

SILICON SHADOWS

VENTURE CAPITAL, HUMAN RIGHTS,
AND THE LACK OF DUE DILIGENCE

**AMNESTY INTERNATIONAL IS A
MOVEMENT OF 10 MILLION PEOPLE
THAT MOBILIZES THE HUMANITY
IN EVERYONE AND CAMPAIGNS FOR
CHANGE SO WE CAN ALL ENJOY OUR
HUMAN RIGHTS.**

Our vision is of a world where those in power keep their promises, respect international law, and are held to account. We are independent of any government, political ideology, economic interest, or religion

and are funded mainly by our membership and individual donations. We believe that acting in solidarity and compassion with people everywhere can change our societies for the better.

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First published in 2023

by Amnesty International Ltd

Peter Benenson House, 1, Easton Street

London WC1X 0DW United Kingdom

Index: POL 40/7108/2023

Original language: English

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**AMNESTY
INTERNATIONAL** 

**BUSINESS & HUMAN RIGHTS RESOURCE
CENTRE IS AN INTERNATIONAL NGO WHICH
TRACKS THE HUMAN RIGHTS IMPACTS OF OVER
10,000 COMPANIES IN OVER 180 COUNTRIES,
MAKING INFORMATION AVAILABLE ON OUR
10-LANGUAGE WEBSITE.**

Our vision is a world where business respects human rights and provides redress for abuse, where people are leaders in shaping a rights-respecting and sustainable future for markets and business, and where shared prosperity through greater equality of power and wealth is enjoyed by all.

We work to strengthen partners, allies, and movements so that our collective work ensures that businesses respect and advance human rights, and build shared prosperity through greater equality.

We seek to build, analyse, and deploy evidence to influence decision-makers in governments and businesses towards effective laws, regulation, and norms that transform exploitative business behaviour into a rights-respecting economic model.

We amplify and support the voices and works of partners, allies, and movements to drive accountability for abuse.

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EXECUTIVE SUMMARY

With the launch of ChatGPT in 2023, the appetite for generative artificial intelligence (Generative AI) investment has been described as [‘insatiable’](#).¹ Within the first six months of 2023, funding for Generative AI-based tools and solutions leaped to [more than five times](#) what they were in 2022, with venture capital (VC) firms playing a substantial role in financing them.² Since the global Generative AI market is expected to reach [US\\$200.73 billion by 2032](#),³ some are positing Generative AI as the fuel for the next technological [“arms race”](#).⁴

EXECUTIVE SUMMARY

Generative AI refers to algorithmic systems that can create (or “generate”) new content—including audio, images, text, and even computer code. Like any new technology, these systems pose potential risks, including, but not limited to, the amplification of existing societal biases and inequities, undermining the right to privacy, and accelerating the spread of mis- and disinformation. According to Freedom House, Generative AI has already been used in at least 16 countries to “sow doubt, smear opponents, or influence public debate.”⁵ In 2023, Bloomberg conducted an analysis of more than 5,000 Generative AI images and found that images associated with higher-paying job titles featured people with lighter skin tones. In addition, the dataset reproduced images of men when prompted for most occupations, except for lower-paying jobs like housekeeper and cashier.⁶

As Sam Altman, the chief executive of OpenAI, which created the Generative AI platform ChatGPT, [“if this technology goes wrong, it can go quite wrong.”](#)⁷ This is an understatement, and these risks are only augmented by the fact that Generative AI products are currently, largely unregulated.

While Generative AI tools also pose potential opportunities—including but not limited to new forms of creativity, new ways to create content, increased productivity (including around research and translation), and greater accessibility for differently-abled populations—it is crucial for companies to embrace a rights-respecting approach to the design, development and deployment of technology in order to for those benefits to be fully realized, without harming others in the process.

GENERATIVE AI REFERS TO ALGORITHMIC SYSTEMS THAT CAN CREATE (OR “GENERATE”) NEW CONTENT—INCLUDING AUDIO, IMAGES, TEXT, AND EVEN COMPUTER CODE.

The responsibility to address and mitigate these risks, as well as prevent actual harms, lies not only with states and the companies developing Generative AI products, but also with investors, including the VC firms, that are funding many of the largest Generative AI start-ups. Identifying, understanding, preventing and mitigating the salient human rights risks of Generative AI is essential, given its emergence as a potentially transformative technology.

