LEVELLING THE PLAYING FIELD

Key Levers to Mitigate Gender Bias in European Venture Capital

eit Community Supernovas

Funded by the European Union

EQUINOX EQUALITY EXPERTS

esade RAMON LLULL UNIVERSITY Center for Social Impact

Authors

Chiara Andreoli | Esade Center for Social Impact
Leonora Buckland | Esade Center for Social Impact
Ody Neisingh | Equinox Equality Experts

Collaborators

Celia Alija | EIT Food
Lisa Hehenberger | Esade Center for Social Impact
Laura Reijnders | Esade Center for Social Impact

Special thanks to

We would like to **extend our sincere gratitude to the six VC firms that participated in this study** for their valuable collaboration and openness.

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Finally, our heartfelt thanks to EIT Food for their support and for making this study possible.

Designed by
Cuchillo
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About The Supernovas Programme

EIT Supernovas is one of Europe's leading forces driving gender diversity across both sides of the startup table, empowering women as investors and founders alike. As a flagship initiative of the European Institute of Innovation and Technology (EIT), we take a data-driven, cross-sector approach to building a more inclusive innovation ecosystem.

Find out more at **www.eit.europa.eu**
Check out the **EIT Gender Equality Factsheet**
Make sure to follow us on LinkedIN **Linkedin EIT Community Supernovas: Overview | LinkedIn**

Esade Center for Social Impact (ECSI)

The Esade Center for Social Impact (ECSI) develops research with rigor, reach, and relevance for and about social impact. As part of our mission, we work to create the conditions for interactions to understand problems in-depth, ask difficult questions to spur novel thinking and innovative ideas, pilot progressive change, and generate knowledge, tools, solutions, and leaders that enable social change through research, education, and social debate. Our vision is a better world where citizens understand global problems in-depth, co-organize the development of social impact practice and theory and hence solve complex global challenges to regenerate the environment and reduce inequalities.

More information is available at: **https://www.esade.edu/impact**

Equinox Equality Experts

Equinox Equality Experts is a consultancy dedicated to helping organizations embed equality and inclusion at their core. With over 15 years of combined experience in gender-mainstreaming, policy advisory and public affairs across private and public sectors, they bring a practical and impact-focused approach to building policies, products and services that genuinely serve everyone. Their guiding principle is that equality isn't an optional add-on—it's central to effective and sustainable success.

About the European Institute of Innovation & Technology (EIT)

The EIT strengthens Europe's ability to innovate by powering solutions to pressing global challenges and by nurturing entrepreneurial talent to create sustainable growth and skilled jobs in Europe. The EIT is an EU body and an integral part of Horizon Europe, the EU Framework Programme for Research and Innovation. The Institute supports dynamic pan-European partnerships, EIT Knowledge and Innovation Communities, among leading companies, research labs and universities. Together with their leading partners, the EIT Community offers a wide range of innovation and entrepreneurship activities across Europe: entrepreneurial education courses, business creation and acceleration services and innovation driven research projects.

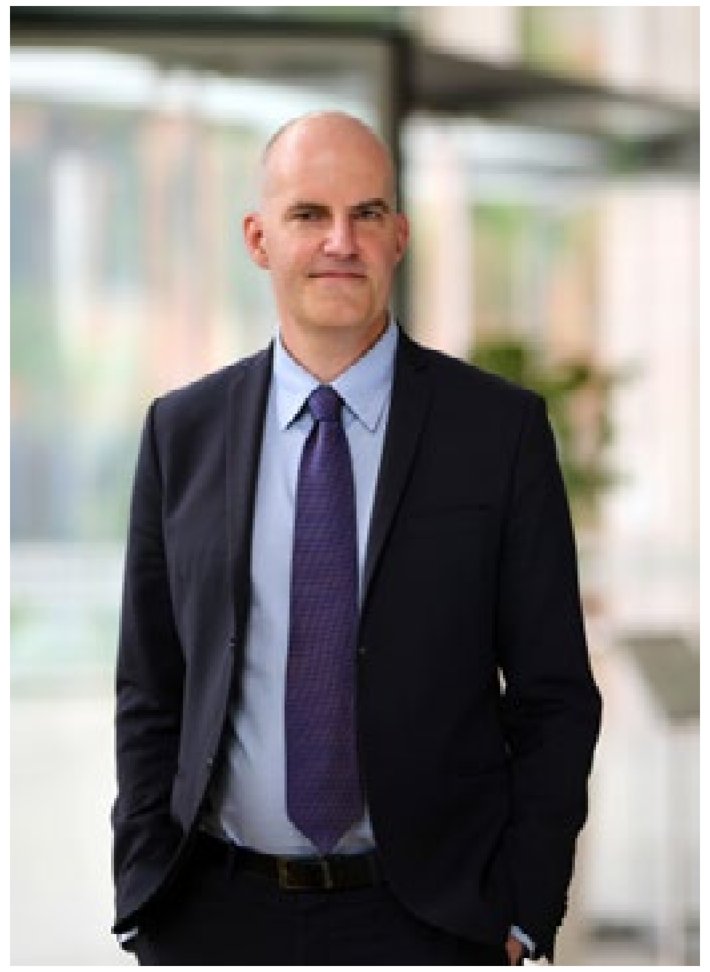
The EIT bridges gender gaps in the European innovation and entrepreneurship, through gender mainstreaming, and tailored women entrepreneurship & leadership programmes. The EIT is acknowledged by the European Commission for bringing down barriers to women's participation in Europe's innovation. In 2023, the EIT won the European Union Agency Network (EUAN) Diversity & Inclusion Award. In the EIT Community women make 40% decision makers, 27% of CEOs/ Owners of the EIT KICs-supported start-ups and scale-ups, and 45% graduates from the EIT labelled education programmes. Join us to make gender-smart innovation happen!

About the EIT Community

The EIT Community is a collaborative network comprising the European Institute of Innovation and Technology's (EIT) long-term partnerships, known as Knowledge and Innovation Communities (KICs). These KICs are dedicated to driving systemic change in Europe and beyond, focusing on key areas such as climate change, energy, health, food, manufacturing, raw materials, digitalisation, urban mobility, culture and creativity. By harnessing the collective expertise of the KICs, the EIT Community initiatives power innovation, entrepreneurship and creativity in Europe. We believe that together we can foster a competitive, inclusive, and sustainable European economy for generations to come.

FOREWORD

Innovation cannot thrive when bias determines who gets the chance to build the future. Across Europe, fewer than one in four deep tech startups have a woman in the founding team, and all-women founding teams attract barely 2% of early-stage venture capital funding. A missed investment in a woman-led team due to bias is a missed opportunity for an innovative solution, creativity, and improved quality of life.



This new study, 'Levelling the Playing Field: Key Levers to Mitigate Gender Bias in European Venture Capital', and accompanying toolkit bring evidence, reflection, and crucial solutions.

At its core lies a practical Gender Bias Mitigation Tool, created for investors ready to act. It offers clear entry points across the investment process – from sourcing to due diligence, from team culture to post-investment engagement – turning awareness into accountability and intention into measurable change.

Progress depends not only on recognising and eliminating inequalities but on redesigning systems so that inclusion becomes the default. This is not a checkbox exercise; it is a cultural shift that strengthens both innovation and impact.

As part of our mission to power innovators and entrepreneurs across Europe, the European Institute of Innovation and Technology (EIT) is committed to ensuring that diversity and inclusion are embedded in the foundations of Europe's innovation ecosystem. This commitment has been recognised by the EU Agencies Network (EUAN), which awarded the EIT first place in its Diversity and Inclusion Awards in both 2023 and 2025.

By supporting initiatives that promote gender balance in entrepreneurship and investment, we help create conditions where every idea – regardless of who it comes from – has the opportunity to grow and make an impact. Through our work, we see the transformative power of inclusion every day – in ideas that reach markets, in teams that scale, and in solutions that change lives. The insights shared here offer a pathway for Europe's investors to unlock that same potential: building a future where diversity drives discovery and innovation truly serves everyone.

Martin Kern
EIT Director

PREFACE

The Esade Center for Social Impact (ECSI) is proud to present Levelling the Playing Field: Key Levers to Mitigate Gender Bias in European Venture Capital. Our Center operates at the nexus of teaching, research and dialogue regarding key impact themes. We undertook this work to continue to continue to highlight and advance knowledge in the important field of gender equity and inclusion across finance and entrepreneurship, which we then take into the classroom to help to develop the next generation of impact talent, many of whom are women. We also have a mission to sensitise our future male business and impact leaders on this issue.

Gender equity in finance has been a key part of our Center's research over the last years. We have undertaken rigorous, applied research on gender and finance in Europe and Latin America, reflecting our belief that inclusive finance systems drive both social impact and stronger market performance.

With the stubbornly low figures of funding for women founders across Europe - over 80% of European venture capital flowed to all-male teams in 2024 - and with the shifting sentiment towards gender, diversity and inclusion across the Atlantic, highlighting and continue to work on this issue is more important than ever.

This research illustrates that gender bias continues to shape investment decisions in Europe, constraining both opportunity and innovation. Despite growing awareness of diversity, equity, and inclusion in the European entrepreneurship ecosystem, structural and cultural barriers persist — limiting the flow of capital to women founders and underrepresented entrepreneurs. Addressing these biases is not only a matter of fairness; it is essential to unlocking the full potential of Europe's innovation economy.

This research has a very practical output, a step-by-step tool to mitigate gender biases co-created alongside several venture capital firms. Whilst based on rigorous evidence, the aim is to ensure that the study doesn't end with words, but rather with action. We don't want to preach to the converted but instead to allow firms at different stages of the journey towards gender equity to have something useful and relatively simple which can act as a guide. Our prior report asked how awareness of gender equity imbalances could be turned into action to resolve these. This study provides a tool to encourage critical action.

We are grateful to the European Institute of Innovation and Technology (EIT) for its partnership and leadership in promoting diversity within Europe's innovation landscape. Its commitment to embedding inclusion into the foundations of entrepreneurship mirrors our shared vision of a future where every idea has the opportunity to grow. We hope this report serves as both a resource and a call to action for investors, policymakers, and innovators to help make gender-inclusive investing the norm rather than the exception.

Professor Lisa Hehenberger
Director of the Esade Center for Social Impact

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EXECUTIVE SUMMARY

1.1 HOW PREVALENT IS GENDER BIAS IN EARLY-STAGE INVESTMENT IN EUROPE AND WHAT TYPE OF GENDER BIASES EXIST?

Despite growing awareness of diversity, equity, and inclusion (DEI) in entrepreneurial finance, **gender bias continues to shape investment decisions across Europe's venture capital (VC) ecosystem.** Intersectional barriers further compound the challenge, disproportionately affecting women founders from marginalized backgrounds and contributing to persistent funding disparities.

Many VC firms operate under the assumption of a meritocratic playing field, overlooking how gendered dynamics influence deal flow and investment due diligence and pitching. Investment professionals themselves often struggle to pinpoint where bias enters the process. Some question whether they are biased at all, or simply less sensitive to gender issues than their colleagues, particularly women. Persistent data gaps on women founders in their pipeline and portfolios, skepticism about studies that associate higher gender diversity with stronger entrepreneurial venture performance, and discomfort with speaking openly about bias remain key obstacles.

Previous studies have identified how different types of bias interact and deepen barriers to funding for women founders including:

- **Gendered stereotypes:** dominant entrepreneurial characterization of a heroic, individualistic, competitive risk taker often clash with more feminine qualities that women entrepreneurs can bring;
- **Affinity bias**: male-dominated investor circles often favor male founders because they naturally relate more to them;
- **Motherhood bias:** investors may subconsciously question whether a woman founder's commitment will be affected by family responsibilities; and
- **Confirmation bias:** can compound existing entrepreneurial stereotypes and historic funding patterns, with investors seeking out and favoring information that confirms their preexisting beliefs while ignoring contradictory data.

