atomico

Atomico Task Force for Climate-related Financial Disclosures (TCFD) Report 2025

Atomico (UK) Partners LLP (“Atomico”) is a venture capital firm investing in ambitious European tech founders from Series A through to IPO. The firm, founded in 2006, is headquartered in London with offices in Berlin, Stockholm and Paris.

Introduction

Atomico is acutely aware of the risks and opportunities associated with climate-related matters and is guided in its approach by the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). In our second, voluntary report, Atomico sets out its approach to climate-related risks and opportunities with intended alignment to the TCFD pillars of governance, strategy, risk-management, metrics and targets.

In 2024, Atomico collaborated with climate specialist advisors to conduct a climate risk assessment for both its own entity and the portfolio companies of its two latest funds - Atomico Venture VI SCSp and Atomico Growth VI SCSp - to help both inform its alignment with TCFD, and support it in moving towards adopting a firm wide approach to climate-related risks and opportunities (including for investments from its previous funds). Atomico’s inaugural report detailed the potential climate-related issues identified, and the management actions Atomico follows to mitigate the identified risks and, where possible, add value from potential opportunities. The report set out where the approach to climate-related issues was at a firm level, portfolio level, or with regards to the portfolio companies from its two most recent funds.

This year, after reviewing the composition of companies within its two latest funds, Atomico concluded that the climate-related risks and opportunities identified back in 2024 remained consistent for 2025. Consequently, it was decided not to re-run the scenario analysis. As a result, Atomico’s 2025 TCFD report remains generally similar and aligned to last year’s, as the governance, strategy and risk management on climate-related factors continues to be consistent. However there are updates to the latest metrics and targets.

Once again, Atomico has chosen to focus on disclosures around its analysis and assessment of its exposure to climate-related risk and opportunity. The report covers the steps Atomico is taking, and in the coming years it will continue to evolve its processes and disclosures as it seeks to further develop its understanding of climate-related issues and the actions it can take to address them.

Atomico will continue to align with and report against the TCFD recommendations on an annual basis. However, since the TCFD was disbanded in 2024, and the International Sustainability Standards Board (ISSB) assumed responsibility for monitoring the progress of TCFD disclosures, Atomico also monitors the development of ISSB standards and their endorsement and adoption by governments, regulators, and other stakeholders, and will consider any need to disclose under International Financial Reporting Standards (IFRS) S1 and IFRS S2 at the appropriate time.

Governance

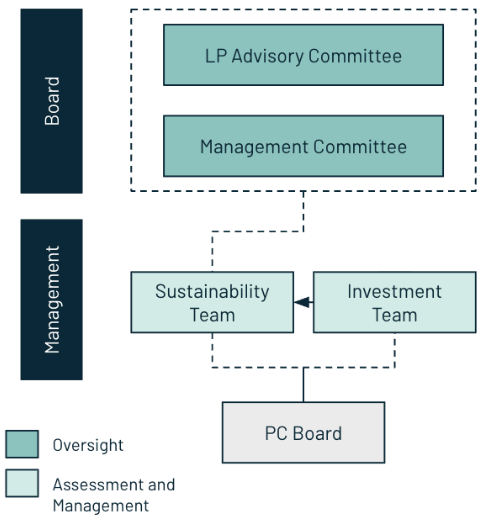
Board oversight

Atomico's Management Committee plays a central role in Atomico's commitment to addressing climate-related issues, holding ultimate oversight and accountability. The Management Committee consists of Atomico's senior investment and operational partners including the firm's CEO and COO who are accountable for the fund performance of Atomico, including environmental, social and governance ("ESG") considerations at a firm and portfolio level. The Management Committee recognises climate change as a potential material business risk and has integrated it into its existing risk management processes. The Management Committee updates and consults the firm's LP Advisory Committee on an annual basis on Atomico's ESG considerations (including climate factors).

Management approach

The Management Committee convenes regularly, with ESG considerations (including climate factors) addressed formally at least once per quarter, whether with regards to the firm or the portfolio. The General Counsel is designated with formal oversight and responsibility for ESG, with the General Counsel also being a member of the Management Committee. If the General Counsel identifies a need for an ESG-related matter to be reviewed by the Management Committee in addition to the quarterly meetings, it is included as a separate Management Committee agenda item as appropriate.