Yet, as this research undertaken by Amnesty International and the Business & Human Rights Resource Centre demonstrates, leading VC firms are largely failing in their responsibility to address risks and actual harms, including by conducting human rights due diligence, which risks enabling the irresponsible development and proliferation of AI technologies with harmful, and sometimes irreparable, societal consequences. In fact, a number of leading venture capitalists have come out specifically against such approaches, as when Marc Andreessen, the co-founder of VC firm Andreessen Horowitz, recently stated: “We have enemies...Our present society has been subjected to a mass demoralization campaign for six decades – against technology and against life – under varying names like...‘social responsibility,’ ‘stakeholder capitalism,’ ‘Precautionary Principle,’ ‘trust and safety,’ ‘tech ethics,’ ‘risk management’...”⁸

Companies and investors have a responsibility to respect all human rights wherever they operate in the world and throughout their operations. This is a widely recognized standard of expected conduct as set out in international business and human rights standards including the United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles).⁹ To meet this responsibility, companies and investors, including VC firms, must take proactive and ongoing steps to identify and respond to their potential and/or actual human rights impacts. This is not possible without human rights due diligence.

To assess the practices of VC firms significantly invested in Generative AI, Amnesty International USA and the Business & Human Rights Resource Centre conducted a survey of the 10 largest venture capital funds that had invested in Generative AI companies¹⁰ and the two start-up accelerators with the most active investments in Generative AI companies¹¹ to determine which VCs were conducting human rights due diligence. The companies surveyed were Insight Partners, Tiger Global Management, Sequoia Capital, Andreessen Horowitz, Lightspeed Venture Partners, New Enterprise Associates, Bessemer Venture Partners, General Catalyst Partners, Founders Fund, Technology Crossover Ventures, Techstars and Y Combinator. All of these companies are based in the United States. To investigate whether VC funds and those providing their capital conduct human rights due diligence, Amnesty International USA and the Business & Human Rights Resource Centre first conducted a review of the publicly available information about each VC firm and accelerator's human rights policies, and then sent detailed letters to the General Counsels or other senior partners of each of these funds to interrogate the findings.

This analysis showed that leading VC firms and start-up accelerators are critically deficient in their responsibility to conduct human rights due diligence when investing in Generative AI start-ups. Our key findings include:

ONLY 3/12 FIRMS

FIRMS MENTION A **PUBLIC COMMITMENT TO CONSIDERING RESPONSIBLE TECHNOLOGY** IN THEIR INVESTMENTS

ONLY 1/12 FIRMS

MENTIONS AN **EXPLICIT COMMITMENT TO HUMAN RIGHTS**

ONLY 1/12 FIRMS

STATES IT CONDUCTS **DUE DILIGENCE FOR HUMAN RIGHTS-RELATED ISSUES WHEN DECIDING TO INVEST IN COMPANIES AND IN THE SELECTION OF LIMITED PARTNERS (LPS)**. LPS ARE INVESTORS WHO PROVIDE THE FUNDING FOR VENTURE CAPITAL FIRMS' OWN INVESTMENT FUNDS.

ONLY 1/12 FIRMS

CURRENTLY **PROVIDES SUPPORT TO ITS PORTFOLIO COMPANIES ON RESPONSIBLE TECHNOLOGY ISSUES**, THOUGH TWO OTHERS ARE IN THE PROCESS OF IMPLEMENTING SUCH SUPPORT.

Given the particularly high stakes in respect of Generative AI, it has only become more critical that leading VC firms and accelerators take decisive steps to prioritize and fulfill these human rights responsibilities under the UN Guiding Principles. Meaningful transparency, human rights due diligence, and effective stakeholder engagement, particularly with civil society, are essential for responsible investment in technology, and investors need to rise to this responsibility.



METHODOLOGY

To assess to what extent VC firms are undertaking human rights due diligence to identify, prevent, mitigate and account for how they address their human rights impacts, Amnesty International USA and the Business & Human Rights Resource Centre examined the policies of the 10 largest VC funds and two largest start-up accelerators that have made at least one Generative AI investment. We determined the largest VC firms by assets under management (AUM) using the Venture Capital Journal (VCJ) list of the fifty largest VCs for 2022, and then used data from DealRoom (a company that collects data on start-ups and VC funding) to determine which of those VCs had invested in Generative AI companies (i.e. companies tagged by DealRoom as “Generative AI” companies).

METHODOLOGY

The 10 largest VC firms with at least one Generative AI investment under this methodology were: Insight Partners, Tiger Global Management, Sequoia Capital, Andreessen Horowitz, Lightspeed Venture Partners, New Enterprise Associates, Bessemer Venture Partners, General Catalyst Partners, Founders Fund and Technology Crossover Ventures. The two largest start-up accelerators with at least one Generative AI investment under this methodology were: Techstars and Y Combinator. All of these firms are domiciled in the United States.