This study **brings such biases to life within the context of six European VC firms, illustrating how they work in subtle ways. On a more hopeful notes, progressive and forward-looking VC firms in the research sample are increasingly aware of and attempting to address these gender biases.**

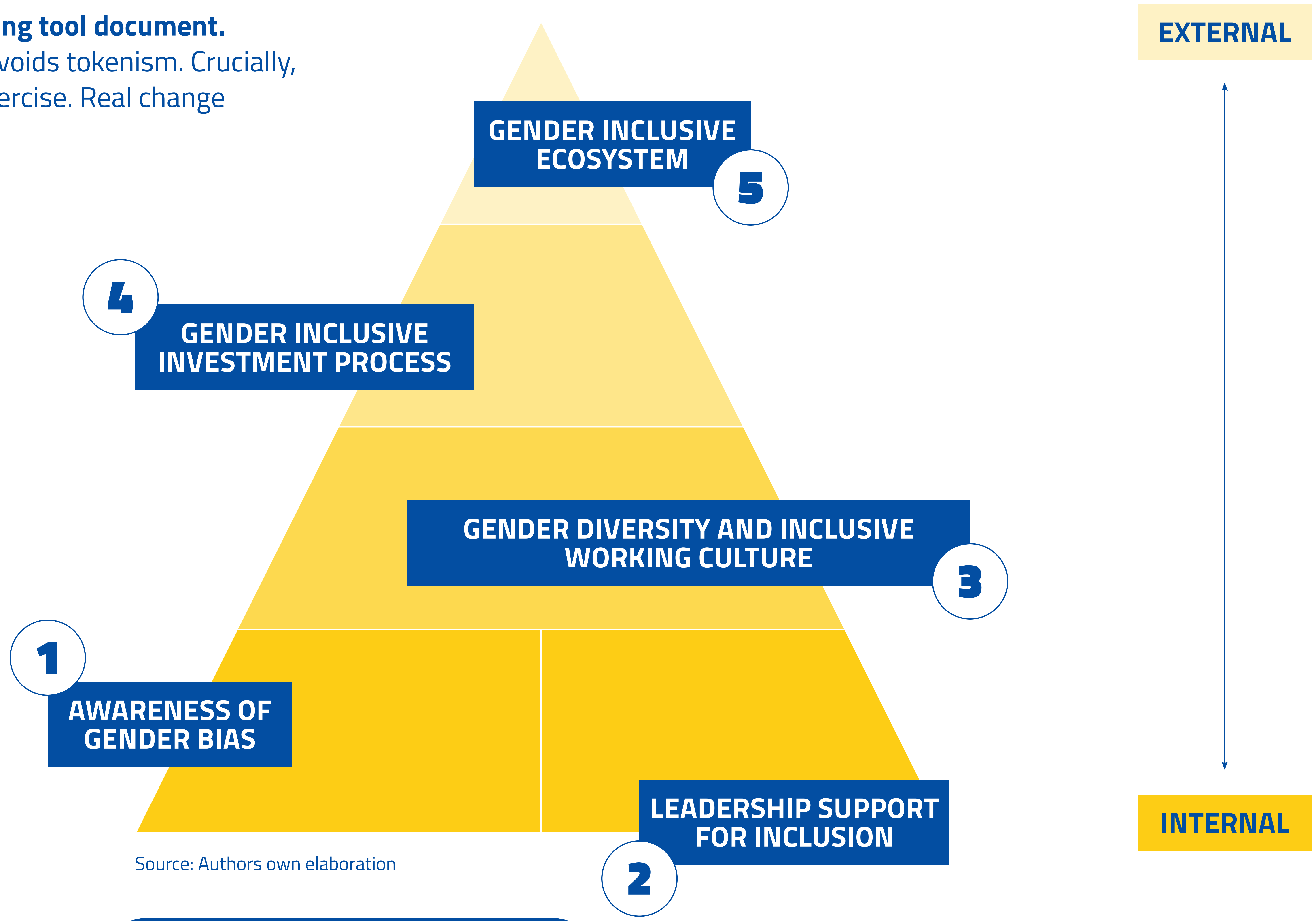
1.2 WHAT CAN VC FIRMS DO TO COUNTER THIS GENDER BIAS?

The **research identified five key levers for addressing gender biases in VC with associated measures which are outlined in the accompanying tool document.** Mitigating gender bias requires a thoughtful approach that avoids tokenism. Crucially, embedding gender and diversity into VC is not a checkbox exercise. Real change demands structural reform within VC firms themselves.

Figure 1

Key levers for overcoming gender bias within VC investment firms

(Source: authors own elaboration using insights from the research)



Source: Authors own elaboration

Lever 1
AWARENESS OF GENDER BIAS

1

Without awareness gender biases cannot be addressed. This is the first and critical lever for change, requiring unconscious bias training across the VC firm and attention to how gender bias operates within each investment decision context. Uncovering gender bias is not a simple yes or no exercise - there is a spectrum of how significant the bias is (the accompanying tool document offers ways to diagnose gender bias at individual level). Moreover, becoming aware of biases in the investment process is not a one-time event where professionals and a firm become conscious and then start to fund more women founders. Mitigating gender bias is a constant and ongoing process, fortified by ensuring that measures and processes are in place to dismantle biases and that there is an ongoing cycle where individuals and the whole VC firm is setting intentions, reflecting and acting.

Lever 2
LEADERSHIP SUPPORT FOR INCLUSION

2

It is a common adage that change starts from the top. Leadership support, whether from women or men partners, is critical in generating the required energy and focus to tackle gender bias in a more deep-rooted way and ensuring an inclusive culture where women investors and women founders can thrive alongside their male counterparts.

Lever 3
GENDER DIVERSITY AND INCLUSIVE WORKING CULTURE

3

Teams with more inclusive cultures tend to naturally be more open to discussing and addressing bias related to diversity. Increasing gender diversity at all levels of the VC firm commonly translates into greater funding flows to women founders. This can require some intentional hiring of women to address the disproportionate lack of women applying for VC positions.

Lever 4
GENDER INCLUSIVE INVESTMENT PROCESS

Every stage of the investment cycle, from sourcing to post-investment, presents opportunities to challenge norms, reduce bias, and foster inclusivity. Whether this is about having a team of scouts intentionally uncovering under-represented founders (including women) or ensuring a checklist of questions for pitches that is the same for all founders, there are many ways to address gender bias within the investment process which are further outlined in the accompanying tool document.

Lever 5
GENDER INCLUSIVE ECOSYSTEM

Engaging with the wider ecosystem through participating in field-level events, mentoring women founders, joining in collective actions related to gender diversity are a critical part of working at different levels of the system, moving beyond the boundaries of each firm and building broader momentum and pressure. However, this lever is most effective when change has already come from within: where VC firms are walking the talk, and not joining industry-wide activities for promotion or branding purposes.

1.3 THE CONTRIBUTION OF THIS RESEARCH TO THE FIELD AND KEY RECOMMENDATIONS

Whilst there is evidence of gender bias in investment decision-making, **there is less research related to potential solutions for overcoming this bias.** This research focuses on the crucial question of whether VC firms in different contexts believe that gender bias exists, how it may operate and what firms are doing to mitigate it. It can be used in conjunction with other studies and toolkits related to gender lens investing or gender and diversity with an ESG dimension more broadly and has a more **laser-sharp focus on gender bias** itself.

The key output of the research is the first dedicated tool to address gender bias in early-stage investing. This integrates the most effective mechanisms to counteract unconscious bias, taking different contexts into account (e.g., traditional, impact-oriented, and gender lens investors). It assists investors in identifying areas for improvement within their organizations to prevent unconscious biases.

Another key contribution is the novel approach of placing the VCs within a larger system (the venture capital field and broader society) and understanding their margin for control and therefore accountability. Bias **is insidious and complex - everyone has biases, men and women alike - driven by and reflecting societal as well as entrepreneurial archetypes and norms as shown in Figure 2 below.**

However, VC firms also are dynamic actors in this broader system – their investment choices ripple outward, influencing societal norms and access to entrepreneurship. **Whom VC firms chose to fund shapes the society of tomorrow.** The journey is complex, but the VC firms in our sample, and beyond, show a genuine commitment to progress. With this report, we aim to spark awareness, courage, and action. Above all, we want to pass on hope: to women and diverse founders fighting for recognition, and to the investors determined to build a more inclusive VC ecosystem. Every VC professional holds the power to unlock opportunities for women and diverse founders, and in doing so, to positively shape society.

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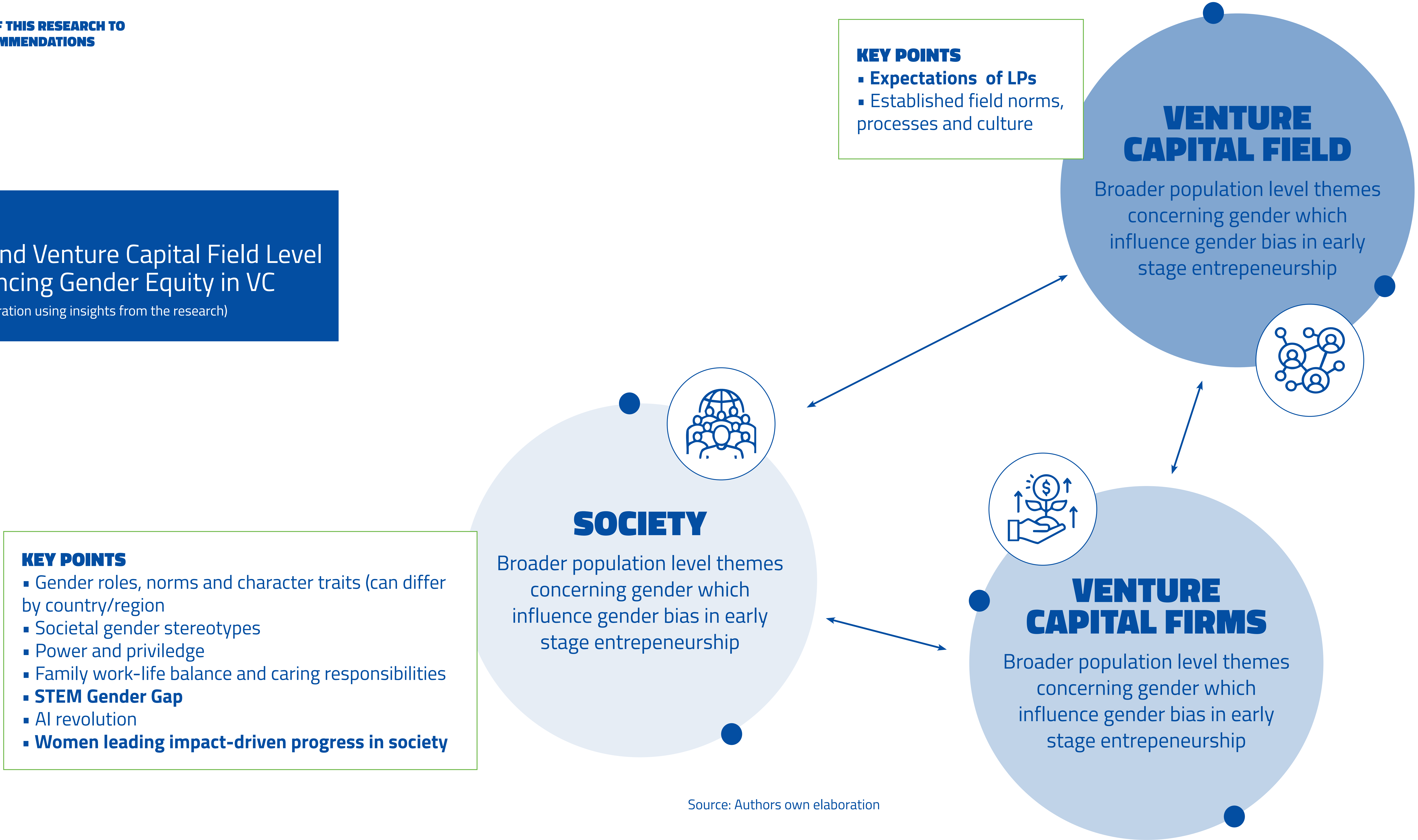
Figure 2

Society-level and Venture Capital Field Level Themes Influencing Gender Equity in VC

(Source: authors own elaboration using insights from the research)



Source: Authors own elaboration

KEY RECOMMENDATIONS EMERGING FROM THE RESEARCH INCLUDE:

- **VC firms**: conduct a self-assessment on each of the five leavers using the accompanying tool, prioritizing a set of actions; listen to women founders and mixed teams who have engaged with your firm or who are in your portfolio and act on their feedback; join collective local and European field-level networks and movements related to improving gender diversity in early-stage entrepreneurship; provide gender-disaggregated data to industry bodies; certify with third party gender certification organizations.

- **LPs**: signal the importance of gender diversity across VC firm and its portfolio for allocation decision-making; engage in ongoing dialogue with GPs on gender diversity; determine real consequences for lack of action on gender diversity.

