

INSTITUTE OF ETHICAL VENTURE CAPITAL

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Principles and Criteria for Ethical Venture Capital Investment

A human-rights and fiduciary-risk standard for assessing venture capital and private equity investments, funds, and firms

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Intended audiences: Limited Partners | Pension and endowment trustees | CIO offices | Fiduciary and compliance teams

This document outlines the Institute for Ethical Venture Capital’s “Principles and Criteria for Ethical Venture Capital Investment.” It supports organizations that invest in venture capital or private equity as Limited Partners and seek to ensure their investments uphold human rights and dignity while avoiding involvement in violations of international law — including those governing human rights and crimes against humanity — as well as domestic civil-rights and due-process protections. When formally adopted as part of an investment policy, these principles provide a comprehensive risk management framework to help organizations mitigate ethical, legal, and reputational risks across their portfolios.

We present a set of principles to uphold human rights and dignity in venture capital investments, together with criteria to assess venture capital and private equity investments, funds, and firms on that basis. These principles are intentionally concise yet operationally robust, providing investors with a structured pathway to avoid causing, contributing to, or being directly linked to adverse human rights impacts, while supporting capital allocation consistent with a more just and equitable society. They enable institutional investors to align portfolios with governing values, policy commitments, and fiduciary duties, and to reallocate or exit positions where material misalignment or unmitigated human rights risk is identified.

These principles operate alongside, and often upstream of, conventional ESG policies; they are a human-rights and fiduciary-risk standard, not a substitute for environmental or climate risk assessment.

Principles

Principle 1	Against Apartheid and Occupation
Principle 2	Against Genocide, Ethnic Cleansing, War Crimes, and other Crimes against Humanity
Principle 3	Against Weapons Development
Principle 4	Against Manufacturing Consent for Crimes against Humanity

Principle 5	Against Complicity in Crimes against Humanity
Principle 6	Against Economies of Crimes against Humanity

We take a clear and categorical stance against investments that cause, contribute to, or are directly linked to international crimes, domestic civil-rights and due-process violations, and other gross human rights abuses — including apartheid, occupation, genocide, ethnic cleansing, the manufacturing of consent for crimes against humanity, the development, deployment, or enabling of weapons systems or military applications of artificial intelligence, and the use of surveillance, data, and enforcement technologies that violate civil rights and privacy protections.

Definitions

In all criteria below, “support” includes:

1. investing in companies that are involved in, complicit in, support, or profit from the listed activities or areas;
2. having employees, partners, or representatives who invest in, represent, support, or advise, on an individual basis, companies that are involved in, complicit in, support, or profit from the listed activities or areas;
3. any support provided by the firm directly or indirectly for institutions or individuals that are involved in, complicit in, support, or profit from the listed activities or areas, including financial, campaign, or political contributions to such institutions, parties, individuals, or candidates;
4. any support provided by the firm's employees, partners, or representatives, directly or indirectly for institutions or individuals that are involved in, complicit in, support, or profit from the listed activities or areas;
5. any of the firm's employees, partners, or representatives, who are involved in, complicit in, support, or profit from the listed activities or areas.

Domestic Application of the Principles

Interpretive guidance — illustrative applications for U.S. and allied investors. This section does not add to or alter the binding criteria above; it shows how the existing standard applies in domestic contexts.

These principles apply to both international and domestic contexts. For institutional investors based in the United States and allied jurisdictions, Ethics VC evaluates how venture-backed firms, funds, and principals intersect with domestic civil rights, privacy, procurement, and governance frameworks, as well as with international human rights law. The conduct addressed below is the same conduct that the criteria already name; only the operating context differs.

Principle 1 — Against Apartheid and Occupation (Domestic)

Discriminatory control, surveillance, and biometric or geolocation targeting technologies — as named in the criteria — deployed in domestic policing, immigration enforcement, or the discriminatory denial of services, goods, or employment; and lobbying, legal advocacy, or financial services that support rights-violating policies within home jurisdictions.