To investigate whether VC funds and those providing their capital conduct human rights due diligence, Amnesty International USA and the Business & Human Rights Resource Centre first conducted a review of the publicly available information about each VC firm and accelerator's human rights policies, focusing on information available on their websites. The results have several important limitations. Some funds did not have searchable websites; some funds may have human rights due diligence practices not disclosed publicly on their websites. Some funds may capture elements of human rights due diligence in other policies such as "Investment Policy", "Risk Management Policy" or "Board Procedures and Practices".

Of the 12 VC firms and accelerators to which Amnesty International USA and the Business & Human Rights Resource Centre sent letters, none responded. We then sent follow-up letters on 9 November 2023, outlining the findings of this briefing and seeking further comment or clarification. None of the firms responded to these follow-on letters. Our assessment below is therefore based only on publicly accessible documents. The VC scorecards are included as Annex A, and an example of the initial letter sent to VCs is included as Annex B.

IN ORDER TO ADDRESS THESE LIMITATIONS, AMNESTY INTERNATIONAL USA AND THE BUSINESS & HUMAN RIGHTS RESOURCE CENTRE THEN SENT DETAILED LETTERS TO THE GENERAL COUNSELS OR OTHER SENIOR PARTNERS OF EACH OF THE 10 VC FIRMS AND TWO STARTUP ACCELERATORS ON 23 MAY 2023, REQUESTING INFORMATION ON THEIR HUMAN RIGHTS DUE DILIGENCE PRACTICES.

NONE RESPONDED.



HUMAN RIGHTS RISKS POSED BY GENERATIVE AI

A growing number of diverse stakeholders—including [big tech executives](#),¹² [consumer groups](#),¹³ [journalists](#),¹⁴ [privacy rights activists](#),¹⁵ [government agencies](#),¹⁶ and even some [investors](#)¹⁷—have raised the alarm that Generative AI is riddled with human rights risks. Given that these products have been brought to market at a time when there is limited regulation to better guide this technology’s use for the benefit of society, there is a grave need for a higher level of scrutiny, critical reflection and preventative action within the private sector. In order to harness the potential benefits of Generative AI, it is imperative, within the framework of the UN Guiding Principles, to discern and proactively address the gravest risks of this technology for individuals and society.

HUMAN RIGHTS RISKS POSED BY GENERATIVE AI

As explained below, Generative AI can facilitate physical harm, psychological harm, reputational harm and social stigmatization, economic instability, loss of autonomy or opportunities, and further entrench systemic discrimination to individuals and communities. This especially applies to Generative AI's use in high-risk contexts such as [conflict zones](#),¹⁸ [border crossings](#),¹⁹ or when imposed on [vulnerable persons](#).²⁰

The hasty implementation of these tools by companies, [media outlets](#)²¹ and [government entities](#)²²—while lacking essential safeguards of fairness, transparency and accountability—is poised to yield enormous consequences. All of these concerns are heightened due to the lack of transparency surrounding how these products are developed and used; the lack of legally-binding regulation to require investors or companies to carry out human rights and environmental due diligence; the inability of developers and start-up founders to fully explain their work and identify why their tools produce the results that they do; and the absence of binding legal frameworks (at national, regional and international levels) for accountability when Generative AI directly or indirectly causes or contributes to human rights harms.

While investors and companies may openly recognize the severity and potential likelihood for Generative AI's misuse, some of the [same actors](#)²³ are [allegedly lobbying government officials](#)²⁴ in private, arguing the sector should not be considered “high risk.” However, based on cases that have already emerged, and cases which can be reasonably foreseen, the following salient human rights risks must be considered by investors when

making decisions about which types of Generative AI companies and products they will fund. That said, this list is not exhaustive, but is instead meant to highlight some of the most immediate risks.

ABUSES OF THE RIGHT TO PRIVACY

In the absence of effective data minimization, data protection and data source disclosure regulations, companies are motivated to gather and utilize larger quantities of data (e.g. including, potentially, data containing personal identifying information) for training Generative AI models, eroding data protection and privacy rights. Beyond [data breaches](#)²⁵ and increased [cybersecurity risks](#),²⁶ companies are undermining peoples' [authority over their own personal information](#)²⁷ by scraping personal data from third party sites to develop Generative AI tools.