- **Field level**: monitor and report on gender diversity metrics across the VC field; ensure sufficient dialogue within ecosystem events and an inclusive space for diverse participants; celebrate success stories of gender diversity at VC firm level and amongst women founders; encourage and support the development of supportive infrastructure for women founders; provide funding and spaces for capacity-building of under-represented founders.

- **Further research**: interrogate how different diversity biases interact; understand the specific perspective of women founders and mixed teams; diagnose how AI is shaping the VC field and its impact on gender and other diversity biases.

INTRODUCTION AND RESEARCH OVERVIEW

2.1 THE CHALLENGE

Between 2011 and 2021, only one in ten funded founders and CEOs were women, and all-women founding teams secured a mere 2% of early-stage VC funding (European Investment Fund, 2023). The latest data from Pitchbook as outlined in Figures 3 and 4 below confirms the trend of stubbornly low flows of capital to female founders who currently receive approximately 2% of VC capital flows in Europe. The more hopeful story is the rise of capital flowing to mixed gender teams, with significant improvement in Europe since 2010 although lagging behind a steep rise of funds flowing to mixed gender teams in the US. Intersectional barriers compound the issue for women from marginalized groups, including those with disabilities, lower socio-economic backgrounds, vocational education, migration status, or non-heteronormative sexual orientations (Bittner & Lau, 2021; Buvinic & Badiee, 2024). Linked with the stubborn issues surrounding VC funding flowing to women founders is **the lack of women investment professionals,** particularly at more senior levels of VC. In Europe, while one in seven top-level VC investors were women, the vast majority worked in male-dominated teams (nine out of ten) (EIF, 2023).

Figure 3

European VC funding flows to all-women and mixed teams

Source: Pitchbook

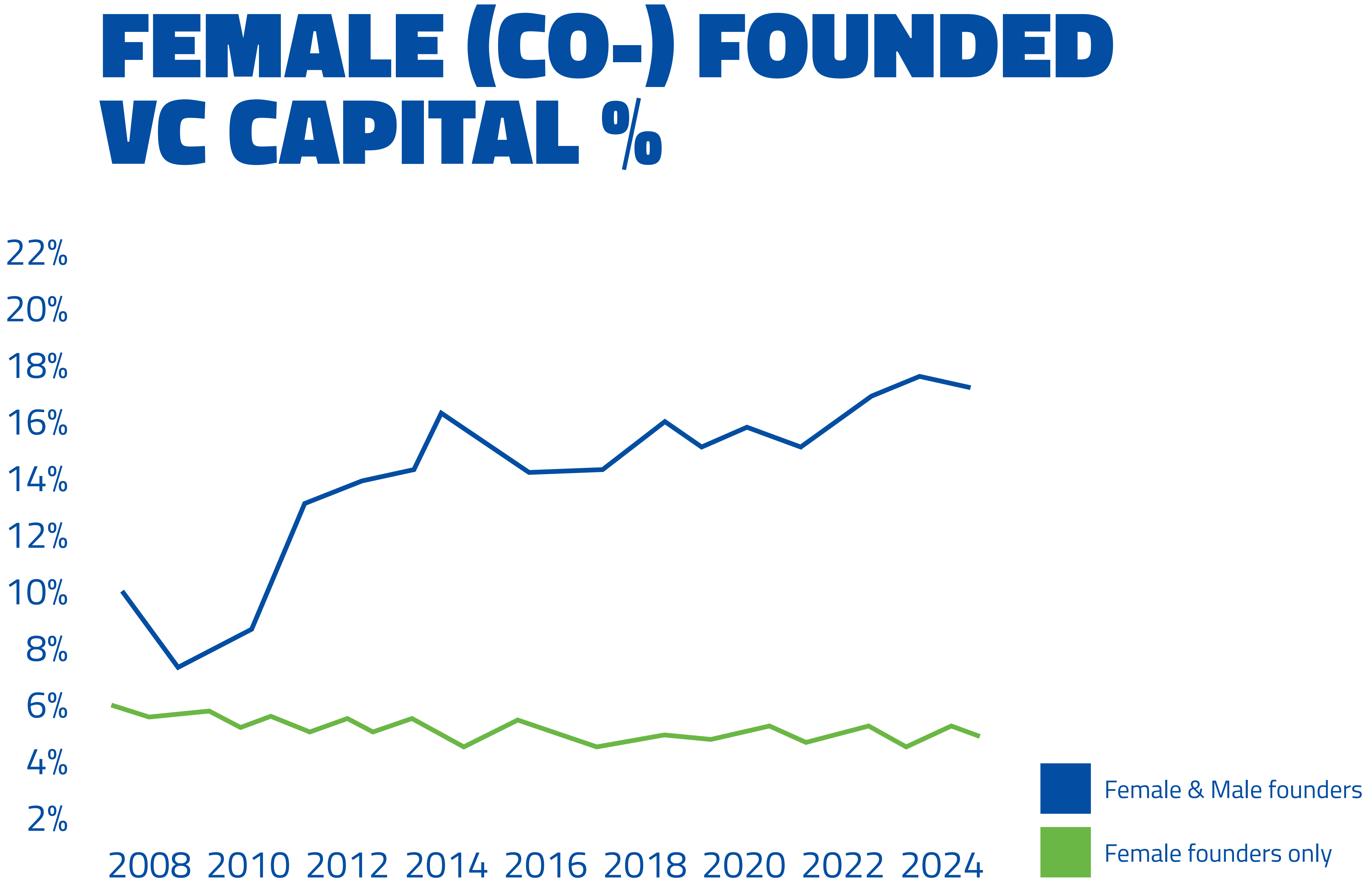
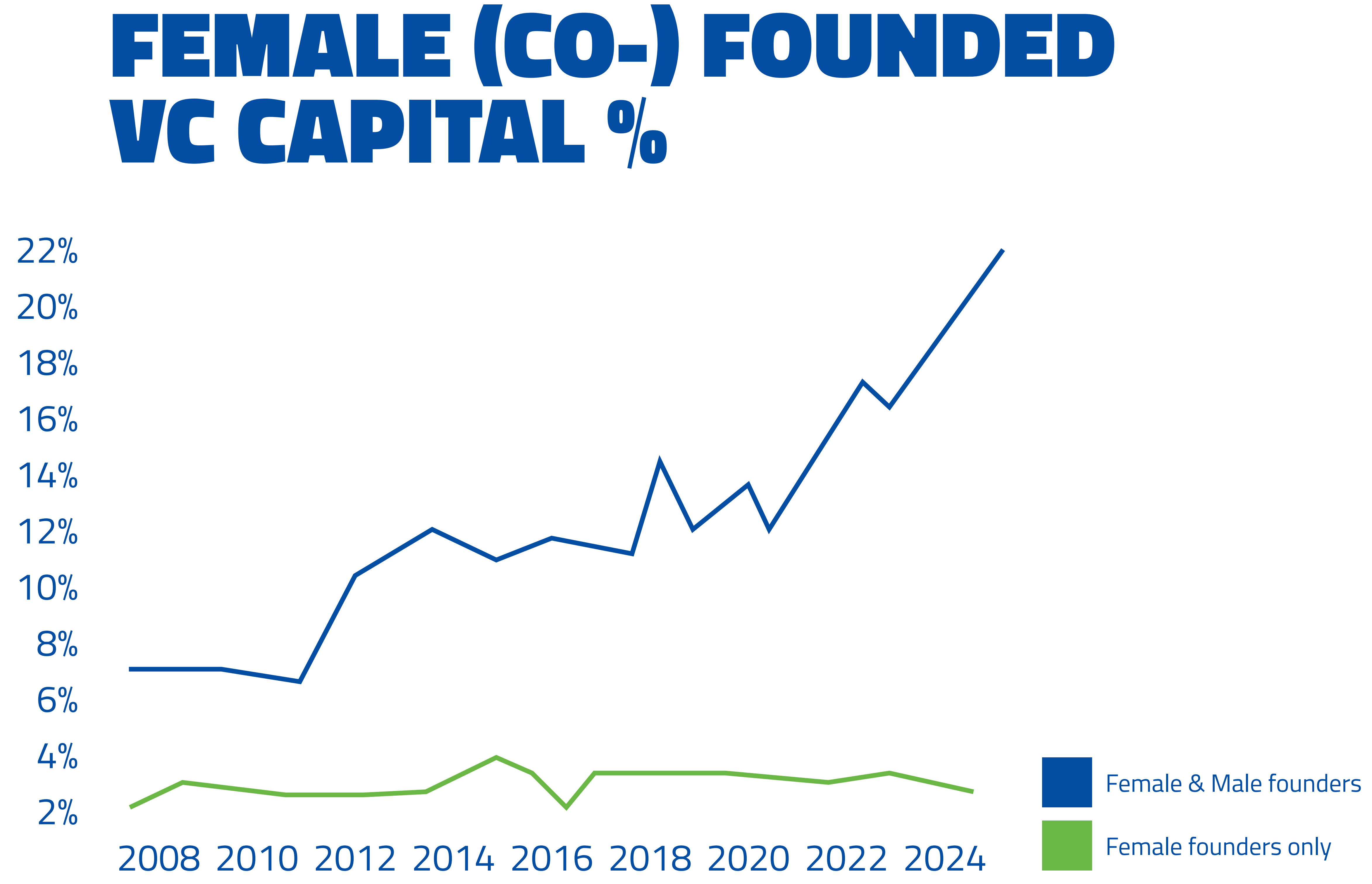


Figure 4
US VC funding flows to all-women and mixed teams
Source: Pitchbook



The continuing disparities in funding to female founders (where many men-only founder teams but very few women-only founder teams are funded) suggests that investment decisions are shaped by more than judgements of performance alone: **conscious and unconscious gender biases are likely to be a factor in how entrepreneurs are evaluated and resourced. Conscious biases** are attitudes and beliefs of which people are fully aware whereas unconscious gender biases can be usefully conceived as hidden barriers which put women at a disadvantage compared to men because of cultural assumptions, organizational structures and practices, and patterns of interactions among people. Common biases in entrepreneurship affecting gender include **stereotyping related to what makes a good entrepreneur,** for example the "think entrepreneur – think male" paradigm, with the dominant entrepreneurial characterization of a heroic, individualistic, competitive risk taker, which often clashes with more feminine qualities that women entrepreneurs can bring (Brush et al., 2009).

Other biases include affinity bias whereby male-dominated investor circles often favor male founders because they naturally relate more to them - also known as homophily (Westover, 2024). With motherhood bias investors may subconsciously question whether a female founder's commitment will be affected by family responsibilities. Confirmation bias is another common bias. Investors tend to seek out and favor information that confirms their preexisting beliefs while ignoring contradictory data (Halrynjo & Mangset, 2024). Where investors have more often invested in male founders, they will continue to repeat this pattern over time creating a vicious circle where it is hard to break the historic low funding flows towards women founders.

Gender bias is particularly strong in certain male-dominated industry sectors. Kanze et al. (2020) examined whether female founding CEOs face funding penalties, through an observational study of ventures seeking investment (N = 392) and an experimental study of investor decision-making (N = 130), they identify a "lack of fit" effect. **Women-led ventures operating in male-dominated industries receive significantly less funding and lower valuations than those in female-dominated industries.** In contrast, male-led ventures secure similar funding and valuations regardless of the industry's gender composition. This disparity stems from investors perceiving a weaker alignment between women founders and their ventures in male-dominated fields, while male-led startups face no such bias across industries. However, investor sophistication emerged as a mitigating factor, suggesting that more experienced investors may be better equipped to recognize and overcome gender bias linked to perceived fit.

This gender and more broadly diversity 'problem' in VC both at the founder and investment professional level has raised significant industry discussion, but despite efforts and some progress, the needle is not moving fast enough. Early-stage investment in Europe still has a gender and diversity issue despite valuable activities to encourage more inclusion at individual VC firm and VC field level. For gender, such efforts have included the development of codes among investors to support women entrepreneurs, women networks and accelerators as well as targeted sourcing, mentoring and recruitment efforts. Our research, which focuses on the gender dimension of diversity, equity and inclusion within early-stage entrepreneurship, **asks if the slower than hoped-for progress is because deep-rooted biases still exist regarding gender, entrepreneurship and investment.** And, if this is so, more targeted interventions are needed to uproot these biases, **disrupting the narrative that there is a level playing-field, a situation in which everyone has the same chance of succeeding[1], and VC firms will choose the best entrepreneurs and businesses that they find.**

> "In terms of the gender diversity in VC, I think there are a lot of people trying to do good things. But change is happening very slowly."