Atomico's governance structure is outlined in the following organogram;



Oversight and management of climate-related risks and opportunities

Firm level:

Atomico's approach to climate-related risks at a firm level is integrated and detailed in the firm's Sustainability and ESG Policy, which has been approved by the Management Committee and is reviewed on an annual basis.

Atomico assigns the day to day assessment and management of ESG and climate-related responsibilities at a firm level to the Sustainability Team, composed of a Sustainability Manager reporting to the General Counsel. The Sustainability Manager leads on the identification and assessment of climate risks and opportunities, informing the Management Committee about climate developments and working to integrate climate-related management processes throughout Atomico's operating procedures, such as measuring greenhouse gas ("GHG") emissions, sustainable procurement, renewable energy and responsible business travel.

Portfolio level:

The oversight and management of climate related risks and opportunities at a portfolio level is led by Atomico's Sustainability Team and Investment Committee ("IC"), and supported by its Investment Team. ESG considerations (including climate related factors) are integrated into the investment lifecycle from pre-investment screening through to ESG due diligence, monitoring, engagement, active ownership and exit. The exclusion of companies operating in high impact climate sectors and/or companies deemed to have a net negative impact on climate is documented in Atomico's physical exclusion list. Atomico also partners with new portfolio companies on ESG-related term sheet clauses. All new investments where Atomico leads the round are required to have implemented an ESG policy within 3 months post close and to measure their GHG emissions within 12 months post close, applying to Atomico's two latest funds - Atomico Venture VI SCSp and Atomico Growth VI SCSp.

Strategy

Screening and analysis

In 2024, Atomico worked with external climate specialists and advisers to undertake climate screening and scenario analysis for its firm level operations in addition to its two latest funds - Atomico Venture VI SCSp and Atomico Growth VI SCSp - to support a general overview of the climate-related risk exposure of its entire portfolio. As part of the scenario analysis, the TCFD-recommended longlist of risk types were screened for materiality, focussing on financial impacts across the two funds and the firm.

The scenario analysis models three different climate scenarios, selected to cover a range of possible futures including an optimistic and pessimistic scenario - under 1.5°C (Paris-aligned), <2°C (Delayed Transition) and >3°C (Current Policies). Additionally, it applies both short term and long term views aligned roughly to the asset hold period of Atomico's two latest funds - near-term (2030), medium-term (2040), and long-term (2050).

Atomico analysed the financial impacts of each risk impacting both the firm and the portfolio companies from its two latest funds, with the table below summarising the overall risk and opportunity rating, categorised according to a financial impact assessment matrix:

Timeframe	Near term (present-2030)			Medium term (2030-2040)			Long term (2040-2050)		
Scenario	SSP1-2.6/ Net Zero 2050 (1.5°C)	SSP2-4.5/ Delayed Transition (<2°C)	SSP5-8.5/ Current Policies (>3°C)	SSP1-2.6/ Net Zero 2050 (1.5°C)	SSP2-4.5/ Delayed Transition (<2°C)	SSP5-8.5/ Current Policies (>3°C)	SSP1-2.6/ Net Zero 2050 (1.5°C)	SSP2-4.5/ Delayed Transition (<2°C)	SSP5-8.5/ Current Policies (>3°C)
Water Stress: Increased cost to use data centres	Lower-Moderate	Lower-Moderate	Lower-Moderate	Moderate	Moderate	Moderate	Higher-Moderate	Higher-Moderate	Higher-Moderate
Flooding: Lost revenue due to site inaccessibility	Lower	Lower	Lower	Lower	Lower	Lower	Lower	Lower	Lower
Reputation: Sustainability fines	Lower	Lower	Lower	Lower	Lower	Lower	Lower	Lower	Lower
Policy: Increased OpEx to meet regulation	Lower	Lower	Lower	Lower-Moderate	Lower	Lower	Moderate	Moderate	Lower
Market: Increased energy cost	Moderate	Lower-Moderate	Lower-Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate
Market: Opportunity to increase revenue by outperforming peers	Lower-Moderate	Lower	Lower-Moderate	Moderate	Moderate	Moderate	Higher-Moderate	Higher	Higher

In 2025, after reviewing the composition of companies within its two latest funds, Atomico concluded that the climate-related risks and opportunities identified back in 2024 remained consistent for 2025. Therefore, the same scenario analysis has been applied for this year with the identified climate-related risks and opportunities remaining unchanged.