As explained by the [researchers at EPIC](#),²⁸ many individuals are neither informed nor consulted when it comes to deciding whether their personal data should be included in training datasets. In 2022, [an artist based in California](#) found private medical record photos taken by her doctor in the LAION-5B image set, which is a scraped data subset used to train popular Generative AI models.²⁹ Even a perceived lack of privacy, combined with a lack of remediation options for the removal of personal data, could have a [chilling effect](#) on what people are willing to share online in the longer term.³⁰

EVEN A PERCEIVED LACK OF PRIVACY COULD HAVE A CHILLING EFFECT ON WHAT PEOPLE ARE WILLING TO SHARE ONLINE IN THE LONGER TERM.

GOOGLE'S BARD RECOMMENDED CONVERSION THERAPY FOR GAY PEOPLE AND DENIED THE HOLOCAUST HAPPENED.



PERPETUATION OF ALGORITHMIC BIAS AND STEREOTYPES

Generative AI systems have the ability to [reproduce the biases and prejudices](#) inherent in their training data.³¹ Biased and untested data sets can further entrench social disparities and encroach upon the human right to equal treatment before the law, disproportionately impacting [racialized groups](#),³² [women](#),³³ [non-binary persons](#)³⁴ and others. This has a ripple effect on the realization of other rights, such as the ability to [access public services](#),³⁵ freedom from [arbitrary detention](#),³⁶ and [equal access to opportunities](#).³⁷

Generative AI training datasets scraped from the internet are plagued with [misogyny, racism and ethnic slurs](#).³⁸ [An analysis](#) by Bloomberg of more than 5,000 Generative AI images created with Stable Diffusion (a Generative AI model that generates images based on a text prompt), allegedly found that it “takes racial and gender disparities to extremes”.³⁹ Google’s Bard (a Generative AI chatbot) [recommended](#) conversion therapy for gay people and denied the Holocaust happened, replicating anti-gay

and antisemitic sentiments under the guise of an artificially intelligent output.⁴⁰ Another Generative AI-based [avatar app](#) produced sexualized, nude images of Black, Asian, and Latina women users (often making their skin-tone lighter and bodies thinner) without being prompted.⁴¹

When Generative AI outputs exaggerate stereotypes, and those outputs are reintroduced into future AI models as training data, they further amplify biases, leading to increasingly skewed models and significant societal repercussions. As these AI tools are increasingly relied upon to generate new content, conduct [sentiment analyses](#),⁴² make [medical diagnoses](#),⁴³ [screen](#) potential job candidates,⁴⁴ and facilitate other critical decision-making, companies must ensure that their tools are not causing, contributing to or facilitating human rights harms and perpetuating virulent stereotypes.

WHEN GENERATIVE AI OUTPUTS
EXAGGERATE STEREOTYPES,
AND THOSE OUTPUTS ARE
REINTRODUCED INTO FUTURE
AI MODELS AS TRAINING
DATA, **THEY FURTHER
AMPLIFY BIASES, LEADING TO
INCREASINGLY SKEWED MODELS
AND SIGNIFICANT SOCIETAL
REPERCUSSIONS.**

AMPLIFICATION OF MISINFORMATION AND DISINFORMATION

The utilization of Generative AI tools is already contributing to the creation and dissemination of false, biased, and [hazardous](#) content, including both misinformation and disinformation, further contaminating the information ecosystem at an immeasurably fast pace.⁴⁵ According to the UN High Commissioner for Refugees (UNHCR), misinformation is “false or inaccurate information,” while disinformation is “deliberate and includes malicious content such as hoaxes, spear phishing and propaganda.”⁴⁶ According to UN Secretary-General Antonio Guterres, “[t]he advent of generative AI ‘could be a defining moment for disinformation and hate speech.’”⁴⁷ At the same time, Generative AI tools are increasingly used as content moderators.⁴⁸ While this may shield human content moderators from witnessing extreme and disturbing content, this also creates the potential for automating the biased or politically motivated removal of information from marginalized or disenfranchised voices. Many companies still fail to provide [adequate transparency](#) around the role automated tools play in content takedowns, or adequate

remediation for content that has been falsely removed.⁴⁹ These risks are heightened in non-English languages, since Generative AI models in other languages have [significant shortcomings](#),⁵⁰ and an adequate number of human rights-trained content moderators is [not always available](#) in underrepresented languages.⁵¹

Yet, as Generative AI tools advance in sophistication, the production and dissemination of false, defamatory or manipulated content will become faster, profiled communities can be more easily targeted, and results created using Generative AI will be [increasingly tailored](#) to preconceived beliefs and value systems, creating ripe conditions for manipulation.⁵²