Increasing funding to women founders is a systemic and dynamic problem, and we acknowledge that gender bias in the investment process is only one part. Other ways to address the problem include encouraging and supporting more women founders and for those women founders to come more frequently to the VC funding table. Many in VC may prefer these more externally and demand-oriented activities rather than the internal and uncomfortable terrain of bias. However, there are many VC firms, particularly in the impact space, who are keen to step up to the plate to go on a journey to futureproof their firms over time against such gender bias. They acknowledge this makes good business sense - unlocking more opportunities for diverse teams which they believe create investment alpha – as well as moving towards a more gender equitable VC field. **If it is true that knowledge is a powerful way to dismantle our biases, this research and the gender bias mitigation tool that emerges from it will hopefully provide evidence and orientation for such firms.**

[1] Cambridge dictionary definition of a level playing-field.

2.2 WHY SHOULD EARLY-STAGE INVESTORS CARE ABOUT GENDER BIAS AND WHY SHOULD THEY MAKE IT A PRIORITY TO MITIGATE?

We found it hard to recruit and engage VC firms in this research, which may reflect: a widespread sensation that working on gender equity in the investment process may be a nice-to-have for VC firms (particularly mainstream ones), that perhaps it is increasingly a risky environment reputationally (particularly for those where gender or diversity is not part of their investment thesis) and that despite rhetoric, VC firms are still not fully prioritizing this issue. VC investors did not tend to have all the statistics regarding gender in their pipelines and portfolio at their fingertips and some displayed a sense of powerlessness in the face of the gender discrepancy of founders in their pipeline. The narrative about women founder and mixed gender teams performing better and the low number of women founders in the pipeline, is still an open question for many despite significant evidence[2]. Some questioned the credibility of research around the correlation and causation of women-only and mixed teams with improved financial performance. In other words, **there are tailwinds regarding how far VC firms might be willing to go to investigate their own gender biases** and disrupt their normal ways of working and making investment decisions, which are often subjective, a part of the VC 'mystery and magic'.

At the same time, it was hard to recruit founders regarding this matter. Other than time pressures and lack of interest for some, we believe it is a very delicate topic which founders, who find themselves in an uncomfortable power dynamic are not so willing to speak about. Therefore, we decided to focus on their 'version of the story' in future research. We recognize that at this point our research is one-sided, focused on investors. We also acknowledge that given the constraints of this project, **we could not fully investigate the relationship between gender and other diversity characteristics (i.e., intersectional factors[3]), such as ethnicity, age, disability, and sexual orientation,** only touching on how far gender bias was similar to other forms of diversity biases that exist in early-stage investment. This is an additional area of urgent future research. We hope that the findings from our research can be adapted for other forms of diversity bias which also exist and impinge on an equitable and inclusive early-stage investment sector.

It is hopeful that VC firms we spoke to are prepared to take on board the existing evidence that gender stereotypes and biases exist in early-stage funding. For example, an influential study in 2020 showed that during pitches men and women were asked different types of questions. Male entrepreneurs were typically asked promotion-oriented questions, focusing on growth, achievements, and potential gains. In contrast, female entrepreneurs received prevention-oriented questions, emphasizing risks, security, and potential losses (Kanze et al. (2017 & 2020). Another study illustrated **that VCs are biased against femininity** and that women entrepreneurs are not penalized for acting in more masculine ways, but rather for acting in gender-consistent but entrepreneur-role inconsistent manners. Men showing "feminine" traits like warmth

[2] For example: Achieving Superior Returns with Gender Diversity in European Venture Capital Firms, European Women in VC, September 2023

[3] Intersectionality is key in the context of gender equality as it helps understand how gender and other factors interact and increase the level of bias and therefore inequality. For other resources, please check 2X study published in March 2024 (Badiee & Buvinic, 2024).

are also less likely to be selected. A key contributing factor to the prevalence of gender bias in investment firms may be the lack of diversity among investors themselves. While it is not necessarily the case that investors favor those for funding who share their background, VC investors also acknowledge that a lack of representation in decision-making can reinforce structural inequalities.

Indeed, there is much hope, intentionality and openness amongst VC investors we spoke to, who are ready and willing to face their own biases and keen to understand how to do more and to do better on this issue. They care for a number of reasons:

- Because they believe that they can uncover better opportunities if they reduce gender bias in the investment process and are able to attract more women founders and investment professionals. This can also enhance their financial performance;
- Because they believe that women founders are working on areas of importance for social and environmental impact, and have a strong, natural impact-orientation;
- Because they see that some culturally embedded traits that some women founders may have (for example pitching the future of their business in a more conservative way) can count against them in the VC dynamic.

2.3 RESEARCH METHODOLOGY AND CONTRIBUTION TO THE FIELD

Whilst there is evidence of gender bias in investment decision-making, **there is less research related to potential solutions for overcoming this bias.** This research focuses on the crucial question of whether VC firms in different contexts believe that gender bias exists, how it may operate and what firms are doing to mitigate it. It can be used in conjunction with other studies and toolkits related to gender lens investing or gender and diversity with an ESG dimension more broadly and has a more **laser-sharp focus on gender bias** itself. In shaping the research question and approach, we hypothesized that there are sites of reduced unconscious gender bias, for example, in gender-lens and/or diversity investors where investment allocation decisions might be made differently, where they have built-in safeguards or include different forms of analysis, and some impact investing firms where gender sensitivity tends to be higher and there are more female investment decision-makers. Moreover, in a novel approach, **the research adopts a systemic framing to identify where VC firms have margin of control and how their investment decision-making is driven by deep-rooted mindsets and framings at both VC field level but also at a wider societal and cultural level.**

This research is part of the Gender Lens Investing research series conducted at the Esade Center for Social Impact. The authors have built a strong expertise around gender in entrepreneurship and finance throughout the years. All the data reported comes from the research conducted specifically for this paper, although it should be considered as a piece of the broader puzzle of mainstreaming gender lens investing.

We used a **qualitative-quantitative mixed methods** case study approach with a sample of private market venture capital investment firms based in or active in Europe: Impact Shakers and Ada Ventures who can be considered diversity investors, Rubio Impact Ventures and Ship2B Ventures who are impact investors, and IQ Capital and Kibo Ventures who we considered more mainstream investors. More about these VC firms is contained in the table in Figure 5 below.

After conducting a comprehensive literature review[4], we collected data through semi-structured qualitative interviews with different investment professionals within the firm, focus groups, surveys, and observations at pre and IC meetings as outlined in Figure 6 below. The questions were differentiated for the main contact person at each firm, partners, IC committee member, investment directors or managers, and external independent experts.

As **survey tools,** we used the **Harvard Implicit Association Test (IAT)** which we asked all interviewees to take, **as well as our own customized surveys testing entrepreneurial stereotypes** in addition to a firm survey on which measures regarding gender equity the firm had in place. We also collected gender-related statistics at VC firm level where possible. For privacy reasons, we cannot share the results, but we included some of the data in the Findings section. We conducted two workshops with interviewees to test, discuss and validate emerging findings. Moreover, we attended two pre-IC and one IC meeting at two impact funds. All interviews and focus groups, excluding the pre-IC and IC meetings, were recorded and transcribed. After a first read of all the data collected, we developed a qualitative framework for analysis. After the first stage, the authors selected the most important quotes and data to be included in this report. All quotes come directly from our interviews and focus groups, providing insights into the lived experiences of professionals in the field.

[4] See bibliography for a full list of studies backing up our research.

Figure 5
VC firms included in the research sample

	Geography	Stage	Broad focus	Fund size	Specific sector
ada ventures	**UK** based but active across Europe	Pre-seed to seed stage	Focused on diverse/ under-represented founders	Ada Ventures 1: £38m; Ada Ventures 2 £63m targeting diverse impact startups.	Climate equity, economic empowerment, healthy ageing.
Impact Shakers	Based in **Belgium**, active across Europe	Pre-Seed	Focused on diverse-led pre-seed impact startups	Raising Euro 20m fund	Climate tech, impact infrastructure, inclusion tech
rubio impact ventures	Based in **Netherlands**	Seed and Series A	Funds classified as Article 9	Fund Size 1, Euro 41m; Fund Size 2, Euro 110m	Focus on circular solutions, People Power, Healthy Solutions
Ship2B Ventures INVESTING FOR A BETTER WORLD	Based in **Spain**	Pre-Seed and Seed	Funds classified as Article 9	BSocial Impact Fund 1; Bsocial Impact EuSF Fund. 60mE of capital managed.	Focus on impact start-ups
IQC	Based in **UK**	Seed and Series A	Focused on deep tech companies	Assets under management in deep tech to $1bn; fourth Venture Fund $200m	Advancing intelligence, reinventing energy, accelerating computation, decoding biology, and building resilience
KIBO VENTURES	Based in **Spain**	Pre-Series A and Series A	B2B with a bias towards deep tech and impact	6 Funds €350m+ AUM	B2B with a bias towards deep tech and impact

Figure 6
Data collection overview

INTERVIEWS AND OBSERVATIONS

	Number
Partner	7
C-suite	3
Investment team	10
IC member	1
Other internal roles	3
IC meeting observation	3
Experts	2
TOTAL	29

SURVEYS

	Number
Harvard implicit association gender career test	**15** (63%)
Entrepeneurial characteristics statements survey	**18** (75%)
Measures survey (qualtrics)	**5** (83%)
Spreadsheet on gender related statistics	**3** (50%)

2.4 WHO MIGHT BENEFIT FROM REVIEWING AND USING THIS RESEARCH AND HOW?

We believe this paper can be read primarily by **actors in private markets in Europe and beyond,** such as investment firms, institutional investors, entrepreneurial ventures, standard-setters, policymakers, network of bodies supporting investors and startups. We **aim to foster conversation between different actors across the investment decision-making process regarding gender bias** and thereby contribute to the ripple effect of greater awareness and hopefully action leading to positive impact on entrepreneurs, investors, communities, nature, and our society at large.

This report is focused on outlining the research findings and includes many quotes from interviews across the different VC professionals, working for firms within the sample. The quotes are anonymized. We believe that it is important that the voices of VC professionals come through, they provide the rich background and insights into how (a small sample) are reflecting on the issue of gender bias. These research findings have resulted in the **development of a tool which is a key direct output of the research, accessible here. This offers more practical, concrete and step-by-step pathways and guidance for VC investors at different points on their journey to mitigate gender bias.**

"

Every individual, whether consciously or unconsciously, carries biases, and the key is not to deny their existence but to recognize and confront them."

"

We always talk about it in terms of diversity. In our investments we always have either female founders or mixed teams. There was no explicit bias training or about gender lens...but it was very much part of the general conversation. The conversations about it are not taboo.''

