

Evaluating ESG Reporting Tools for Private Equity and Venture Capital Investors

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Executive Summary

Private market assets under management (AUM) are projected to experience unprecedented growth, more than doubling the rate of public assets to reach \$60-65 trillion by 2032, according to Bain & Company research.²

This growth coincides with increasing Limited Partner (LP) demand for ESG-compliant investments, as compliance with ESG frameworks has become crucial for enhancing transparency and attracting investors.

Recent industry data underscores this trend. Private equity managers with robust ESG processes have increased from 27% to 73% over the past decade.³ In a KPMG survey of 200 U.S. ESG practitioners, 53% reported deal cancellations due to material ESG due diligence findings and 42% indicated ESG concerns led to purchase price reductions.⁴



90% of LPs consider ESG in their investment decisions, with 77% using it as a criterion for selecting GPs.¹

Our analysis examines ESG software solutions that enable private equity and venture capital funds to collect, analyse, and manage ESG information effectively, supporting both sustainability performance and compliance with mandatory regulations and voluntary frameworks.

1. *Private Equity Should Take the Lead in Sustainability*, 2022 <https://hbr.org/2022/07/private-equity-should-take-the-lead-in-sustainability>

2. *Avoiding Wipeout: How to Ride the Wave of Private Markets*, 2024. <https://www.bain.com/insights/avoiding-wipeout-how-to-ride-the-wave-of-private-markets/>

3. *LGT Capital Partners' ESG Report, 2024*. <https://www.lgtcp.com/esg-report-2024-alternative-investment-managers-commitment-esg-remains-high-level-0>

4. *KPMG Due Diligence Survey, 2023*. <https://kpmg.com/us/en/media/news/kpmg-esg-due-diligence-survey-2023.html>

Key Findings

Our comprehensive review encompassed **24 platforms, with 9 identified as most suitable for private market reporting requirements.** The analysis revealed several significant trends:

Market Landscape

- Platform Maturity: Most solutions are relatively new, with the majority established during 2020-2021.
- Geographic Reach: Several platforms maintain global teams, with a notable presence in Asian markets.
- Pricing Structure: Annual costs range from US\$5,000 to \$150,000, varying based on AUM and/or number of portfolio companies.

Technical Capabilities

- Artificial Intelligence Integration: Platforms increasingly incorporate AI features with varying sophistication levels, including controversy mapping, data validation, and predictive analytics.
- Reporting Framework Support: Solutions offer customizable questionnaires and benchmarking tools, supporting major frameworks including TCFD, EDCI, UN PRI, and SFDR.
- Portfolio Assessment: Many platforms feature scoring capabilities, enabling funds to assign their own weightings and benchmark portfolio companies using customisable materiality criteria.

Methodology

Our evaluation process focused on solutions enabling comprehensive ESG data management for PE and VC funds. **We employed specific exclusion criteria, eliminating platforms that:**

- Focused solely on Environmental Reporting
- Maintained teams smaller than 10 people
- Specialised in specific asset types (e.g. Infrastructure)
- Primarily served Public Markets

Scoring Framework

We evaluated products against 14 criteria, with points awarded based on demonstrable evidence: 1 point for meeting basic criteria and 2 points for exceptional performance. Transparency of information and responsiveness were affected by scoring. Companies that provided demos, clear pricing information, and supporting documentation obtained better scores.

Evaluation Criteria

1	Client Portfolio	Recognition and Operational Maturity
2	Business Stability	Funding status and Operational History
3	Data	Efficiency and Integration
4	Functionality	Features, AI, and Scalability
5	Compliance & Standards	Adherence to Industry Standards
6	Support	Customer Service Quality and Available resources
7	Ease of Use	User Experience and Learning Curve

We have singled out some software for their strengths in key areas:

<p>Best Performer</p> <p>Apex/Holtara</p> <p>Best end-to-end tool for both private and public assets as well as superior user guidance and extensive team resources.</p>	<p>Runner-Up</p> <p>Novata</p> <p>Best for alignment with frameworks, standards, and regulations</p>	<p>Value for Money</p> <p>ImpactNexus</p> <p>ImpactNexus offers the cheapest starter package under US\$5,000 annually.</p>
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Figure 1

ESG Reporting Platforms (SAAS) Assessment

The scoring is based on publicly available information, answers provided by a company, and demo sessions for each platform. The total score is the aggregate of all scores in 14 areas.