Risks of manipulation are particularly heightened in electoral contexts. In the United States, historically marginalized groups have been [targeted with disinformation](#) citing incorrect voting dates and polling locations.⁵³ During Türkiye's 2023 election, Generative AI was allegedly used to amplify over [150 unsubstantiated claims](#) mostly related to opposition candidates, accusing them of being connected to “terrorist” activity.⁵⁴ According to data scientists and researchers from Harvard University, the impacts of Generative AI may also be even more subtle, where tools are quietly trained to target and exploit the [weakest points](#) in policymaking systems.⁵⁵

GENERATIVE AI WAS ALLEGEDLY USED TO AMPLIFY OVER 150 UNSUBSTANTIATED CLAIMS DURING TÜRKIYE'S 2023 ELECTION.



JEOPARDIZING PHYSICAL SAFETY, MENTAL HEALTH AND HUMAN DIGNITY

The past few years have shown how AI-generated content can be used to intentionally target and abuse individuals through [impersonation](#) via voice imitation,⁵⁶ [psychological abuse](#) via deepfake videos,⁵⁷ [defamation](#) via the [production](#) and amplification of false accusations,⁵⁸ or a combination of the above. This problem threatens to become significantly worse given the power of new Generative AI tools to create similar content. This opens the floodgates for [harassment](#), humiliation, exploitation, and [blackmail](#), which can have detrimental effects for physical and mental health.⁵⁹ Societal harms are amplified when Generative AI content can be used as a tool of oppression against political dissidents, journalists and human rights defenders. Falsified blackmail and defamation-oriented content has the potential to inhibit the ability to defend human rights by silencing activists, as well as discrediting whistleblowers and human rights watchdogs in the public eye, deterring others from joining social movements and, consequently, facilitating impunity. Due to the advanced capabilities of Generative AI tools, it may get harder for wrongfully vilified persons to prove their innocence, and even when falsified content is debunked, it can have [lasting negative impacts](#) on the victim or their communities.⁶⁰

The application of Generative AI to [military and defense technologies](#) poses a grave risk to the right to life, as companies have yet to prove that they are able to implement sufficient human rights safeguards.⁶¹ For instance, a spokesperson from the Pentagon's Defense Advanced Research Projects Agency (DARPA), Generative AI systems raise serious issues about "the level of reliability we probably need...for life or death decision making."⁶² Applying Generative AI to decision-making during conflict has the potential to act as a '[force multiplier](#)' and further amplify harms against civilians, internally displaced persons or refugees, with concerns regarding accountability and the irremediable consequences of malfunctions, hacking, or unauthorized use.⁶³

GENERATIVE AI SYSTEMS RAISE SERIOUS ISSUES ABOUT "THE LEVEL OF RELIABILITY WE PROBABLY NEED...FOR LIFE OR DEATH DECISION MAKING."

ARTIFICIAL INTELLIGENCE
IS REPORTED TO AUTOMATE
APPROXIMATELY **1/4** OF ALL
CURRENT WORK TASKS.



UNDERMINING LABOR RIGHTS

Generative AI companies which rely on the unpaid labor of artists or exploit [underpaid workers](#) are currently emerging as the primary financial beneficiaries of this technology, [heightening power and economic disparities](#).⁶⁴

Generative AI is reported to impact up to [300 million jobs](#), with artificial intelligence automating approximately a quarter of all current work tasks.⁶⁵ Using new technologies for the automation of tasks, rather than augmentation of tasks in support of the worker, has the great potential to further [exacerbate income inequality](#) and existing power imbalances within the global supply chain.⁶⁶ The potential for Generative AI to create new jobs must be examined against the extent to which the cost of any economic dislocation will be felt disproportionately by the most vulnerable.

300
MILLION
JOBS

REPORTEDLY IMPACTED
BY GENERATIVE AI

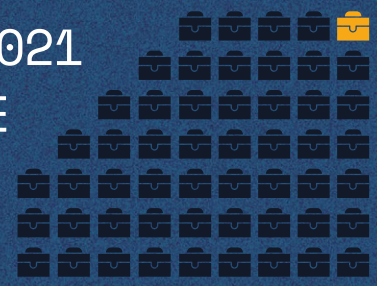
04



IMPORTANCE OF HUMAN RIGHTS DUE DILIGENCE BY VENTURE CAPITAL FIRMS

VC firms (which are a sub-set of actors within the private capital ecosystem) provide equity financing for early and growth stage companies (commonly referred to as “start-ups”) and therefore are often able to influence the governance and operations of these companies.