DETAILED RESEARCH FINDINGS

3.1 The importance of a systemic perspective in achieving gender equity and overcoming gender bias
3.2 Society-level themes influencing gender bias in early-stage entrepreneurship
3.3 Venture capital field level themes influencing gender bias in early-stage entrepreneurship
3.4 VC firm level levers for overcoming gender bias in early-stage investment

3.1 THE IMPORTANCE OF A SYSTEMIC PERSPECTIVE IN ACHIEVING GENDER EQUITY AND OVERCOMING GENDER BIAS

VC firms operate within a layered structure, and their field of action in relationship to gender equity is constrained by broader societal and field-level factors. Interviewees were acutely aware of these constraints and dynamics and often placed their own as well as their firm's role within a larger, shifting system. For some, this engendered feelings of helplessness, for example related to the rush to invest in AI solutions and the relative absence of women founders in deep tech. For others, this reinforced the need for constant individual awareness and action:

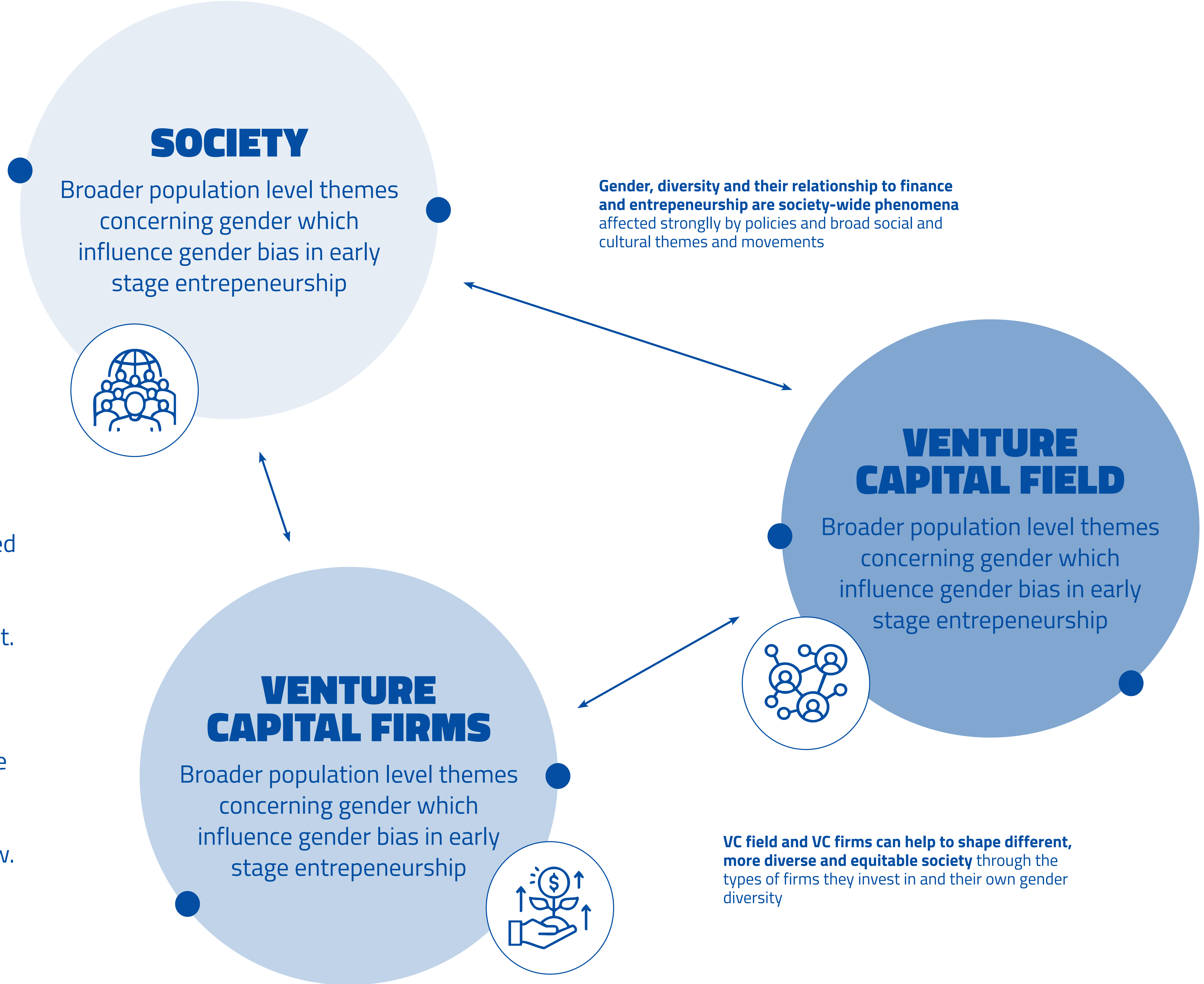
> **"Whether it's top of mind or lingering in the background, it starts with showing up every day—doing your job, creating a safe space, and staying consciously aware. Just as we must critically examine the state of democracy and the rule of law—things we've long taken for granted—we must recognize that they're under immense pressure. That same vigilance applies to how we shape our workplaces and communities."**

The framework displayed in Figure 7 below reflects the research findings that VC firms operate within this layered structure, deeply connected to the venture capital ecosystem itself, which significantly influences gender equity. Beyond that, VC firms are also intricately linked to population-level dynamics that shape the environment in which VC firms operate. Importantly, VC firms are not only shaped by these external forces, but they also play a role in shaping the field and society. **It is a reciprocal relationship: VC firms are influenced by systemic forces, but firms have the potential to foster a more diverse and equitable ecosystem.** Certainly, the weight and nature of these dynamics vary. For example, some regions benefit from supportive legislation, public funding and an enabling environment that facilitate progress toward gender targets in entrepreneurship development and education. Others present a more entrenched resistance, where VC firms find themselves fighting against a more difficult-to-dismantle wall (for example the recent attacks on the DEI movement in the US). In other regions there is limited gender disaggregated data or recognition of a problem that needs to be addressed.

Figure 7

Achieving gender equity in early-stage entrepreneurship: the systemic perspective

(Source: authors own elaboration using insights from the research)

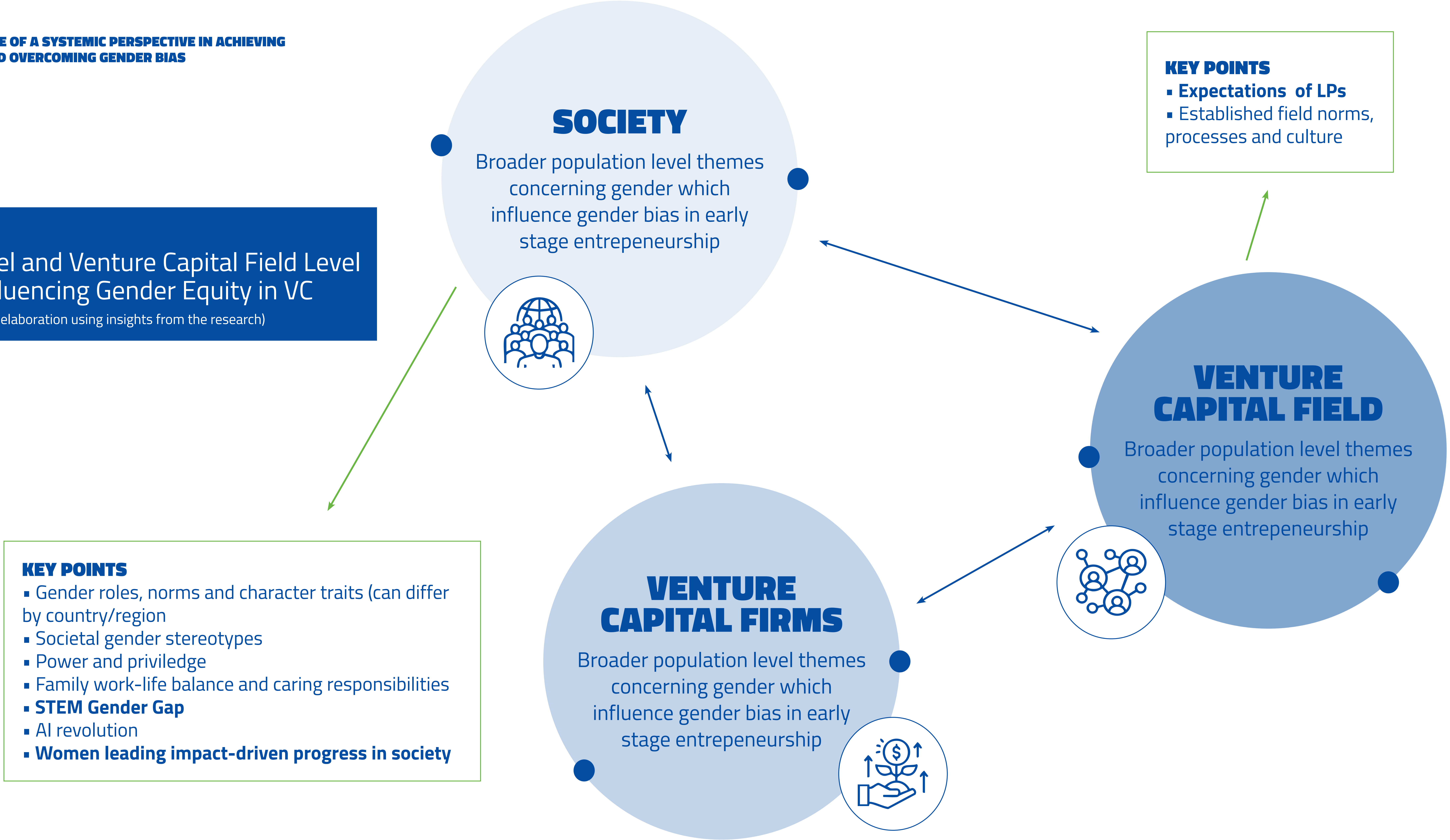


These influences are complex and multifaceted, and they emerged clearly throughout our analysis. From our interviews and findings, several key themes surfaced which are highlighted in Figure 8 below, such as the gender gap in STEM education, the impact of AI advancements on women, and the challenges in building a robust pipeline of women-led firms for investment. Our data also surfaced the 'old' and well-known but still enduring social issues such as work-life balance, power and privilege, and persistent gender stereotypes across different geographies. These are powerful societal themes that continue to shape the landscape. On the field level, we explored the critical role of LPs and how those relationships might help unlock progress. We explore these themes in more detail below.

Figure 8

Society-level and Venture Capital Field Level Themes Influencing Gender Equity in VC

(Source: authors own elaboration using insights from the research)



3.2 SOCIETY-LEVEL THEMES INFLUENCING GENDER BIAS IN EARLY-STAGE ENTREPRENEURSHIP

There are well-known themes which influence decision-making in VC firms, for example entrenched gender roles, norms, and character traits of women as compared to men, as well as societal gender stereotypes regarding family work-life balance and caring responsibilities. Women investors working in VC for many years are increasingly recognizing that women need support early on, to think long-term and for the firm to accept that family life is part of the equation and to create space for that. Many men are also increasingly prioritizing family and caregiving and so there is a recognized need to reframe the conversation and embrace a more inclusive, nuanced understanding of gender roles.

KEY POINTS

- Gender roles, norms and character traits (can differ by country/region
- Societal gender stereotypes
- Power and priviledge
- Family work-life balance and caring responsibilities
- **STEM Gender Gap**
- AI revolution
- **Women leading impact-driven progress in society**

SOCIETY

Broader population level themes concerning gender which influence gender bias in early stage entrepeneurship

Figure 9
Society level themes influencing gender bias in early-stage entrepreneurship
(Source: authors own elaboration using insights from the research)

One of the standout investments from our third fund, a female founder we'd backed before, really illustrates our approach. We knew her well, trusted her, and believed in her vision. At the time of the investment, she was six months pregnant, and we moved forward fully aware she would be on maternity leave. No one questioned it. I was clear: she will be on leave, and that's perfectly fine. I knew she'd stay engaged in her own way, and more importantly, we believed in the long-term potential of the business. It's a great company with a strong future, and we're in it for the long haul"

You could not ask women 'What's your family situation' You would never ask a guy - what's your family situation? Do you need to take care of the kids? [...]"

On a positive note, **we heard from many interviewees that gender is a societal issue, not only a women's issue – that everyone is included and needs to be welcome in this discussion, men and women alike.** Our **evolving societal understanding of power and privilege is also encouraging a re-framing of venture capital which includes gender power dynamics.** Some interviewees spoke about venture capitalists often being middle-age, straight, white men who may subconsciously hold biases against individuals who do not fit the mold. At the same time, it was noted that everyone is on a journey toward recognizing and understanding the value of diversity. Indeed, interviewees recognized that the polarization within feminist discourse has led to divisive rhetoric, sometimes portraying white men as inherently problematic. This binary framing "you're either a feminist or not" oversimplifies gender dynamics and alienates potential allies.

> **It's a fundamental mismatch of the people with the power who see the DEI agenda as a threat to their power. They immediately become defensive and aggressively defensive. And that's actually not their fault necessarily. That's a very human instinct to protect your power."**

> **We need stronger public education systems, ones that can rival private schools in quality. That means better role models in classrooms: more female scientists. We need to actively encourage girls and young women to pursue STEM subjects. That's where things often go wrong. If 9 out of 10 students entering physics are male, it's no surprise that the downstream careers, PhDs, deep tech founders, are also male-dominated."**

> **There are more men coming out from STEM careers. I think this is probably the main cause why we identify mainly male led startups. I'm not aware if there are other causes. I haven't thought so much around it!"**

A more neutral issue relating to population-wide themes, recognised across interviewees, is the gender gap in STEM affecting the pipeline of women founders and mixed teams, illustrating how the different levels of firm, field and society are constantly interacting. Women account for just 1 in 3 STEM graduates (Eurostat, 2022) and 1 in 5 ICT specialists. Furthermore, discrimination, rigid working-patterns, issues with legitimacy and unequal advancement have mean that women continue to prematurely exist STEM careers.

"I'm a strong supporter of programs that tell young girls they can succeed in traditionally male-dominated fields, that they're not inherently bad at them, they belong to those fields."

