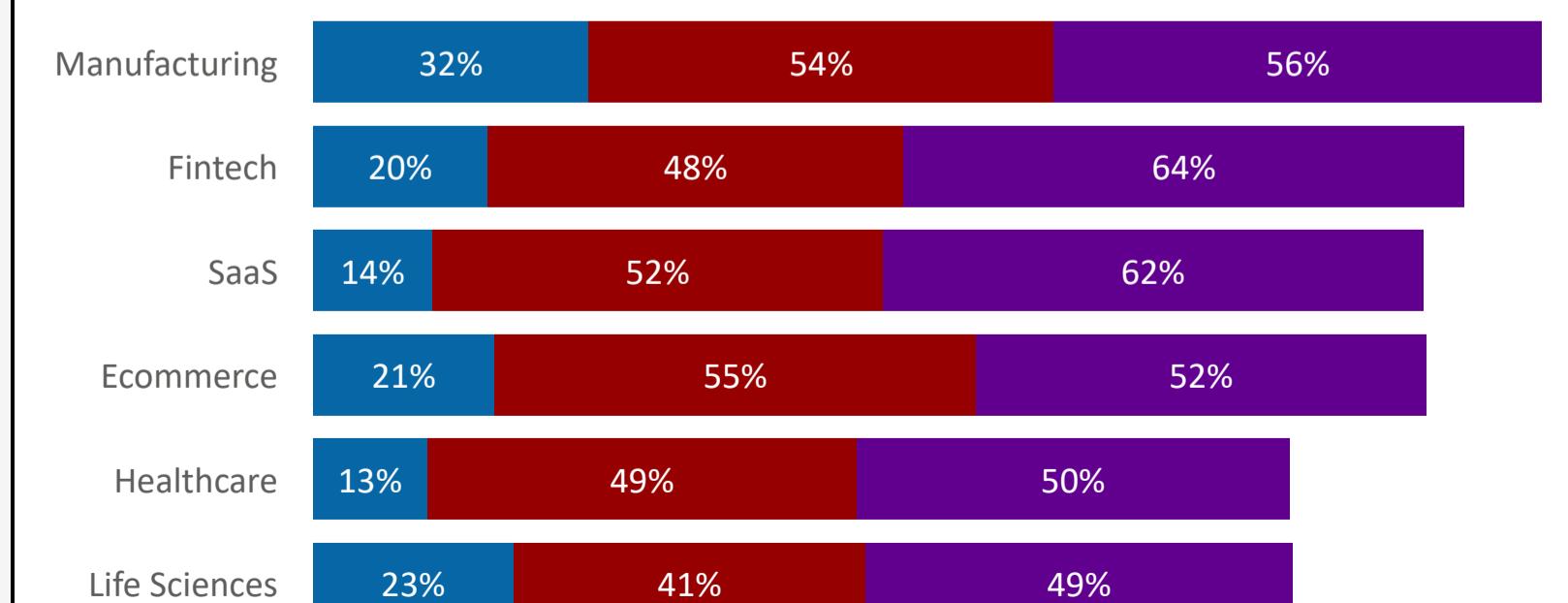
*Percentage score shows how fully companies have implemented ESG practices relative to what is relevant for them. It reflects the proportion of achievable points earned based on responses, after adjusting for any questions marked as 'Not relevant'. Improvement plan score indicates how many participants intend to improve ESG performance within the next 12 months. Refer [ESG VC](#) framework for more information. Figures may differ from prior publications due to revisions in calculation methodology

