

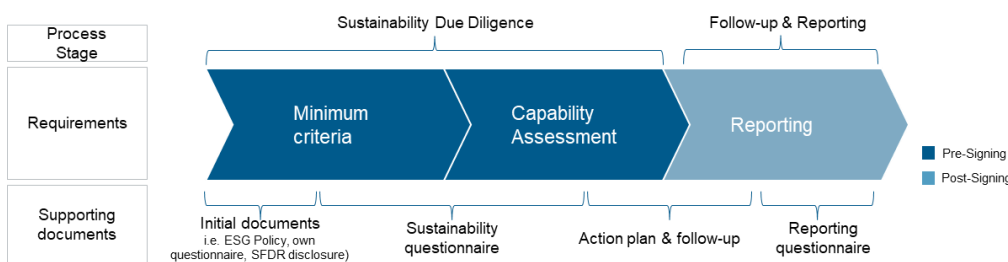
# Guideline & prerequisite overview

Sustainability aspects are central to our investment process and subject to the due diligence

[additional links & documents](#)

## Requirements Overview

The underlying information document gives an introduction to our process (depicted below) and advice on information provision and preparation for the Sustainability due diligence call.



## Minimum Criteria

Funds need to provide Information on the fulfillment of minimum criteria in order to qualify for an investment.

**ESG Policy:** The fund must have a formal Sustainability/ESG policy that is of satisfactory quality and accessible to all employees. Policy best practices and guidelines are provided in the side column. The policy should reflect the funds ESG strategy and be as specific as possible. The formulated policy should be made available as a separate document.

- ESG Policy:**
- Topics to be covered: see annex
  - [UNPRI Guidance](#)

**Classification according to Sustainable Finance Disclosure Regulation (SFDR):**

Funds must provide a first indication on the Funds classification (Article 6 /8 /8+/9) with initial information provision to the investment team in the form of the pre-contractual disclosures according to Art. 8 and 9. This is also contained in the Sustainability questionnaire.

- [SFDR pre-contractual disclosure template for Art 8 funds](#)

**Exclusion List:** KfW Capital applies restrictions to its operations in relation to certain economic sectors, which are considered not to be compatible with the ethical, social and environmental standards of KfW and KfW Capital, as an innovative start-up portfolio should only consist of sustainable future technologies. Funds must provide Indications on the exclusion list in the ESG questionnaire.

- [KfW Capital Exclusion List](#)

## Capability Assessment

KfW Capital assesses the target funds using a standardised and quantified Sustainability questionnaire. The questionnaire comprises the previously mentioned elements as well as questions (including those recommended by the UNPRI for limited partners in the venture capital market), using an 'ESG Capabilities House' (see below) for assessment. In addition, KfW Capital provides an ESG heatmap to support VC Funds in identifying their material ESG topics. Impact funds are subject to an additional sheet within the questionnaire, and in case of an investment through the 'Impact Facility' also need to fill out the 'Impact Thesis' document. Useful Guidance for impact funds is provided in the VC Impact Playbook

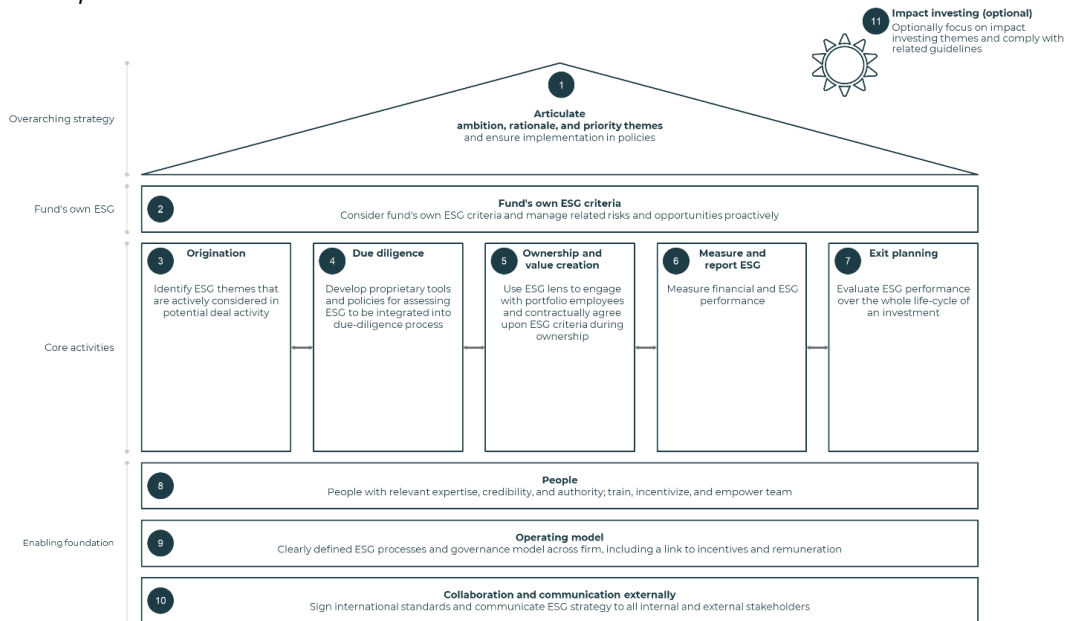
- [VC Impact Playbook](#)

More information on all aspects can be found in the study on Sustainability in VC, published in cooperation with Boston Consulting Group.

- [ESG Study KfW Capital / BCG](#)

The KfW Capital Sustainability team will discuss the results of the questionnaire as well as other relevant materials in a meeting with the fund’s management. The meeting agenda follows the questionnaire structure, providing funds the opportunity to elaborate on their implemented processes and ESG considerations in the investment process as well as at managing company level (‘internal sustainability’).

### ESG Capabilities House



### Follow-up & Reporting

Since 2023, KfW Capital conducts an annual reporting on sustainability-related data on GP, fund and portfolio company level. For reasons of standardization, KfW Capital applies the ESG Reporting Template of Invest Europe. We collect the reporting data via an external software provider and data. In order to comply with KfW Capital’s reporting requirements funds need to collect or upload the data to the provider’s system.

- [Reporting Template Invest Europe](#)

## Annex

### Indicative Structure for ESG policy

This list of topics is only intended to provide a general overview with respect to potential aspects of an ESG policy. This list has neither taken into account any individual investment and business objectives nor the sector and stage focus of a respective fund.

1. Purpose and goal (and how to reach that goal)
2. Scope of the policy
3. Roles and responsibilities/ governance
4. Membership in associations/ applied principles (for example Principles for Responsible Investments - UNPRI)
5. Definition of ESG
6. Fund's own ESG criteria
7. ESG integration within the investment process