UK PRIVATE CAPITAL
Invested in a better future

Creating Sustainable Growth: Private Capital at Work

Private capital backers hold their investments for 6 years on average compared to less than a year in public markets. That patience is starting to show up in the numbers behind 2,800+ portfolio companies in our dataset.

Sustainability is now a core part of how private capital creates value. With average holding periods of 6 years, investors have both the time, and the operational influence to embed environmental, social and governance practices deep into portfolio companies. That combination of patient capital and hands-on stewardship are the reasons why private capital-backed businesses are increasingly able to treat sustainability as a genuine driver of long-term, resilient growth, rather than a reporting obligation.

Four years into our ESG survey, the picture is only getting clearer with more companies covered. Here's what the 2025 survey found.



2.5 million
Jobs at private capital backed firms, 2025

13,000
Private equity and venture capital backed businesses, 9 in 10 are SMEs

2,800+
Portfolio companies in this year's dataset

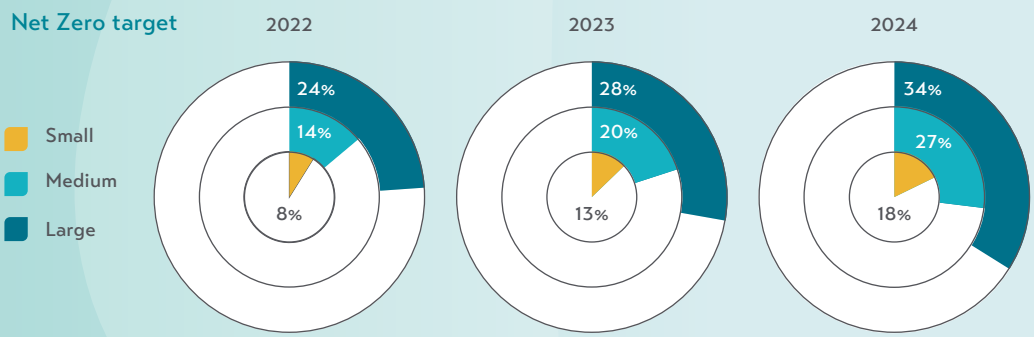
50%
GP survey response rate

Some of the data points in this factsheet have previously been released as part of a previous UK Private Capital report 'Investing in tomorrow: Private capital's role in the green transition' - released April 2026

The carbon picture is coming into focus

Net Zero targets by company size

Net zero commitments are becoming a defining feature of private-capital backed businesses, as investors and portfolio companies alike sharpen their focus on reducing carbon footprints. Large businesses remain the most likely to have formal commitments in place, reflecting greater resources and the more mature nature of the assets they generally invest into. However, the data suggests that adoption is growing fastest among small and medium-sized businesses, showing this is no longer just a large-company priority. This reflects growing awareness that early commitment can be a competitive advantage.

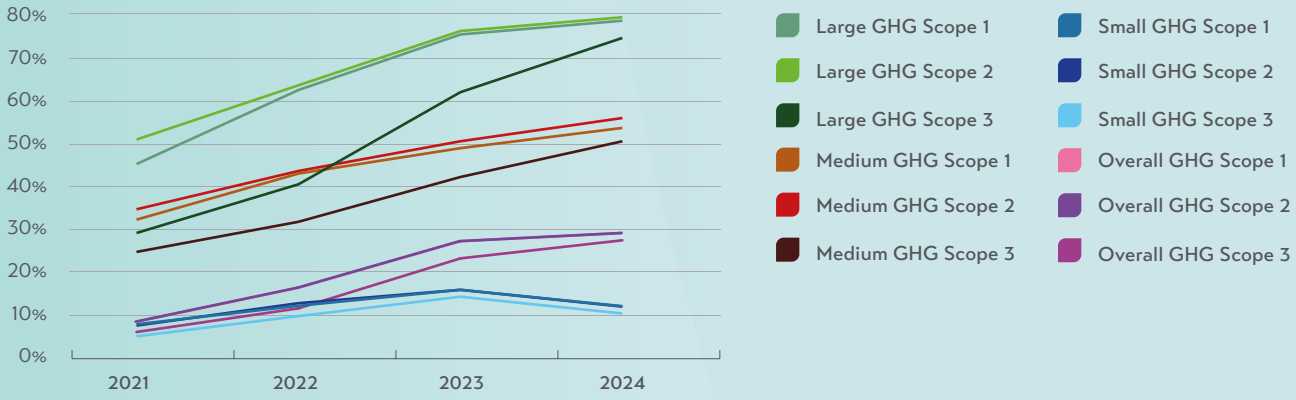


Almost 20% of the companies with a net zero target aim to be carbon neutral by 2030 or earlier.

Large firms are 2x as likely as small firms to have a target

GHG reporting

Greenhouse gas tracking adoption is diverging by business size. Larger and medium-sized businesses are pulling ahead, driven by stronger regulatory requirements, investor due diligence, customer procurement standards and simply having more resource to dedicate to measurement and reporting. Smaller businesses are moving in the same direction but starting from a lower base. Many are still building the systems and expertise needed for consistent tracking, often constrained by budget and headcount rather than intent. Adoption among smaller businesses should accelerate, narrowing the gap over the next few years.