Principle 2 — Against Genocide, Ethnic Cleansing, War Crimes, and other Crimes against Humanity (Domestic)

U.S.-incorporated firms, and domestic fund structures, financial instruments, or supply chains, that provide material support to — or create foreseeable links between U.S. capital and — entities implicated in mass human-rights abuses. The domestic exposure here is the flow of capital and the fiduciary's duty to foresee it, not a finding of domestic atrocity.

Principle 3 — Against Weapons Development (Domestic)

Venture-backed firms developing weapons, intelligence, surveillance, and reconnaissance (ISR) platforms, targeting systems, or AI-enabled warfare technologies under U.S. defense and security programs — often funded through military grants, sole-source federal contracts, and appropriations-shielded revenue streams that create concentrated, hard-to-exit exposure for domestic investors.

Principle 4 — Against Manufacturing Consent for Crimes against Humanity (Domestic)

Domestic lobbying, public-relations, policy-research, and influence campaigns that justify, normalize, or obscure rights-violating conduct, as well as dehumanizing rhetoric, misinformation, and suppression or retaliation against individuals and institutions opposing such conduct — with attendant reputational and civil-rights-litigation exposure for investors.

Principle 5 — Against Complicity in Crimes against Humanity (Domestic)

Domestic principals, board members, partners, or advisers with direct, supporting, or enabling roles in contested military, enforcement, or surveillance operations, including U.S.-based individuals who provide technology, data, logistics, or funding to entities engaged in systemic rights violations.

Principle 6 — Against Economies of Crimes against Humanity (Domestic)

U.S. venture, private-equity, and public-market positions, debt, and partnerships that channel domestic capital or legitimacy into entities incorporated in or operating from territories charged with these crimes, together with domestic educational, research, and business ties that do the same — subject to the exception for direct victim support.

When adopted into investment policy, these domestic applications are evaluated alongside applicable fiduciary and regulatory standards — including, among others, ERISA, UPMIFA, NYPMIFA, the Advisers Act, the Securities Act, OFAC sanctions rules, and private-foundation regulations — so that principle breaches translate into concrete governance, legal, and reputational risk assessments for institutional investors.

Principle 1: Against Apartheid and Occupation

Apartheid and Occupation systematically deprive people of basic human rights.

Venture capital firms must not support apartheid or occupation.

Criteria:

Apartheid and Occupation include but are not limited to:

a) Segregation Technology:

1. technology that supports discriminatory control or surveillance.
2. facial recognition or geolocation technologies used for targeting in discriminatory or military operations.
3. surveillance technologies used to enforce segregation or occupation.

b) Illegal Settlements:

1. supporting illegal settlements in occupied territories.
2. companies headquartered in or with offices or personnel in occupied territories.
3. exploitation of resources in occupied lands or from illegal settlements.
4. equipment for the demolition of property or agricultural destruction in occupied territories.
5. construction and expansion of illegal settlements.
6. travel/tourism/hospitality, real estate, and real estate services in occupied territories.
7. lobbying, advocating, or legal defense in support of illegal occupation.

c) Apartheid Infrastructure and Services:

1. construction, maintenance, or enhancement of infrastructure that enforces apartheid.
2. companies providing material or equipment for walls or checkpoints enforcing apartheid.
3. companies or individuals discriminating against ethnic or racial groups in services, goods, or employment.
4. companies or individuals involved in segregationist practices or supporting apartheid regimes.
5. services and utilities that support illegal settlements.
6. banking and financial operations that help develop, expand, or maintain settlements and their activities.

Principle 2: Against Genocide, Ethnic Cleansing, War Crimes, and other Crimes against Humanity

Crimes against Humanity, including Genocide, Ethnic Cleansing, and War Crimes, contribute to the deprivation of life, liberty, and human rights of a people and violate international law.

Venture capital firms must not support Crimes against Humanity, including Genocide, Ethnic Cleansing, or War Crimes.