Score proportion of improvement plan



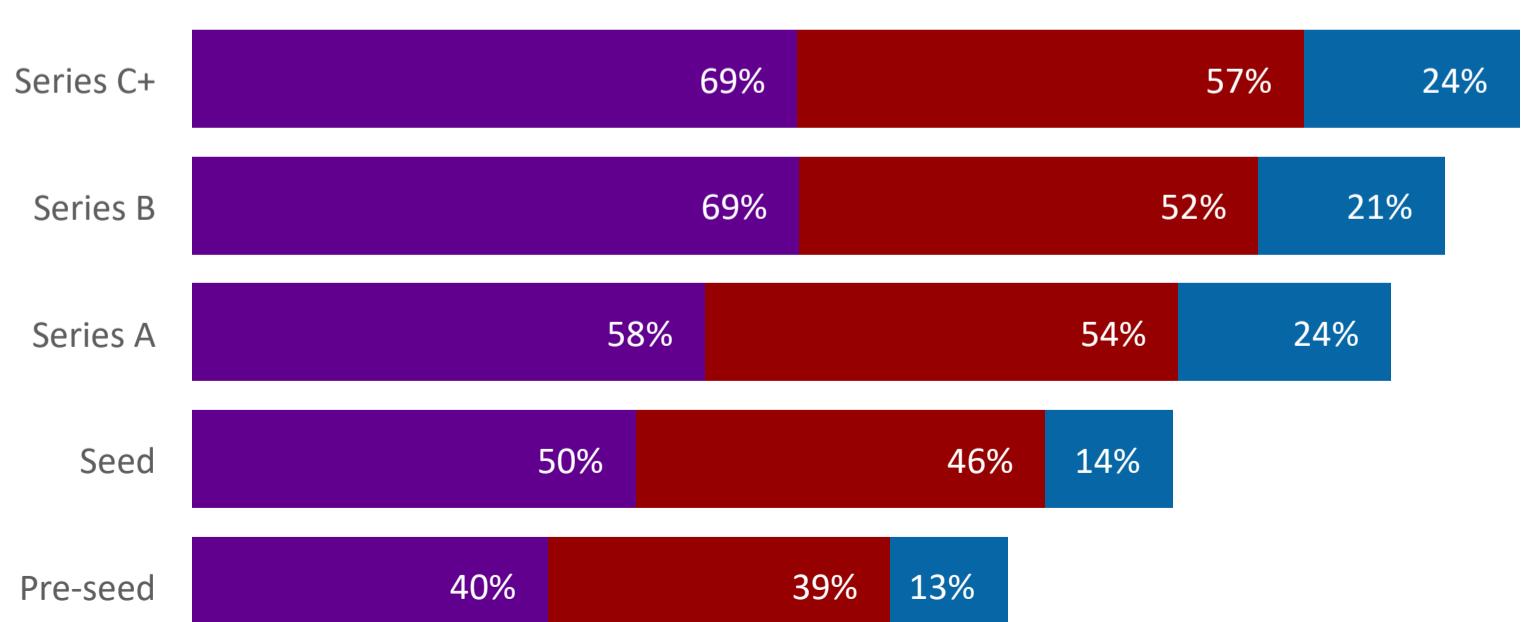
Score by sector and pillar

● Environmental ● Social ● Governance



Score by portfolio company stage and pillar

● Governance ● Social ● Environmental





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Environmental score*

Air pollution is reduced	23%
Carbon emissions reduced	20%
Circular Economy	45%
Responsible procurement	25%
Total	23%

Social score*

Encouraging diversity & inclusion	56%
Measuring diversity	37%
Parental policy	60%
Staff Wellbeing	75%
Working with community	35%
Total	50%

Governance score*

Board oversight	56%
Corporate policy	58%
Data governance & cyber security	75%
Fair and equal pay	36%
Total	59%

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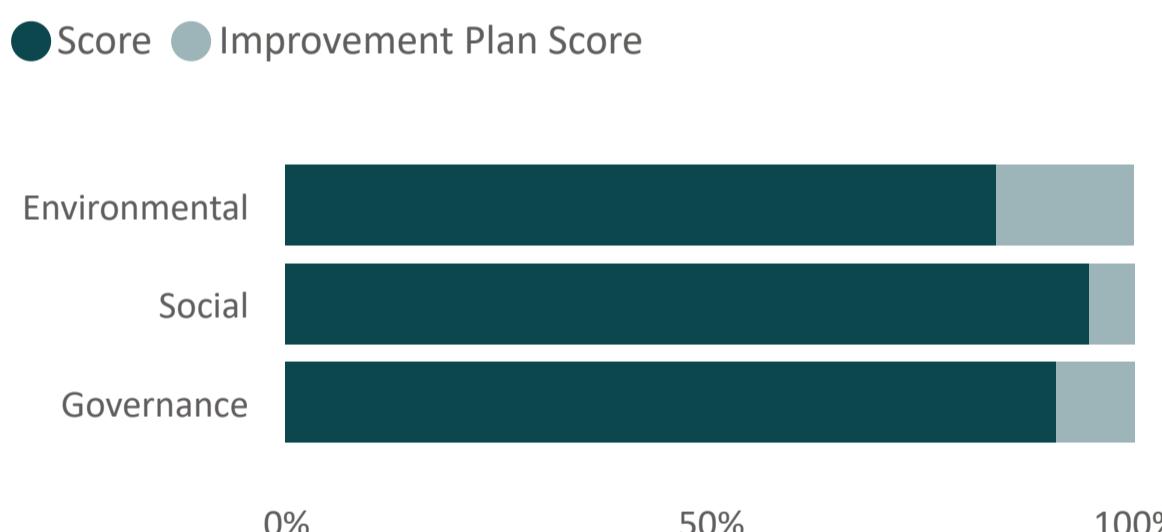
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In 2024, Governance remains the strongest ESG pillar at 59%, consistent with 2023 (58%) and still driven by strong data governance & cyber security (75%). Social holds steady at 50% with last year, with staff wellbeing continuing to lead (75%). There is a slight improvement in the Environmental score, rising to 23% from around 20% in 2023.