Ranking	Platform	Company Maturity				Data Management			Reporting Features				User Journey			Overall Score
		Client Portfolio	Operational maturity	Length of Service	Geographical Reach ¹	Data Processing	AI Utilisation	Visualisation + Benchmarking	Voluntary Frameworks Integration	Due Diligence Screening	Compliance & Custom Disclosure	Workflows + auditability	Portfolio Data Guidance	Content & Team Support	User Experience	
1	Apex/Holtara	★	★	★	★	★	★	★	★	★	★	★	★	★	★	18
2	Novata	★	★	★	★	★	★	★	★	★	★	★	★	★	★	17
3	Clarity AI	★	★	★	★	★	★	★	★	★	★	★	★	★	★	16
4	Pulsora	★	★	★	★	★	★	★	★	★	★	★	★	★	★	15
5	Apiday	★	★	★	☆	★	★	★	★	★	★	★	★	★	★	13.5
	Position Green	★	★	★	☆	★	★	★	★	★	★	★	★	★	★	13.5
6	Dasseti	☆	☆	★	★	★	★	★	★	★	★	★	★	★	☆	13
7	Atlas Metrics	★	★	★	☆	★	★	★	★	-	★	★	★	★	★	12.5
8	ImpactNexus	★	-	★	-	-	-	★	★	★	-	★	★	★	★	9

¹ Platforms with ★ have a presence in Asia through teams and supported clients.

Source: Walk The Talk Consultancy Analysis, February 2025

Market-Leading	★
Functionality	★
Opportunity for Enhancement	☆
No Evidence	-

Conclusion

The ESG software market continues to evolve rapidly, with platforms enhancing their capabilities to meet growing sustainable investment demands. However, several key considerations emerged through our research:

Cost Considerations

Subscription costs may present barriers for smaller firms. Organisations should evaluate their fund maturity and portfolio company requirements when selecting solutions.

Alternative Solutions

Early-stage funds managing small portfolios without EU regulation requirements may find Excel or basic online form builders more appropriate.

Implementation Success Factors

Private equity firms play a crucial role in driving portfolio company sustainability alignment. While software tools streamline data collection, they complement rather than replace fund manager engagement and training. Success factors include:

- Pragmatic ESG expectations aligned with company growth stages
 - Appropriate support and guidance for raising standards
 - Culture of collaboration and knowledge sharing
 - Strategic alignment of ESG interests
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Contributors

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Platforms Reviewed

[ACA](#), [Apex/Holtara](#), [Apiday](#), [Atlas Metrics](#), [Celsia](#), [Clarity AI](#), [Dasseti](#), [Efront](#), [ESGBook](#), [ESGTree](#), [FactSet](#), [Gaia Lens](#), [Green Project](#), [Greenstone/Cority](#), [iLEVEL](#), [ImpactNexus](#), [Kara](#), [Key ESG](#), [Novata](#), [Position Green](#), [Pulsora](#), [re:co](#), [SenecaESG](#), [Sustain.life](#).

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Report Versioning and Updates

Given the rapid evolution of platforms, this benchmark report will be periodically reviewed and updated to reflect the latest advancements, new features, and shifts in the competitive landscape. We encourage readers to refer to future editions for the most up-to-date insights.

About Walk The Talk Consultancy

Walk The Talk is a boutique consultancy working with businesses, financial institutions and multi-stakeholder organisations to deploy circular business models, create and manage impact and contribute to a regenerative economy.

Asia is our playground but we work with organisations globally.

ESG is becoming a strong value driver across the PE/VC value chain, from due diligence and portfolio management to internal fund management and reporting. Walk the Talk Consultancy services PE and VC investors.

Due Diligence. We support you in the due diligence process to assess the real impact and high quality of investment opportunities.

Fund ESG Strategy. We develop or review Environmental and Social Management Systems (ESMS), perform climate risk analysis (PCRAM), and build roadmaps for addressing nature-related risks (LEAP).

Impact and Value Creation. We enable ESG transformation of your portfolio companies, working closely with them on double materiality, ESMS, metrics development, GHG impact forecasting (Scope 4) and impact measurement.



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