**ONLY 1/53 FIRMS SURVEYED IN 2021
HAD HUMAN RIGHTS DUE DILIGENCE
PROCESSES THAT POTENTIALLY
MET UN GUIDING PRINCIPLES**



IMPORTANCE OF HUMAN RIGHTS DUE DILIGENCE BY VCS

In 2021, Amnesty International published [*Risky Business: How leading venture capital firms ignore human rights when investing in technology*](#), highlighting the lack of human rights due diligence by leading VC firms. Amnesty International surveyed 53 of the world’s largest VC firms and start-up accelerators, finding only one firm had human rights due diligence processes in place that even potentially met the standards set forth by the UN Guiding Principles. The other 52 firms and accelerators – over 98% of those surveyed – did not conduct human rights due diligence that met the standards of the UN Guiding Principles. Amnesty International could not find evidence 44 of the firms and accelerators surveyed – 83% of the total – conducted any human rights due diligence whatsoever.

In 2022, VC firms’ investment in Generative AI reached \$2.1 billion, which is a 425% increase compared to 2020.⁶⁷ Leading VC firms and accelerators, along with big tech companies such as Microsoft and Google, are among the most influential actors stimulating the

Generative AI rush, and are heavily investing in the rapid advancement and deployment of the tools. For instance, Insight Partners is [investing](#) in Jasper, a copywriting AI-text generation application, stating “with a shared vision and passion for redefining accessibility to generative AI, Insight is honored to be leading Jaspers \$125 [million] Series A [investment.]”.⁶⁸ Lightspeed Venture Partners invests in Stability.AI, the creator of Stable Diffusion (a Generative AI model that generates images based on a text prompt).⁶⁹ Sequoia Capital, which has [invested in Generative AI companies DALL-E \(acquired by OpenAI in 2021\) and Anthropic](#), is rationalizing its investments based on the [prediction](#) that Generative AI will impact all industries that require “humans to create original work—from social media to gaming, advertising to architecture, coding to graphic design, product design to law, marketing to sales.”⁷⁰

**IN 2021, AMNESTY INTERNATIONAL
COULD NOT FIND EVIDENCE 44
OF THE FIRMS AND ACCELERATORS
SURVEYED – 83% OF THE TOTAL
– CONDUCTED ANY HUMAN RIGHTS
DUE DILIGENCE WHATSOEVER.**

Under the UN Guiding Principles on Business and Human Rights, companies have a responsibility to respect human rights. This corporate responsibility to respect human rights requires companies to avoid causing or contributing to human rights abuses through their own business activities, and to address impacts in which they are involved, including by remedying any actual abuses. It also requires companies to seek to prevent or mitigate human rights harms directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts.⁷¹ In the financial sector, a relationship between an investor and investee company including a minority shareholder can be considered a “business relationship”.⁷² For the tech sector, and those [investing in the tech sector](#), there are a number of resources available to better understand how the UN Guiding Principles apply — including by addressing [business model related risks](#), identifying [human rights risks related to end-use](#), designing and implementing [effective grievance mechanisms](#), improving [stakeholder engagement](#) and [ensuring access to remedy](#).⁷³

Both investors and investee companies must take proactive and ongoing steps to identify and respond to Generative AI’s potential or actual human rights impacts. This entails undertaking human rights due diligence to identify, prevent, mitigate and account for how they address their human rights impacts. The due diligence process should involve assessing actual and potential human rights impacts and acting upon those findings.⁷⁴

For a VC firm, this responsibility applies to its decisions about the sectors on which to focus, in which companies it chooses to invest, and its use of leverage to influence the rights-respecting growth and development of start-ups within its sphere of reach.

FOR EFFECTIVE HUMAN RIGHTS DUE DILIGENCE, VC FIRMS SHOULD:

COLLABORATE WITH OTHER STAKEHOLDERS,

INCLUDING **PORTFOLIO COMPANIES, HUMAN RIGHTS-FOCUSED VC NETWORKS AND COALITIONS, AND CIVIL SOCIETY ORGANIZATIONS** TO ADDRESS HUMAN RIGHTS CHALLENGES LINKED TO THEIR WORK.