Criteria:

Supporting genocide, ethnic cleansing, and crimes against humanity includes, but is not limited to:

a) Human Tragedy and Fatalities:

1. directly engaging in or facilitating actions leading to mass killings, forced displacement, and/or severe human suffering.
2. participating in or funding operations that result in the loss of life, injury, or long-term health impacts on civilian populations.
3. providing critical supplies for violent acts such as weapons, ammunition, or other military-grade equipment or surveillance technology used against and in violent acts against the civilian population.
4. supporting the systematic removal or destruction of specific ethnic, religious, or cultural groups.

b) Financial and Supply Chain Support:

1. financial institutions that support regimes or companies implicated in genocide or ethnic cleansing.
2. supply chains that source materials or products from conflict zones, or that supply resources to entities engaged in genocidal practices.
3. logistics or tooling that facilitate crimes against humanity.
4. critical IT, cloud, or large-scale data-processing infrastructure reasonably expected to support military or government operations implicated in crimes against humanity.
5. providing essential supplies like food, oil, and other resources that help those committing crimes against humanity.

c) Support of Genocidal Economies:

1. bonds, stocks, or any financial instruments issued by governments or entities committing genocide or ethnic cleansing.
2. partnerships or joint ventures with state-owned enterprises of countries involved in genocidal policies.

3. companies headquartered in, with offices or personnel in, having substantial operations in, or having significant contracts with countries committing genocide or ethnic cleansing, regardless of the company's direct involvement in these activities.

d) Indirect Support and Complicity:

1. companies that indirectly support or benefit from entities involved in genocidal or ethnic cleansing activities through supply chains or third-party relationships.
2. involvement with companies providing technology, data, or resources that could facilitate genocidal or ethnic cleansing actions.

Principle 3: Against Weapons Development

Venture-backed businesses need to demonstrate rapid growth to provide appropriate returns for Venture Capital investment. This need for rapid deployment poses a direct conflict with principles of international humanitarian law, responsible weapon development, and the advancement of peace. It also encourages increased war, disproportionate warfare, attacks on civilians, and violations of international treaties.

Venture capital firms must not support any kind of weapons development.

Criteria:

Supporting weapons development includes, but is not limited to:

a) Weapons and Military Technology:

1. weapons or military gear, offensive cyber tools, or aggressive law enforcement tech.
2. weapon research or development, including aerospace companies that develop missiles or satellites for war use.

b) Targeting and Autonomous Systems:

1. facial recognition or geolocation technology for weapons targeting.
2. unmanned military systems or rapid-deployment defense systems, including autonomous vehicles such as unmanned aerial and ground vehicles for various defense applications.
3. developing "kill" web technologies.

c) AI Integration into Warfare:

1. developing AI technologies for autonomous weapons, surveillance, reconnaissance, and combat systems.
2. dual-use technologies used for both commercial and defense applications.
3. development of Intelligence, Surveillance, and Reconnaissance (ISR) technologies used to gather and analyze information about enemy forces, terrain, and activities.

d) Nuclear Weapons and Arms Trade:

1. development, production, or maintenance of nuclear weapons.
2. research or technologies that contribute to the proliferation of nuclear weapons or related delivery systems.
3. developing AI that revolutionizes the defense sector, enhancing the global arms trade.

Principle 4: Against Manufacturing Consent for Crimes against Humanity

Crimes against Humanity, including Genocide, Ethnic Cleansing, War Crimes, and Apartheid, contribute to the deprivation of life, liberty, and human rights of a people and violate international law. Manufacturing Consent refers to individuals or organizations creating, promoting, and reinforcing public narratives that support committing Crimes against Humanity, including Genocide, Ethnic Cleansing, War Crimes, and Apartheid.

Venture capital firms must not support the manufacturing of consent for Crimes against Humanity, including Genocide, Ethnic Cleansing, War Crimes, and Apartheid.