The rise of impact investing and impact VCs has highlighted how the pipeline for women founders is greater in the impact space. Indeed, impact VCs tend to have a higher percentage of women founders in their portfolio which could be for a variety of reasons, including more female investment decision-makers, more investment in sectors where women founders tend to concentrate and also their own investment theses and gender strategies. Figure 9 below from an earlier piece of ECSI research illustrates how gender strategies can vary across different types of capital.

"It's difficult to think that we could move from the current economic system towards a more impact economic system or impact investing if we don't take into account women in that process. And not only as entrepreneur also as an investor."

Interestingly, women-led startups are often concentrated in sectors with lower turnover rates. For example, data from one of the largest VC portfolios, encompassing over 500 startups in Spain and Portugal, revealed that 35% of women-led businesses operate in the health sector, which typically sees lower turnover and is more focused on making a social contribution (Shmailan, 2016). Conversely, only 12% of women-founded businesses are involved in fintech and Insurtech, two sectors known for their high turnover figures (Fernández & Prats, 2019). **The study, 'Women Founders in European Deep Tech Startups', shows that only 14% of deep-tech startup founders in Europe are women, and these ventures receive just 11.4% of the sector's total funding.** Fostering gender diversity in a sector critical to Europe's competitiveness is key, as the report, commissioned by the European Institute of Innovation and Technology (EIT) and the European Investment Bank (EIB), stressed.

Figure 10

Spectrum of capital and associated gender strategies

(Gender Strategies in Investing, Esade Center for Social Impact, 2024)

	Traditional	Responsible	Sustainable	Impact
ESG Analysis	Limited or no focus on ESG factors of underlying investments	Focus on ESG risks and compliance	Focus on ESG opportunities through investment selection and portfolio management	Focus on one or a cluster of issue areas where social or enviroment need creates a commercial growth opportunity
Gender consideration	Limited gender consideration	Some gender consideration, e.g. by ensuring minimum standards and thresholds met and integrating ESG risks into investment analysis (but minimal focus on gender as part of financial analysis	▪ Significant gender consideration ▪ Move towards more gender balanced investment teams and portfolio leadership ▪ Some consideration of gender equity more broadly within firm and portfolio	▪ Gender analysis included across investment process ▪ Thematic funds with gender impact as key outcomes targeted ▪ Work with portfolio companies on gender impact within firm and across stakeholders (suppliers, customers, communities)
Link with gender strategies as outlined above			▪ Gender diversity in the firm (in many cases) ▪ Investing in women-led businesses (in some cases) ▪ Improving workplace gender equality in portfolio companies (in relatively few cases)	▪ Gender diversity in the firm (in many cases) ▪ Investing in women-led businesses (in some cases) ▪ Improving workplace gender equality in portfolio companies (in many cases) ▪ Investing in companies with products/services directly benefitting women and girls (in some cases)

3.3 VENTURE CAPITAL FIELD LEVEL THEMES INFLUENCING GENDER BIAS IN EARLY-STAGE ENTREPRENEURSHIP

Deeply entrenched field norms, rigid processes, and persistent cultural dynamics within the VC industry continue to fuel and reinforce enduring gender biases in decision-making.

"Broadly speaking, I think VC investment processes are a bit biased by nature. Because you are getting to see only part of the cake without seeing it all. And so you can be biased because you are just looking at the cherry and not looking at what's inside the cake. And I think that happens in the investment process. So, the more comprehensive the information you have and you consider, and the information on which to evaluate the startup, the better."

The research uncovered a significant difference between traditional venture capital and venture capital focused on impact. In the latter, there tends to be greater sensitivity to gender equity. Most traditional VC-backed startups are in the tech sector, where the gender gap is especially pronounced. The entrepreneurs who receive funding from major VC firms are typically white, male, serial founders. Women are noticeably absent, not just as founders, but also in the decision-making circles of these VCs. Interviewees discussed why this might be the case, in particular examining how prevalent VC narratives clashed with many women founders different way of portraying their firm's potential growth trajectory:

Figure 11
Venture capital field level themes influencing gender bias in early-stage
(Source: authors own elaboration using insights from the research)

VENTURE CAPITAL FIELD

Broader population level themes concerning gender which influence gender bias in early stage entrepeneurship

KEY POINTS
- **Expectations of LPs**
- Established field norms, processes and culture

"One challenge is that these startups are built around big ideas and bold ambitions. They're designed to impress investors with scale, innovation, and the kind of language that signals high growth potential. That's what VCs want to hear. But I sometimes wonder if women founders approach things differently, perhaps with more realism, caution, or grounded expectations. They may not pitch the same grandiose visions, and that could be part of why they are overlooked. There is something in that dynamic worth examining."

The very nature of pitching favors boldness. Some interviewees mentioned that men often pitch bigger and more aggressively, projecting ambitious outcomes that may not ultimately materialize. Women, on the other hand, tend to pitch more realistically, anchoring their claims in what they are confident they can deliver. While this grounded approach signals credibility, it can sometimes work against

eit Community Supernovas
Funded by the European Union

women in an environment that rewards grand visions and future potential. Unless the investor consciously recognizes this difference, a woman's pitch may be undervalued precisely because it is closer to what she knows she can achieve rather than what might be possible. 'Pattern matching' which is a form of affinity bias, plays a large role: investors compare new founders to traits of past successful founders and because VC history is dominated by a certain founder archetype (often male), female founders are underrepresented in that pattern.

"

We are probably a year into building out our DEI strategy; we've just launched our fifth venture fund and LPs are really interested as well. We want to make it meaningful, and I think we need to be collaborative with LPs."

The role of LPs at the VC field level is considered critical – they have the power to drive change. For some years in some countries, such as the UK, **LPs have begun to value and seek gender. Interestingly, as detailed in the "Gender Strategies in Investment" report by the Esade Center for Social Impact[5], mainstream VC and PE firms with a traditional LP/GP structure, described being under pressure from their LPs to improve their own gender diversity as well as that of their portfolio companies.**

"

Honestly, I don't believe meaningful change will happen unless failing to meet these goals carries financial consequences. Without equitable female representation, progress stalls. And with the global shift toward right-wing ideology, the fight for equality becomes even more challenging for everyone involved".

This confirmed other research[6] about how PE institutional investors are prioritizing DEI in their investment decision-making process.

Nevertheless, much more engagement from both men and women LPs are required to really change the system.

"

And that's where power sits: within the LPs. Basically, anything that can shift the power from LPs to GPs, and from GPs to founders would be great. But that's why it's slow, because it's uncomfortable, because it's taking power from people who have always had the power."

[5] Esade Centre for Social Impact, Gender Strategies in Investment
[6] McKinsey & Company (2023). The State of Diversity in Global Private Markets.

Despite the challenges outlined, **there is reason for hope and optimism in the VC field, as meaningful improvements have been happening over the years, even if slow.**

I think the real issue is that there are no women in top management—and that affects everything. When I think about "a traditional VC company" and other firms I know, it's clear. I don't know exactly why it happens, but it's a fact. Not that long ago, we considered 20% female representation a goal. Looking back, that seems almost ridiculous. Hopefully, in 10 or 15 years, we'll reach 50%, and this won't even be a topic anymore. I remember an initiative in the VC world called Level 20. That wasn't decades ago, it was just 10 or 15 years back, and I was already in the industry. So yes, there's been progress. And I believe that once more women reach top management, it'll become easier for others to follow."
(VC investment professional, interviewee)

3.4 **VC FIRM LEVEL LEVERS FOR OVERCOMING GENDER BIAS IN EARLY-STAGE INVESTMENT**

> **I actually had that conversation with my female partners where she said 'Well, I'm not sure we should hire that young woman because she might want to build a family soon...' I was like, can you hear yourself speak?"**

Gender considerations in VC are driven by both "hard" performance logic (i.e., returns, execution, data, risk/impact framing) and "soft" cultural and leadership factors (i.e., lived experience, mentorship, networks, inclusivity as a differentiator). **Most funds do not set explicit gender diversity targets but acknowledge the importance of diverse teams for stronger decision-making (i.e., not a quota-driven thesis).**

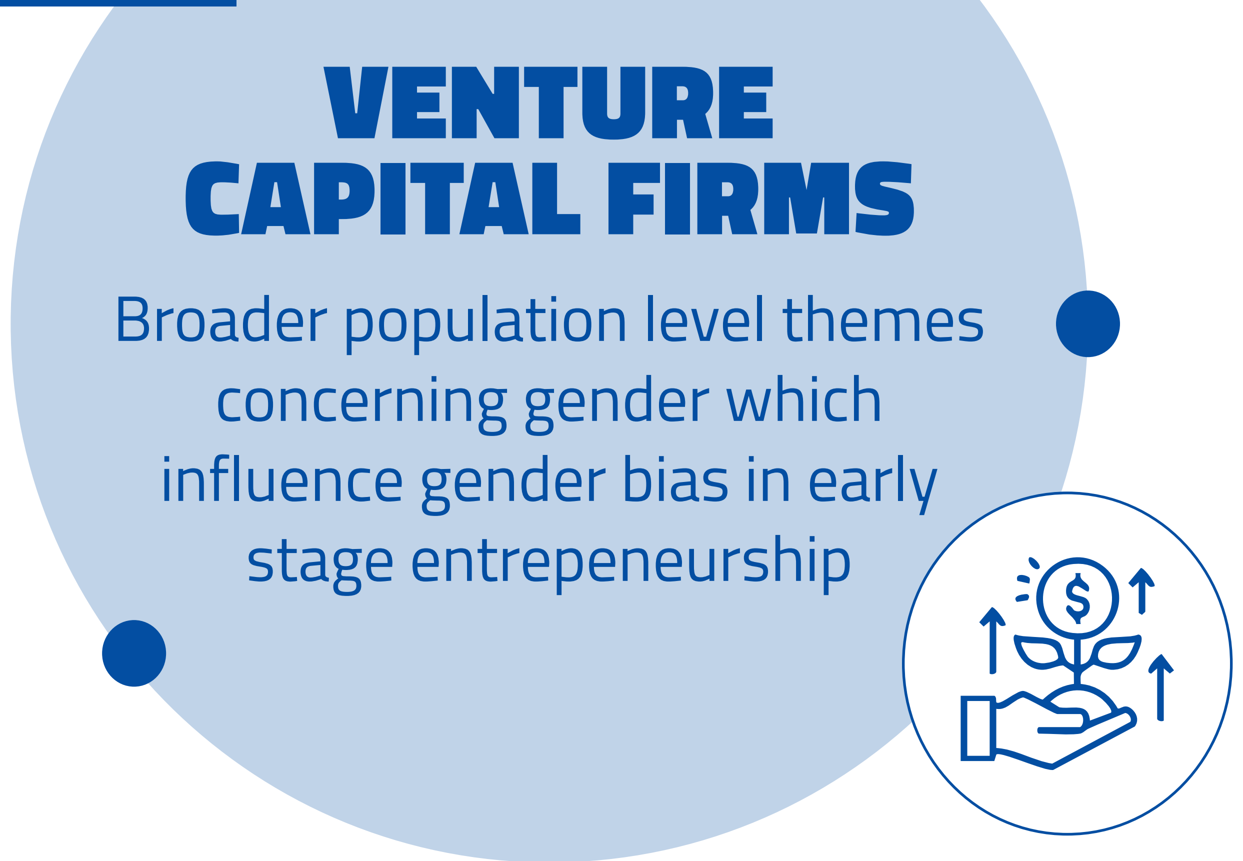
> **Because we really want to get to the 50%. But we don't want it to be forced."**

Inspiration is provided by visible role models, internal champions, and practical initiatives that normalize diversity, reinforced by contractual tools, LP expectations, and most importantly the belief that diverse teams drive better business results. As not all VC firms are embracing the same gender and diversity approach, this is considered, by the most advanced, a great competitive advantage in the VC field, considering the turbulent geopolitical landscape of the 20s in the 21st century.

