



Eurosif

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Eurosif's first-ever EU study on Venture Capital for Sustainability values the market at €1.25 billion

PARIS, FRANCE - February 22, 2007: Eurosif (the European Social Investment Forum) has just published "Venture Capital for Sustainability, 2007". This timely study highlights the results from a fast-growing, new segment: Venture Capital for Sustainability (VC4S), a specific area within Venture Capital where profit objectives are supplemented by a mission which has direct impacts on sustainability.

Based on a survey of European Venture Capitalists, the report reveals that €1.25 billion of committed capital has been raised by European VC4S as of 2006. A recent phenomenon, VC4S experienced a boom in 2006, now representing about 6% of the European VC-only market. This burgeoning sector encompasses funds specialised in renewable energy, but it also includes funds that are focused on bridging economic divides.

Eurosif's Executive Director, Matt Christensen, states: "*We are seeing an extraordinary upward growth curve in Private Equity/Venture Capital, which, in 2006, hit record levels of financing in both Europe and the U.S. At the same time, Venture Capital and Sustainability is increasingly being linked together as investors see that financial returns can also coincide with societal benefits.*"

The research shows that the size of VC4S investments tends to range from €1 to €5 million, focusing on the earlier phases of company development. A majority of VC4S investors surveyed still look for traditional VC returns (20-25%) from their sustainable investments.

One of the most important findings of the report is that a key factor still restraining growth of the VC4S sector is the lack of capital being allocated from institutional investors. The survey reveals that VC4S is often led by investors such as family offices and/or HNWI's (high net worth individuals).

Eurosif argues in the study that pension funds and foundations should direct more of their portfolio allocations to Venture Capital funds that take on sustainability as a part of their mission. This approach would not only be consistent with the long-term orientation of pension funds and foundations but also enable market returns while explicitly contributing to sustainability factors.

Robin Edme, Eurosif's president, concludes: "*EU policy makers should review how EU-wide incentives can better foster a healthy European private equity market and VC4S specifically. Private equity can be a powerful means to unlock job growth, and VC4S, in its focus on sustainability with company creation, could greatly help the EU meet its Lisbon Agenda goals.*"

To view the "Venture Capital for Sustainability, 2007" study, please go to http://www.eurosif.org/publications/venture_capital_for_sustainability.

Notes to Editors

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Eurosif (the European Social Investment Forum) is a pan-European group whose mission is to **Address Sustainability through Financial Markets**. Recognised as the premier European forum for sustainable investment, Eurosif's member affiliates are drawn from leading pension funds, asset managers, academic institutes and research providers together representing assets totalling over €600bn. The key benefits that Eurosif affiliate members receive include EU lobbying, SRI information and European wide initiatives that integrate SRI and Corporate Governance issues into the financial services sector.