Identified risks and opportunities

Transition risk

Medium to long term transition risks related to market and policy are the most material climate-related risks for Atomico as society and the economy transition towards a lower carbon and more climate friendly world. Atomico and all of its portfolio companies are to some degree exposed to long term risks stemming from increased energy prices and increased climate regulations and reporting requirements, which could have implications on operating costs and returns on the investments held by the funds.

Physical risk

In addition there was identification of the long term physical risk of water stress increasing data centre costs which many portfolio companies are heavily reliant on, both in Atomico’s two latest funds and its broader portfolio.

Transition Opportunity

A medium to long term opportunity is around the growing power of the “climate-conscious consumer base” and the potential for Atomico and its portfolio companies to outperform their peers and attract both customers and talent due to their sustainability credentials and/or the development of products and services with a low or positive climate impact, which in turn could have a positive financial impact on sales and revenue, as well as reducing operating costs related to talent attrition.

Strategic planning

Atomico acknowledges the potentially significant risks posed by climate change on its current and future investments, in particular transitional climate risks on its portfolio. The above scenario analysis demonstrates the connected financial risks and opportunities, which is a further driver as to why climate-related issues are integrated into Atomico's governance structure, to ensure there is appropriate management and oversight from both a financial and climate perspective.

As an investor in early stage technology startups with minority percentage ownership, there are limitations in the ability of Atomico and its funds to mandate climate-related action from its portfolio. Therefore, encouraging and enabling the portfolio to remain aware of the identified risks, alongside measuring, managing and reducing their individual GHG footprints is the most effective mitigating action Atomico can take to reduce its exposure, and is going forwards its strategic area of focus.

As part of Atomico's active ownership, the firm has shared the results of the scenario analysis with relevant stakeholders, including business representatives at portfolio companies, to raise awareness of the identified risks and opportunities, particularly highlighting the market and policy transition risks and water-related physical risk as well as GHG emissions.

As a next step, Atomico will look to navigate how data gaps can be remediated, for example, by encouraging companies within its portfolio to more accurately measure and report on their GHG emissions, and by expanding data across other funds to improve scenario analysis for future reporting and strategic planning and ultimately to support Atomico and the resilience of the portfolio of its funds with regards to climate-related issues.

Risk Management

Identification and management of risk
As identified in the scenario analysis for its two latest funds, Atomico's portfolio is the area with the greatest material exposure to climate related impacts. Therefore this is where Atomico has prioritised its risk identification and management processes in both the pre-investment and post-investment periods.

Pre-investment:
Preliminary risk screening against Atomico's exclusion list is conducted by the Investment Team for all new potential investments prior to a term sheet being issued. This screens out companies operating in high impact climate sectors and/or companies deemed to have a net negative impact on climate.

Following a term sheet being signed, Atomico has adopted a formalised ESG due diligence process which covers potential issues related to climate. The due diligence is carried out by the Sustainability Manager who works with the founding team of potential portfolio companies to identify ESG and climate related risks and opportunities as well as a high level evaluation of the company's GHG footprint. The Sustainability Manager summarises their findings in a formal assessment presented to the Investment Committee who discuss and evaluate it at every investment decision. If the Investment Committee concludes that the ESG and climate risks related to a potential investment are too great and/or cannot be appropriately mitigated in a reasonable timeframe, no investment is made.

As a result of last year's report, the outputs of the climate screening and scenario analysis have since been built into Atomico's ESG due diligence process, enabling it to better understand and quantify climate-related risks pre-investment.

Post-investment:
Post investment, the Sustainability Manager conducts ESG workshops with each new portfolio company, to develop the thinking of the potential impact of their business activities and help them prioritise identified risk mitigation and value creation initiatives. Climate is included in these meetings as a standard agenda item.

Atomico also provides tools and resources to portfolio companies to help them meet the ESG term sheet requirements which have been agreed upon, which include adopting an ESG policy within 3 months post close, and measuring their GHG emissions within 12 months post close.