Figure 12

Venture capital firm levers for overcoming gender bias in early stage investment

(Source: authors own elaboration using insights from the research)



> **"I would say you can't now survive as a VC firm, a generalist technology investing firm by just being another investing firm unless your returns are absolutely just off the charts. But most VC firms don't have that. You need to differentiate!".**

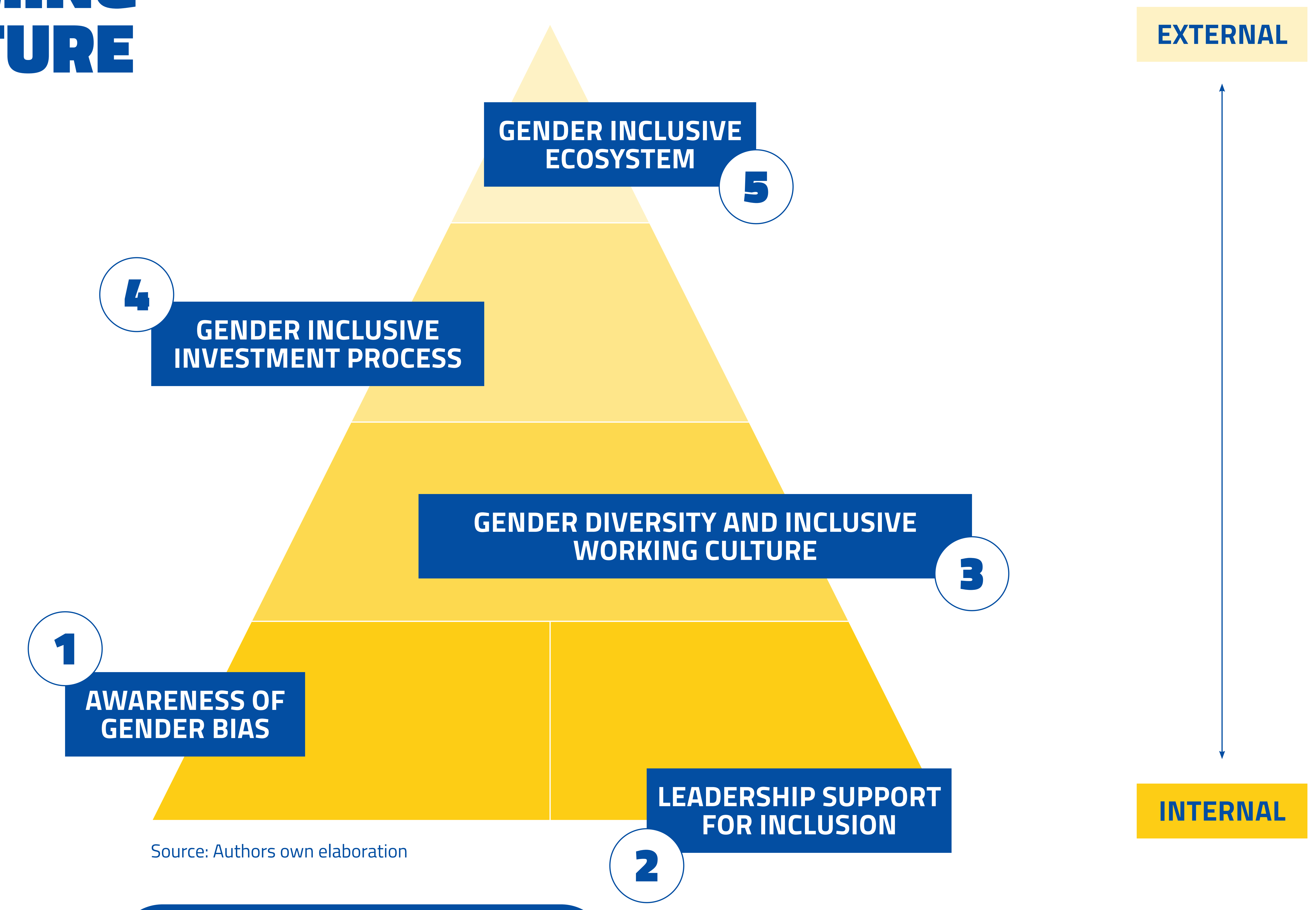
Inspired by Maslow's framework, we represent the VC firm level through a pyramid, which helps illustrate the necessary levers for overcoming gender biases in investment decision-making. The pyramid is composed of five key internal and external levers, namely awareness of gender bias, leadership support for inclusion, gender diversity and inclusive working culture across team, gender-inclusive investment process, and gender-inclusive ecosystem.

KEY LEVERS OVERCOMING GENDER BIAS IN VENTURE CAPITAL

Figure 13

Key levers for overcoming gender bias within VC investment firms

(Source: authors own elaboration using insights from the research)



Source: Authors own elaboration

Lever 1
AWARENESS OF GENDER BIAS

Let's begin with the first and most important lever: awareness of gender bias. Unconscious bias is an inevitable part of the investment decision-making process. Every individual, whether consciously or unconsciously, carries biases, and the key is not to deny their existence but to recognize and confront them. Awareness is always the first step, but even if people are aware, without truly understanding the issue, change is unlikely. A speak-up culture which encourages to freely talk about bias is fundamental to tackle it.

"

If they don't recognize it as a problem, why would they adjust their behavior? That's why initiatives like this, training sessions, workshops, are so important. They bring the issue to the forefront. You can't drive meaningful change without that foundation. Sure, we can implement gender tracking and other measures, and they are valuable. But unless people genuinely believe in the purpose behind them, those efforts won't go far."

"

All members of the team attend the Design for Inclusion course by Fearless Futures and we have a shared vocabulary to discuss inclusion within the firm"

"

If you did recognize you had an unconscious bias yourself and you wanted to discuss it openly, you know, in one of our team meetings or if it's with a deal in one of our deal flow meetings, it is a very encouraging environment to then discuss and talk about these things."

The way founders handle initial interactions with investors, how they respond to questions, present themselves, and engage with investors, can subtly influence bias. First impressions shape perception, which often stem from personality and character, not just credentials or degree.

Remaining unaware of these biases leads to ignorance, making it impossible to act mindfully or counteract them. Maintaining perspective and openness is essential, as it allows one to identify when bias arises and take deliberate steps to mitigate its influence. While navigating these biases can be challenging, especially for those who pride themselves on being open-minded, mindfulness is more effective than denial. Acknowledging that biases exist is the first step toward fostering more equitable and thoughtful decision-making.

"

If you live in ignorance, then you will never be mindful of all those biases you face. You will be just simply quite ignorant to the fact that they even exist."

"

I didn't understand the extent to which my privilege is extended across the map, but after the training I do. I guess once you understand your privilege, it's quite hard for most people, not to crack a little bit open."

Many interviewees shared the difficulty of identifying exactly where bias influences the investment process. In some instances, the high proportion of investments in women-led and mixed-gender teams can create the perception that bias is not present. As one investor noted, biases are often subtle and difficult to detect: the fact that nearly 60% of their portfolio companies include women as co-founders makes them believe gender bias is absent, even though they cannot rule out the possibility entirely. These reflections underscore the need for teams to stay aware of each person's bias and not overlook it, given that people often have only a limited understanding of the types of biases that exist and how they manifest. For example, our small sample, even though VC firms were self-selecting and interested in gender, still illustrated some gender bias according to the results in the Harvard Implicit Test (i.e., "females associated with family and male with career").

Another common misconception is that investment decisions are inherently gender-neutral, focused solely on business fundamentals, team capabilities, and backgrounds. However, this belief itself can be a form of bias, assuming gender plays no role in how investors assess potential.

"

It's about the business. It's about the market, and it's about the teams, but their capabilities, their execution, their background, what they have been doing before."

"

"It's because of the age and I don't know why, but I feel sometimes that it's difficult for the younger people to speak up in the meetings. But I'm talking not of the founders but in the investment team. But I don't think it's something about gender. Maybe it's something about the combination, I don't know."

One funder shared that listening to minorities during a bias training sparked a powerful 'aha' moment: diversity extends beyond race or gender to many other dimensions rooted in peoples' lived experiences. In this regard, bias training programs play a crucial role in helping individuals recognize the specific biases they may carry into decision-making. For instance, at one fund, every new team member begins with unconscious bias training. Lasting three to four days, the program was described as 'quite amazing' because it not only revealed the number of biases people hold but also introduced them to new ones they had not previously considered. For example, a black woman in a training course taken by a VC professional shared her experience of enduring daily microaggressions, revealing how deeply embedded and persistent these subtle forms of discrimination are. Her story offered a visceral understanding of what it means to navigate the world under constant emotional strain.

"

I was always the young female, the startup founder in front of males, older or not, but at least males, right? I think it was more of my feeling of like not fitting in right, a bit of impostor syndrome, I would say than being treated differently."

Interestingly, women investors also speak about the impostor syndrome which can be a type of "self-created" bias.

Lever 2
LEADERSHIP SUPPORT FOR INCLUSION

The second lever centers on leadership support for an inclusive culture, because "when leadership has a certain message and a certain way of doing things, it trickles down to the entire team!".

Importantly, **representation at the partner level creates hope and aspiration for younger investment professionals and founders, a phenomenon we call the 'aspirational visibility effect'.**

> **We need to change the narrative in VC and representation matters. When you see females succeed as partners at the top level, it becomes a source of inspiration for someone like me, just starting my career and aspiring to reach that point. It's important because it allows you to see yourself in that position and connect with it."**

Women committed to promoting diversity by mentoring other women in firms and across the ecosystem is a powerful way to recognize the inequalities that exist. Inspired by this guidance, one interviewee positioned herself as the firm's DEI champion, taking a step back to assess current practices and identify measures that could advance DEI while still supporting the firm's core objectives.

Moreover, strong leadership from women, alongside male allies who champion diversity, can influence the entire firm to prioritize gender equity and attract more talent to join the investment team, whether women or men supporting DEI principles.

> **I think that clearly, it has been driven by [two female senior professionals]. So it is the typical thing that there is a force inside our organization that is driving it, and possibly not all the team is with the same mindset. And I don't think there is anyone inside our team that is very alpha male. I think it's their effort to make her ideas really adopted by the rest of the team, and the whole organization."**

> **I've always thrived in teams that have a lot of diverse viewpoints, a lot of diverse perspectives. So I think it was a major factor seeing women in leadership at the fund.”**

Symbolic and practical leadership, such as visibility on boards, in networks, and on public platforms, enhances credibility among stakeholders and strengthens deal flow. This is not only increasingly more important in impact funds, but especially for traditional VC:

> **“I think we’ve definitely been improving over the last few years. She has driven much of this in a really impactful way, focusing on diversity more broadly than just gender. We have participated in programs like Black intern initiatives and ESG-related efforts, and she’s organized numerous ‘Women in Deep Tech’ events at various conferences. Overall, she’s been proactive in raising awareness and using her platform to advance these initiatives.”**

Lever 3

GENDER DIVERSITY AND INCLUSIVE WORKING CULTURE ACROSS TEAM

Moving to the third lever, our data highlights the key importance of gender diversity across the investment teams. The first reason being that having a diverse team attracts diverse teams.

> In many ways, women feel more comfortable when there's another woman in the room. The good founders are the ones who can choose between the funds themselves. We need to be diverse as a team to be the preferred funder for them."

Introducing even one woman into a group of men shifts the dynamic, helping to balance the dominant energy ("testosterone"), as a traditional VC co-founder explained.

Some interviewees explain that employees can be highly productive while also enjoying their personal life, showing that the culture encourages dedication without sacrificing well-being. In a traditional VC, one investment professional underlines that his workplace encourages diversity and inclusion, meaning people from different backgrounds feel welcomed and valued.

> "We definitely made a very big push to consciously try and look for a woman, but I don't feel we compromised at all by doing that."

> I like to think we have an inclusive culture. The group shares strong values around how we work and the right approaches to doing things, and inclusivity is part of that. It may not always be a vocalized core value, but it's there. People can balance work with family and personal life, so it's possible to embrace a work-hard, play-hard mentality across different family setups. Overall, I think it's a good culture, though there's always room for improvement."

As a professional working in an impact fund explains, a high-performance culture and high expectations, typical of VC field, can be built on strong trust, flexibility, excellent benefits and equally strong support. She describes the culture as “inclusive, regardless of gender”. Hence, having people coming from different backgrounds, building an open culture, creates a sense of belonging to a team with a nice dynamic.

“

We've got a just a bunch of very different individuals, we're all from quite different backgrounds. Because everyone wants to be fully involved and everyone really believes in the investments we're making, which makes a huge difference. So you're really learning the story in the journey, and I think we just really try to have that open culture, open door policy, we're not a perfect company, I don't know who is, but we've just got a nice dynamic in the team. You know I think because I've started talking about this quite openly to the team, just having these conversations and just making sure that we are talking about it.”

In the case of impact investing, one of our informants underlines the need for transformative investors, who look beyond profit-centric models and invest with purpose. As one interviewee noted, “women embody this approach.” While many men also embrace purpose-driven investing, women investors are often at the forefront of this transformation.