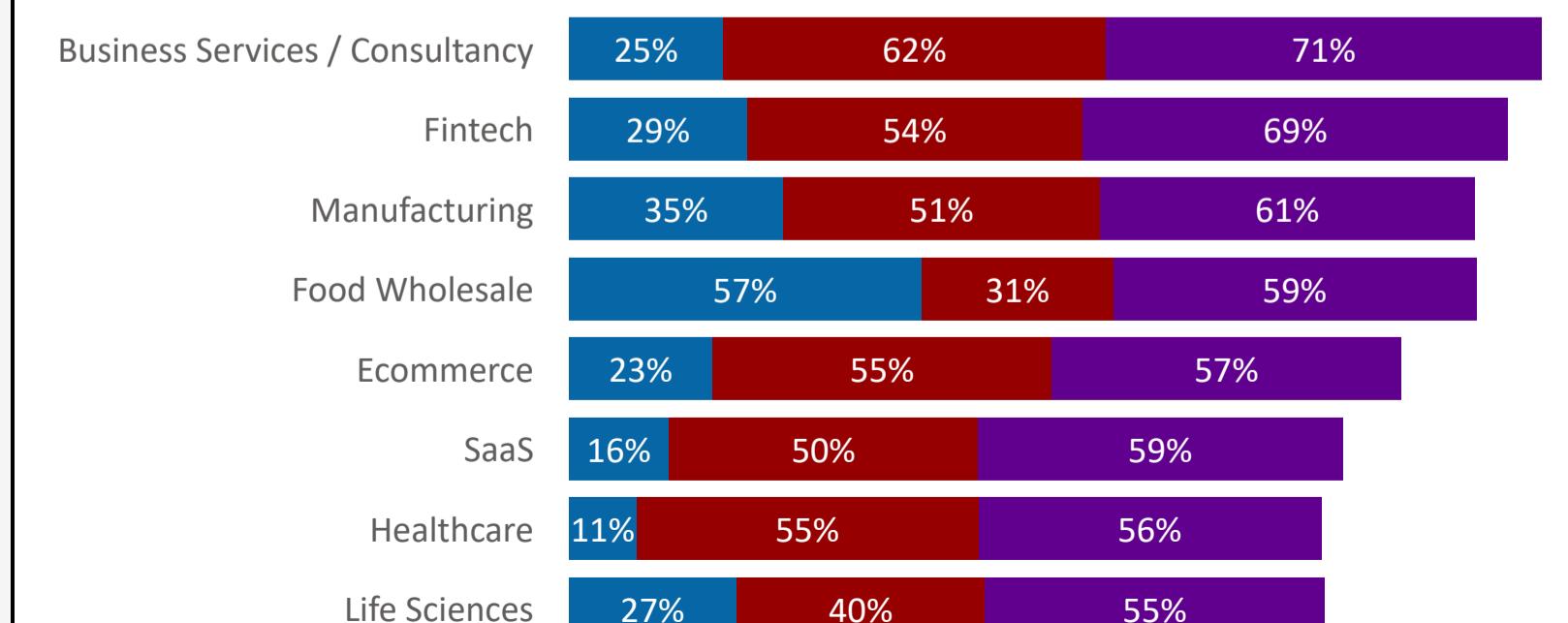
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Score proportion of improvement plan



Score by sector and pillar

● Environmental ● Social ● Governance



Score by portfolio company stage and pillar

● Governance ● Social ● Environmental