As part of Atomico's active ownership, the Sustainability Manager also identifies ESG risks through an annual portfolio ESG reporting cycle, which includes climate related questions on GHG emissions, GHG reduction initiatives, energy usage, and whether a climate policy is in place. If a risk is identified during the reporting cycle, the Sustainability Manager engages with the company to understand how the risk is being mitigated. If the Sustainability Manager deems the company is both unaware of, and not interested in mitigating the risk, then it is escalated to the Investment Team Member who sits on the board to discuss with the relevant senior member of the portfolio company. The Investment Team is also involved in monitoring and assisting portfolio companies with ESG factors, including climate, in their capacity as board members.

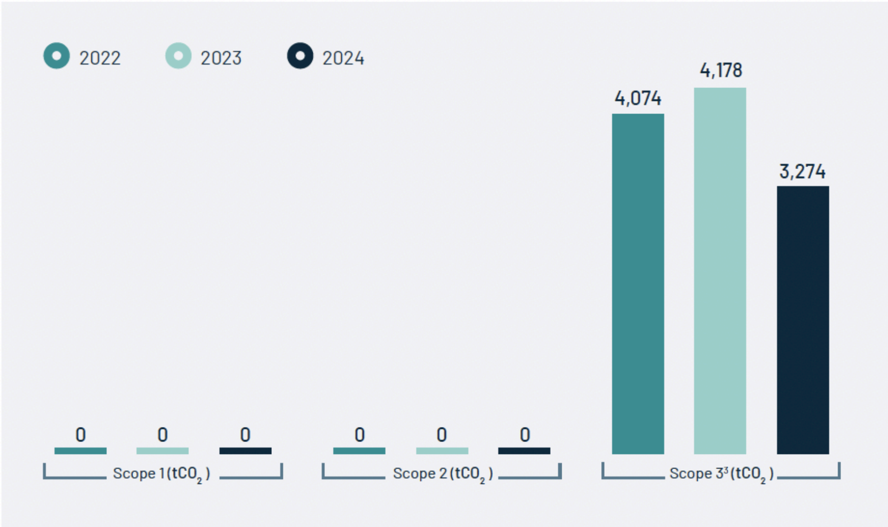
The above risk management processes have been in place since 2023, with the pre-investment processes applying to all investments by Atomico's two latest funds - Atomico Venture VI SCSp and Atomico Growth VI SCSp, and the post-investment processes applying to all of Atomico's portfolio companies. In the coming years, Atomico intends to carry out further work to integrate climate change considerations throughout the investment process, and strengthen its evaluation processes for all future investments.

Metrics & Targets

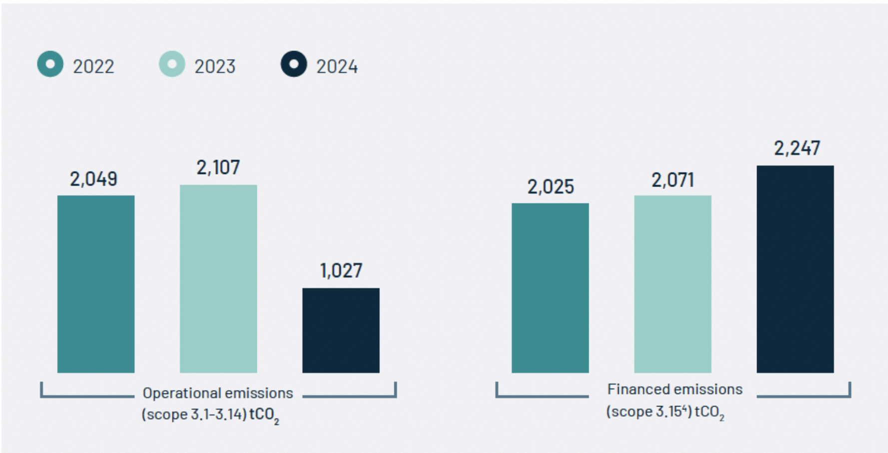
Climate metrics that support Atomico's strategy

Atomico measures its GHG footprint annually (scope 1-3) and reports on it publicly through its annual [Conscious Scaling Sustainability Report](#).

