

What VCs look for in climate-tech startups:

+ Green Flags

- Fast time-to-impact
- High technology defensibility
- Focus on hard-to-abate industries
- Adoption supported by regulations
- Proprietary IP and unique positioning
- A clean cap table that aligns goals across
- Substantial demand and growth potential
- A clear vision for impact and a driven founders

✗ Red Flags

- Over-reliance on green premiums
- Limited/unclear environmental impact
- Weak demand, no pilots, or partnerships
- Misaligned incentives, or poor governance
- Negative impacts beyond carbon emissions
- Lack of expertise, authenticity, or commitment
- Oversaturated markets with well-funded players
- Misalignment with climate/regulatory frameworks
- Capital intensity without a clear path to profitability