Lever 4
GENDER-INCLUSIVE INVESTMENT PROCESS

Deal sourcing: expanding the pipeline

VCs are recognizing that sourcing strategies must evolve to reach underrepresented founders, especially women. While some firms admit that gender inclusion is not embedded in their investment thesis, others are taking proactive steps. For example, targeted events and the creation of safe spaces, such as the biannual Female Founder Open Office Hours, organized by Playfair capital, is an initiative designed to make it easier and more accessible for women entrepreneurs to connect with investors. This is not simply to scout for the most promising founders, but also to have meaningful conversations that support them. For many, these mentoring sessions provide a first opportunity to engage with VC funds, helping them better understand the network and its dynamics.

"We run an event that was bringing female founders with female GPs and LPs and just really creating a safe space for them to discuss their companies to you know make those really meaningful connections."

VCs have the power and responsibility to shape their networks and sourcing strategies. Good examples of women entrepreneur networks and partnerships are Investing in Women Code and Diversity VC Certification. Scout programs consists of many women-focused groups e.g. Zebras Unite. Moreover, building relationships with women LPs and GPs is seen as particularly relevant to unlock opportunities for women founders, as well as and supporting women in STEM pathways.

"And to be honest, that's a harder thing to do because it's not part of our positioning in terms of investment thesis. So, if we don't see enough women coming through our door to pitch for us, it's hard to change that. That's why I think we also need to go further on in terms of how we can get more women to start businesses, get more interested in the STEM field."

Beyond the specific dimension of gender, one impact fund in our sample collaborates with ForwardInc[7], which is a well-known incubator for founders with refugee and migrant backgrounds. Based in the Netherlands, the incubator seeks to empower those founders for launching, growing, funding, and sustaining their businesses.

"

We apply these practices for diversity in the broadest sense and are also diverse when it comes to nationalities, neurodivergent colleagues, etc."

Moreover, innovative models like inclusive investment cooperatives allow diverse individuals to participate in decision-making, democratizing access to capital and fostering diverse deal flow.

"

It makes us investors but also allows others to make their first steps into impact investing because this micro fund is not an actual fund, it's a cooperative that anybody can join. From €250, we now have a little over 100 members there, made 10 investments together. People take up roles in the investment committee and the board and it's super diverse. It's young, it's old, it has different ethnic backgrounds, 50 50 men-women"

[7] https://www.newcomersforward.com/

Screening, evaluation and due diligence: conscious inclusion without tokenism
Initial screening is where bias can subtly influence outcomes. The integration of gender and diversity considerations is increasingly shaping investment practices, particularly among impact-driven funds. By taking clear stances, such as committing to reduce bias in the process, mitigation mechanisms can be implemented even before formal evaluation begins, creating a level playing field.

> “When we interviewed some people in the government, they were excellent at taking the panel aside before the interviews began and laying out the conversation about bias. They were among the best at saying: ‘Right, we’re about to interview people. With these things in mind, here are the approaches we’ll take to try to reduce our bias in the process.’ I think this could be applied to investment committees as well—having that conversation before the meeting starts, almost every time, to remind everyone about the level playing field. It doesn’t take long, and it’s incredibly useful.”

Women-led teams are often seen as an added value, even if not explicitly scored. One investor shared that they need to genuinely like the team, whether women-led, mixed gender or men-led. However, when it is a strong team and they happen to be women founders, that is seen as an added value. A fund is also starting to measure the conversion rate of women-led companies in the deal pipeline.

Another VC-hot topic is gender-based promotion quotas. Some believe that advancement should be based solely on potential, others on helping more women to enter the VC field through fix quotas mechanisms.

> I was once opposed to gender-based quotas, believing that advancement should rest solely on merit and potential. But after personally being denied partnership in a room dominated by men, I began to reflect. Quotas, I realized, can serve as a necessary short-term disruption to break the status quo and create a fairer playing field. They are not without discomfort—men may feel excluded, and women may doubt whether their success is deserved. Yet sometimes intentional measures are essential to achieve representation, much like gender-focused investment funds that back women entrepreneurs. The key is to remove quotas once parity is achieved.”

During deeper review phases, inclusive leadership becomes a focal point. Interviewees emphasized assessing founder interactions and the overall team dynamics.

> For example, there was a recent case involving a female founder and a male CTO who had joined the team. The male CTO dominated the conversation and often interrupted, not allowing the female founder to finish answering the questions. This was something the team took into account and later discussed directly with the female founder.’’

Post-investment monitoring: accountability and impact

Contractual mechanisms also play a key role in embedding gender and diversity considerations within portfolio companies. These agreements often include explicit clauses, such as commitments to the UN Global Compact principles and, in some cases, requirements for female representation on boards or within management teams. Some funds have also adopted informal mechanisms to monitor gender composition within portfolio teams. These include requiring female representation on boards or in management prior to investment, actively declining participation in all-male panels, and seeking female candidates for board roles. Such actions signal a proactive stance on diversity.

Beyond compliance, this process serves as a continuity mechanism, reinforcing the importance of diversity year after year. To support these efforts, some funds have established robust reporting frameworks. The scope of work typically includes consolidating and analyzing extensive gender and diversity data across two streams: Impact and ESG. Additional reporting is conducted to meet Article 9 fund requirements and SFDR obligations. Key metrics include gender representation in portfolio companies, such as the proportion of female employees and gender distribution within teams, alongside pay equity indicators and other diversity dimensions beyond gender. Findings can be also communicated to portfolio companies to encourage progress.

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We include a DEI clause in all investment agreements, formalising a commitment to put in place a DEI policy and maintain and improve DEI. We also proactively support and help portfolio companies improve their hiring & inclusion with practical tools and best practices. We also include a wellbeing clause in our term sheet and provide access to personal coaching. We believe this is relevant for diverse founders as they navigate roles of authority as well as challenges in work-life balance."

"

For instance, companies with only ~30% female representation are flagged, prompting discussions on improvement. The reporting teams emphasize making data actionable by identifying one or two clear steps for companies to implement in the following year. Early-stage companies may receive more leniency in diversity performance, given their competing priorities during initial growth phases."

Importantly, even traditional VC are transitioning to streamlined workflows, often supported by AI and centralized ESG frameworks.

> We've been reviewing the data, and I've been sitting down with each team member to kind of look at that and think, okay, is there any areas, trying to start with, is there any areas that we can see that they're clearly, you know, struggling with, and maybe we can help with, because I want to help. I don't want to just be getting data and then do nothing with it. But it's a journey. It took me a while to kind of get it implemented."

> There are no quick fixes to such a deeply systemic issue. Many funds took the decision to try and be active in the space, and they are hopeful that at least they are trying. Others are disillusioned. Indeed, even approaches that seem promising can introduce new challenges."

> The numbers of initiatives are moving and yet then the numbers aren't really moving that much. It can be quite disillusioning in a way".

Lever 5
GENDER-INCLUSIVE ECOSYSTEM

Gender and diversity are deeply intertwined with finance and entrepreneurship. They both shape and are shaped by the broader social, cultural, and policy contexts in which they operate.

At the societal level, prevailing attitudes and norms surrounding gender significantly influence bias, particularly in the early stages of entrepreneurship, where access to networks, mentorship, and funding can determine success. From internal dynamics to external engagement, several factors play a critical role in advancing gender equity. These include awareness of gender bias, leadership support for inclusion, gender diversity and inclusive working culture, and gender inclusive investment process.

To drive meaningful and lasting progress, organizations and individuals must also engage with the wider ecosystem. This can be done for example by mentoring women founders, participating in industry events, and supporting collective actions that promote gender diversity. However, such external efforts are most powerful when grounded in genuine internal transformation.

When VC firms truly embody gender equity in their practices, their engagement extends beyond symbolic participation, fostering systemic change and contributing to a more equitable and vibrant entrepreneurial landscape. Together with other key stakeholders, such as policymakers, VC firms have the power to transform the entire ecosystem and reshape the traditional finance paradigm, starting with internal actions that build momentum toward meaningful, lasting change.

Section 4

CONCLUSION

"The sleep of reason generates monsters."
Francisco Goya's warning still resonates. Closing our eyes to entrenched gender biases, both conscious and unconscious, in VC does not just harm women and diverse founders, but it also weakens VC firms, the industry, and society at large.

No firm operates in a vacuum. While external forces shape investment decisions, **firms themselves have the power to shape the ecosystem they inhabit.** That is why we began this report by acknowledging a simple truth: everyone carries biases. **What sets investors apart is their level of awareness, and their willingness to confront and mitigate those biases.**

Our research shows that awareness is still low: many VC investment professionals struggle to pinpoint where bias seeps into the investment process. Some even question whether they themselves are biased, or simply not sensitive enough compared to other colleagues, especially women.

Several respondents emphasized that **integrating a gender lens must be a gradual and thoughtful process, one that avoids tokenism.** This is why most firms do not yet have specific quotas or diversity-led investment processes. While some focus on quotas within their firms and among entrepreneurs, there are many additional steps they could adopt. Importantly, embedding gender and diversity into venture capital is not a checkbox exercise, it requires a cultural shift. **From sourcing to post-investment, each stage presents opportunities to challenge norms, reduce bias, and build a more inclusive VC ecosystem.** The journey is messy and complex, but encouragingly, our sample of VC firms shows a genuine commitment to progress.
We conclude with a message of hope. We can look at where the VC field and the entire society were just ten years ago and where it is now: we can breathe a sigh of relief because there has been progress, even if slow, particularly in the amount of women professionals in VC as well as the prevalence of mixed-gender teams. Once biases are visible, we can no longer excuse them: we must act.

Hope, like overcoming unconscious bias, can be encouraged and supported by VC firms and the field– it may not arise naturally. **Each VC professional has the power to unlock opportunities for women and diverse founders, and in doing so, positively shape society. Everyone can choose to be a driver of change.**

With this report, we want to spark awareness, courage, and action. Above all, we want to pass on hope: to women and diverse founders fighting for recognition, and to the investors determined to build a more inclusive VC ecosystem.

Glossary of definitions

DEI
Diversity, Equality, Inclusion

Gender
UN Women defines “gender” as the socially constructed roles, behaviors, identities, and attributes associated with being male and female, or gender diverse, rather than being a purely biological construct. These attributes and relationships are learned through socialization, are specific to time and context, and determine the expectations, opportunities, and power dynamics for individuals in society.

Intersectionality
Intersectionality refers to “the idea that social relations involve multiple intersecting forms of discrimination. This means that a person might experience several forms of discrimination, such as sexism, racism, and ableism, all at the same time” (Nedera, UNDP, 2023).

Gender mainstreaming
Gender Mainstreaming is a globally accepted strategy for promoting gender equality. Mainstreaming is not an end in itself but a strategy, an approach, a means to achieve the goal of gender equality. Mainstreaming involves ensuring that gender perspectives and attention to the goal of gender equality are central to all activities - policy development, research, advocacy/dialogue, legislation, resource allocation, and planning, implementation and monitoring of programmes and projects (UN Women)

Gender diversity
Gender diversity is a term that recognizes that many peoples' preferences and self-expression fall outside commonly understood gender norms (UN Women)

Gender inclusive language
Using gender-inclusive language means speaking and writing in a way that does not discriminate against a particular sex, social gender or gender identity, and does not perpetuate gender stereotypes. Given the key role of language in shaping cultural and social attitudes, using gender-inclusive language is a powerful way to promote gender equality and eradicate gender bias (UN)

Gender stereotypes
A gender stereotype is a generalized view or preconception about attributes or characteristics, or the roles that are or ought to be possessed by, or performed by, women and men.A gender stereotype is harmful when it limits women’s and men’s capacity to develop their personal abilities, pursue their professional careers and/or make choices about their lives (UN Human Rights)

Unconscious gender biases
Unintentional and automatic mental associations based on gender, stemming from traditions, norms, values, culture and/or experience. Automatic associations feed into decision-making, enabling a quick assessment of an individual according to gender and gender stereotypes (International Labour Organization, ILO, 2017).

Limited Partner (LP)
The individual or entity that provides the capital for funds to make investments. (Authors’ own definition)

General Partner (GP)
The individual or entity that manages and makes the investment decisions for a private equity or venture capital fund. (Authors’ own definition)

Investment Committee (IC)
Group of people responsible for managing an organization's investments. (Authors’ own definition)

Gender inclusive language
Using gender-inclusive language means speaking and writing in a way that does not discriminate against a particular sex, social gender or gender identity, and does not perpetuate gender stereotypes. Given the key role of language in shaping cultural and social attitudes, using gender-inclusive language is a powerful way to promote gender equality and eradicate gender bias (UN)

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