GHG emissions by scope[2]



Scope 3 breakdown



2 Calculated by Apiday, for details on methodology see appendix
3 Includes scope 3.15 financed emissions
4 Portfolio scopes 1 & 2 x Atomico % ownership

Atomico's entity level annual GHG emissions (see operational emissions detailed in the above chart) accounted for approximately 30% of our overall annual GHG emissions in 2024. As a team of circa 60 employees working semi remotely out of an office that has adopted fully renewable energy and is optimised for energy efficiency, Atomico's entity level emissions mainly stem from business travel and goods & services. In 2024, Atomico's operational emissions started to reduce. This was due to a combination of changes in headcount and operational spend, and Atomico's optimisation for renewable energy in its cloud infrastructure.

The remainder of Atomico's annual GHG footprint is that of its financed emissions stemming from the portfolio companies that its funds are invested in. These accounted for approximately 70% of Atomico's total annual GHG emissions in 2024.

As part of Atomico's annual portfolio ESG monitoring programme, it asks all of its portfolio companies to provide their annual scope 1, 2 & 3 GHG emissions. Where a portfolio company does not yet measure these, Atomico uses a 3rd party platform to measure on their behalf using company location, industry, headcount, valuation, revenue and % ownership.

In addition, among the broader set of ESG metrics that Atomico collects, are KPIs relating to the number of companies in its portfolio who are measuring their GHG emissions, as well as the number of those actively reducing their GHG emissions and the number of those with short term decarbonisation targets. These KPIs are also reported in Atomico's annual Conscious Scaling Sustainability Report (linked above).

Atomico will continue to collect and report on these metrics annually, with the Sustainability Manager responsible for measuring and monitoring them, reporting insights and analysis into the Management Committee for oversight. In addition, Atomico will continue to work closely with its portfolio companies with the aim of improving data availability and visibility to guide future scenario analysis connected to these metrics.

Climate targets that support Atomico's strategy

Atomico takes accountability for its climate impact via measurement, reduction, removal and reporting. In addition to measuring GHG emissions as detailed above, Atomico continuously seeks ways to reduce its emissions and it encourages its portfolio companies to do the same. In 2025, Atomico set itself the following short term decarbonisation targets at both an entity and portfolio level to further support its climate strategy;

- Target for at least 70% of Atomico's total supplier spend to be with suppliers who have a near term decarbonisation target by 2030
- Target 100% of all Atomico portfolio companies with >30 FTE to measure their own scope 1 and 2 emissions annually (+1yr Atomico holding period) by 2030
- Target for 100% of all Atomico portfolio companies who have reached the 'climate maturity threshold', to adopt a near term decarbonisation target & a climate strategy by 2030. 'Climate maturity threshold' means:
    - $50m revenue
    - $250m capital raised
    - 500 FTEs
    - +1yr Atomico holding period
    - Atomico have board seat/observer rights

Over the coming years, Atomico will continue to track its progress against its climate targets and report on them annually, as well as continue to identify the companies within its portfolio who are the most material emitters and support them to develop their own reduction targets.

Disclaimer

Please note that this report is not a marketing document and is provided for information purposes only in relation to the recommendations and recommended disclosures of the Task Force on Climate-related Financial Disclosures ("TCFD").

This report sets out how Atomico (UK) Partners LLP ("Atomico") approaches the incorporation of climate-related risks and opportunities into governance, strategy, risk management and metrics and targets. It supplements the Annual Sustainability Review - Conscious Scaling 2.0 disclosures, which are recommended to be read in conjunction with this report. Any targets, commitments and initiatives outlined in this report do not constitute a guarantee, promise or commitment regarding actual or potential positive impacts or outcomes associated with investments made by funds managed by Atomico.

Atomico is reliant on both the relevant portfolio companies and third party climate specialists in gathering and providing data. Such a reliance is intended to be mitigated through due diligence at the outset and continued reporting throughout the lifecycle of an investment on climate-related issues. Estimates may be used where there is a lack of available data and will aim to reflect as closely as possible the actual economic or climate data.

The information provided in this report has not been subject to audit, assurance, verification or endorsement by any regulator, industry body or other third party. Except where stated otherwise, information is as at 31 December 2024 and for the year ended on that date, and is based on the information available to us as at 1 October 2025 and may not have been updated for information available after this date. Where statements are made about Atomico's policy, processes and procedures, this is not intended as a claim that these are followed in all cases or at all times.

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