BE TRANSPARENT ABOUT THEIR HUMAN RIGHTS DUE DILIGENCE PROCESSES

AND THE MEASURES THEY ARE TAKING TO **ADDRESS HUMAN RIGHTS RISKS AND IMPACTS.**

CONTINUALLY ASSESS AND IMPROVE THEIR HUMAN RIGHTS DUE DILIGENCE PROCESSES

TO ADAPT TO CHANGING CIRCUMSTANCES, EMERGING RISKS, AND EVOLVING BEST PRACTICES

The updated [Guidelines for Multinational Enterprises on Responsible Business Conduct](#) by the Organization for Economic Cooperation and Development (OECD) include new due diligence expectations on the “development, financing, sale, licensing, trade and use of technology, including gathering and using data” as well as due diligence concerning the human rights and environmental “impacts and business relationships related to the use of their products and services.”⁷⁵ These two points in particular emphasize the need for more corporate accountability for the tech sector across the entire value chain—from the early investment stages to when the products reach the end-user. Meaningful engagement with stakeholders is also highlighted as critical for due diligence, as is better consideration for and protection of persons and groups who are at risk, including those who raise concerns regarding the conduct of businesses. VC firms should reflect on their role in directly carrying out stakeholder engagement with affected groups or using leverage to facilitate meaningful, non-extractive exchanges between the tech companies they are investing in and groups who are at risk.

On 23 August 2023, the U.S. Securities and Exchange Commission (SEC) adopted a [new rule](#) aimed at increasing transparency, fairness and accountability of private capital. VC firms will

be further scrutinized to ensure they meet their fiduciary responsibilities and safeguard the interests of their diverse investor base, including individuals invested through retirement plans.⁷⁶ Since the majority of the largest VC firms are domiciled in the United States, they need to comply with this new rule, as well as the SEC’s positioning that advisors of private funds cannot seek indemnification for negligence under existing law, irrespective of whether it is explicitly stated in the new rule.⁷⁷

Conducting human rights due diligence is pivotal for VC firms to fulfill their responsibilities to uphold international human rights standards outlined by the UN Guiding Principles, but also to meet evolving national and regional compliance standards. The new SEC rule points to changing attitudes of US regulators on how private capital should be managing risk, controls, due diligence practices, and governance mechanisms, and human rights due diligence is the principal focus of the [EU Corporate Sustainability Due Diligence Directive](#),⁷⁸ showcasing a shift in European legislators’ prioritization on these topics as well.

**CONDUCTING HUMAN RIGHTS
DUE DILIGENCE IS PIVOTAL
FOR VC FIRMS TO FULFIL
THEIR RESPONSIBILITIES TO
UPHOLD INTERNATIONAL HUMAN
RIGHTS STANDARDS.**

**ON 8/23/2023, THE SEC ADOPTED
A NEW RULE AIMED AT INCREASING
TRANSPARENCY, FAIRNESS AND
ACCOUNTABILITY OF PRIVATE CAPITAL.**





SUMMARY OF KEY FINDINGS

To assess to what extent VC firms are undertaking human rights due diligence to identify, prevent, mitigate and account for how they address their human rights impacts, Amnesty International USA and the Business & Human Rights Resource Centre examined the policies of the 10 largest VC funds and two largest start-up accelerators that have made at least one Generative AI investment. We determined the largest VC firms by assets under management (AUM) using the Venture Capital Journal (VCJ) list of the fifty largest VCs for 2022, and then used data from DealRoom to determine which of those VCs had invested in Generative AI companies (i.e. companies tagged by DealRoom as “Generative AI” companies).⁷⁹

SUMMARY OF KEY FINDINGS

The 10 largest VC firms with at least one Generative AI investment under this methodology were: Insight Partners, Tiger Global Management, Sequoia Capital, Andreessen Horowitz, Lightspeed Venture Partners, New Enterprise Associates, Bessemer Venture Partners, General Catalyst Partners, Founders Fund and Technology Crossover Ventures.⁸⁰ The two largest start-up accelerators with at least one Generative AI

investment under this methodology were: Techstars and Y Combinator.

To evaluate to what extent the selected VC firms and accelerators conducted human rights due diligence, Amnesty International USA and the Business & Human Rights Resource Centre focused on the following four criteria:

1. COMMITMENT

HAS THE FIRM MADE A **PUBLIC COMMITMENT ON ITS WEBSITE** TO RESPONSIBLE INVESTMENT IN TECHNOLOGY?

DOES THE COMMITMENT **EXPLICITLY MENTION** HUMAN RIGHTS?

3. DUE DILIGENCE

DOES THE FIRM PUBLICLY STATE THAT IT **CONSIDERS THE SOCIAL AND ENVIRONMENTAL IMPACTS OF TECHNOLOGY** WHEN DECIDING WHETHER TO INVEST IN TECHNOLOGY VENTURES?