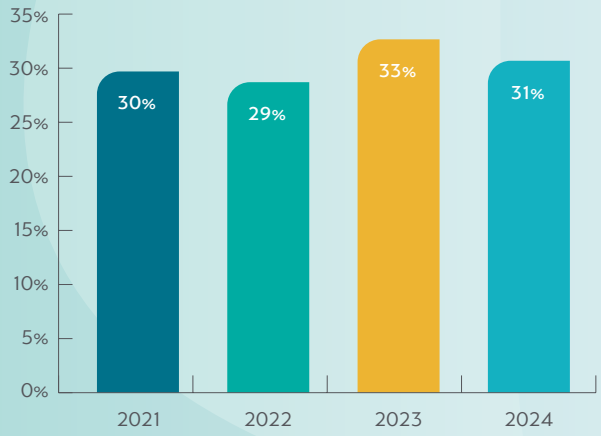


Small & medium firms are catching up with large firms from a lower base

The carbon picture is coming into focus

Share of energy from renewable sources

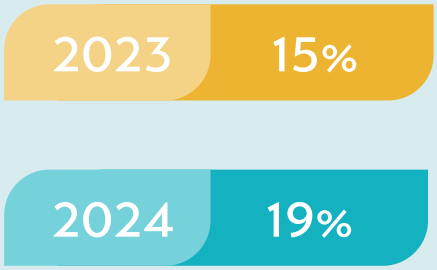
The share of energy sourced from renewable sources among private capital-backed businesses has held broadly steady over the past four years, moving from 30% in 2021 to 31% in 2024. Renewable adoption has plateaued, potentially reflecting existing infrastructure limits or longer investment cycles for further transition.



Renewable energy has stayed mostly consistent across the four years

Biodiversity in investment decisions

19% of the funds account for biodiversity considerations as part of their due diligence process - up from 15% in the prior year.

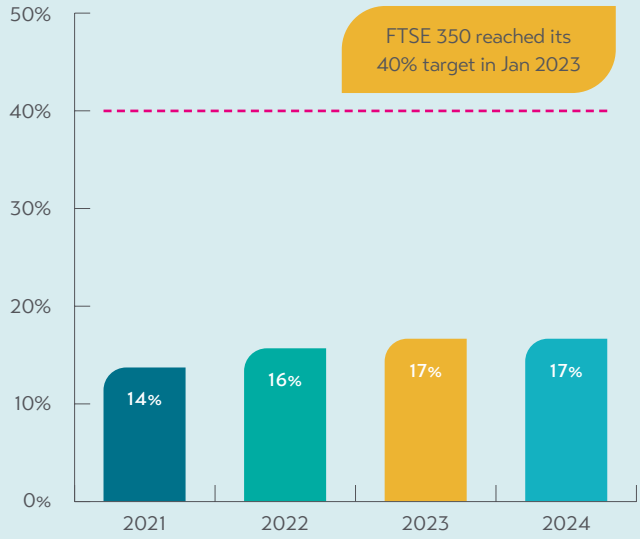




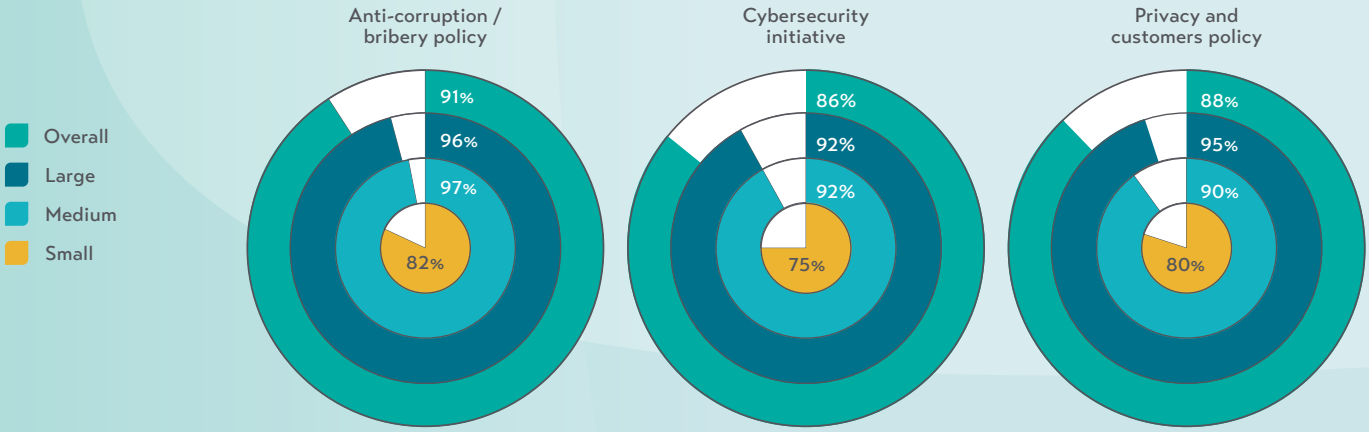
Boards are changing - just slowly

Female board members

Governance policy adoption is strong across the board. Board composition is the laggard: female representation is still less than half the FTSE 350's target.



Governance adoption rate by policy and company size, 2024 (%)



About the research

Data covers 2,800+ portfolio companies from 114 GP submissions, collected August - September 2025 via the European Data Cooperative alongside other European venture capital associations. All UK Private Capital General Partner members as of 31 July 2025 were eligible. Figures are self-reported, reviewed for obvious errors, and published in aggregated, anonymised form only.

UK Private Capital does not independently verify underlying data. For the full methodology, or to discuss any of the figures in more detail, please get in touch with the UK Private Capital research team at research@ukprivatecapital.co.uk.

About UK Private Capital

UK Private Capital is the industry body and public policy advocate for the private equity (PE), venture capital (VC) and private credit ecosystem in the UK. With a membership of 600 firms, we represent UK-based private capital firms, as well as their professional advisers and a large base of UK and global investors. The private equity, venture capital and private credit industry has a vital role to play in driving national and regional growth. Currently over 13,000 companies, employing more than 2.5 million people, are backed by private capital investment in the UK.

Find out more at www.ukprivatecapital.co.uk

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