Criteria:

Supporting Manufacturing Consent for Crimes against Humanity includes engaging in public communications, organized campaigns, political lobbying, public relations, messaging research, or state-sponsored campaigns which contribute to these crimes, including:

a) Supporting, defending, justifying, normalizing, or glorifying these crimes:

1. equating civilian populations to militants, or blurring the distinction between civilians and militants
2. providing or promoting plausible deniability for these crimes
3. supporting the actions or rhetoric of governments and militaries, or their representatives, who are committing these crimes
4. advocating for breaches of international law, including disproportionate military actions, or actions against civilians
5. spreading false propaganda and misinformation

b) Dehumanization and denial:

1. dehumanization of the victims of these crimes
2. denying or minimizing the existence of these crimes
3. downplaying civilian deaths and casualties

c) Distracting from the reporting of these crimes:

1. advocating for violence, suppression, retaliation, loss of employment, income, housing, or educational opportunities, of people advocating against these crimes

2. advocating against institutions or organizations providing essential services to protect against, prevent, or address the casualties of these crimes
3. weaponizing false definitions of racism, or supporting organizations that weaponize false definitions of racism
4. using passive voice to avoid naming the perpetrator of the crime

d) Promoting ethnocentrism:

1. promoting or advocating for race-, nationality-, or ethnicity-based exceptionalism or supremacy

e) Promoting hatred and dehumanizing narratives:

1. promoting, funding, or amplifying hatred, hostility, or dehumanizing narratives targeting a group on the basis of race, ethnicity, nationality, religion, or other protected characteristic — whether or not tied to a specific ongoing crime, where such narratives foreseeably contribute to the conditions for crimes against humanity.

Principle 5: Against Complicity in Crimes against Humanity

Crimes against Humanity, including Genocide, Ethnic Cleansing, War Crimes, and Apartheid, contribute to the deprivation of life, liberty, and human rights of a people and violate international law.

Venture capital firms must not associate with individuals who have participated or are complicit in Crimes against Humanity, including Genocide, Ethnic Cleansing, War Crimes, or Apartheid, especially in leadership or key roles.

Criteria:

Complicity in Crimes against Humanity includes but is not limited to:

a) Direct Perpetrators:

1. individuals accused or convicted of these crimes.
2. former defense personnel associated with countries or organizations accused of these crimes.

b) Supporting Roles:

1. ties to military operations involved in these crimes.
2. providing support services or logistics to entities engaged in these crimes.
3. a history of involvement in military operations or organizations accused of these crimes.
4. funding the defense of individuals or organizations accused of these crimes.

c) Indirect Contributors:

1. indirectly supporting or benefiting from entities engaged in these crimes through supply chains or third-party relationships.

2. engaging in activities that could be seen as complicit in these crimes, such as providing technology, data, or resources to oppressive regimes.

Principle 6: Against Economies of Crimes against Humanity

Crimes against Humanity, including Genocide, Ethnic Cleansing, War Crimes, and Apartheid, contribute to the deprivation of life, liberty, and human rights of a people and violate international law.

Venture capital firms must not make investments that support the economies of countries that have participated in or are complicit in Genocide, Crimes against Humanity, Ethnic Cleansing, and War Crimes.

Exception: *Where the perpetrator of these crimes controls the economic opportunity of the victims, this criterion does not preclude supporting those victims or members of the victim group.*

Criteria:

Investments in Economies of Crimes against Humanity include but are not limited to:

a) Direct Investment - ventures or assets associated with individuals, companies, or other ventures incorporated in, or with operations based in, states or territories charged with these crimes:

1. venture capital and private equity investments
2. public equity or stock investments in such companies or ventures

b) Financial Agreements - with individuals, companies or ventures incorporated in, or whose operations are based in, states or territories charged with these crimes:

1. financial partnerships, loans, mortgages, debts, including venture debt, convertible debt, or SAFE agreements, leases, other property agreements, and any other business transactions
2. mergers, acquisitions, partnerships, IP agreements, or joint ventures
3. significant relationships with customers, vendors, or partners

c) Educational and Research Ties - agreements and relationships with institutions and companies incorporated in, or whose operations are based in, states or territories charged with these crimes:

1. providing internships, or undergraduate or post-graduate apprenticeship opportunities
2. providing scholarships
3. funded trips and learning opportunities

d) Business Partnerships - with companies or other ventures incorporated in, or with operations based in, states or territories charged with these crimes:

1. co-marketing, partnerships, sponsorships, joint public relations, advertising, and media campaigns, sharing of customer information or relationships
2. seeking to encourage travel, migration, or investment