DOES THE FIRM EXPLICITLY STATE THAT IT **CONDUCTS HUMAN RIGHTS DUE DILIGENCE (HRDD)** AS PART OF THE DUE DILIGENCE PROCESS?

2. POLICY

HAS THE FIRM PUBLISHED A **FORMAL POLICY THAT IS PUBLICLY AVAILABLE** REGARDING RESPONSIBLE INVESTMENT?

DOES THE POLICY **EXPLICITLY MENTION** HUMAN RIGHTS?

4. PORTFOLIO SUPPORT

DOES THE FIRM PROVIDE SUPPORT TO ITS **PORTFOLIO COMPANIES POST-INVESTMENT TO IMPROVE ITS PERFORMANCE ON ISSUES** RELATED TO RESPONSIBLE TECHNOLOGY?

DOES THE FIRM **EXPLICITLY MENTION ADHERENCE TO HUMAN RIGHTS STANDARDS** AS AN ISSUE ON WHICH IT PROVIDES SUPPORT?

This analysis showed that leading VC firms and accelerators are largely failing in their responsibility to conduct human rights due diligence when investing in Generative AI start-ups. Unfortunately, this parallels the findings

from the 2021 Amnesty International report *Risky Business*, showing that little progress has been made over the past two years in putting in place human rights due diligence processes to meet the standards set forth by the UN Guiding Principles.

Only three of the 12 firms (Insight Partners,⁸¹ General Catalyst,⁸² Techstars⁸³) mention a commitment to considering responsible technology in their investments. Just one firm (Techstars) mentioned human rights explicitly as part of its commitment,⁸⁴ although General Catalyst also mentioned some aspects of digital rights including “privacy” “transparency” and “accountability.”⁸⁵

Only one of the 12 firms - (Techstars⁸⁶) has issued a publicly available Responsible Investment policy statement. The Techstars policy mentions human rights explicitly multiple times, including in the Techstars Code of Conduct which applies to employees and company founders.⁸⁶ In November 2023, Insight Partners⁸⁷ and General Catalyst⁸⁸ signed onto the Responsible AI Commitments, developed by Responsible Innovation Labs, committing the firms to “incorporating responsible AI practices into building and/or adopting AI at [the] organization”, which implies that new policies and procedures should be in development.

Only one out of the 12 firms (Techstars) states it conducts due diligence for human rights-related issues when deciding to invest in companies⁸⁹ and in selection of Limited Partners (LPs) for their funds.^{90,91} Techstars says it is also planning to integrate the UN Guiding Principles as part of the application process for its accelerators, but it is unclear if it has yet done so.⁹² That said, two other firms (Insight Partners and General Catalyst) are in the process of implementing a due diligence process focused on societal risks, including bias and discrimination.⁹³ Insight Partners does not mention human rights explicitly as part of its

due diligence process, but it does focus its due diligence on potential legal compliance of portfolio companies around data privacy and related issues stemming from legislation such as the EU’s General Data Protection Regulation, the California Consumer Privacy Act and the Virginia Consumer data Protection Act.⁹⁴

Only one of the 12 firms (Insight Partners) currently provides support to its portfolio companies on responsible technology issues, though it does not specifically mention human rights related-compliance.⁹⁵ Two other firms (General Catalyst and Techstars) have publicly stated they are in the process of developing portfolio support for their investee companies. General Catalyst and Insight Partners have signed onto the Responsible AI Commitments developed by Responsible Innovation Labs, which pledged to “make reasonable efforts to (1) encourage portfolio companies to make these voluntary commitments, (2) consult these voluntary commitments when conducting diligence on potential investments in AI startups, and (3) foster responsible AI practices among portfolio companies.”⁹⁶ Techstars provides limited support through workshops with founders, though it has stated it plans to increase the ESG-related support it offers companies in the future.⁹⁷

A lack of human rights due diligence during the development of tech products and start-up business models drastically increases the level of human rights risk, and the findings of this research show that firms and accelerators taking this seriously are the exception, rather than the norm.

SUMMARY OF RESPONSIBLE INVESTMENT PRACTICES BY TOP VENTURE CAPITAL FIRMS

TOP 10 VC FIRMS

FIRM	HEADQUARTERS	5-YR AUM (\$USD) ⁹⁸	# GENERATIVE AI INVESTMENTS (AS OF MAY 2023) ⁹⁹	COMMITMENT	POLICY	DUE DILIGENCE	PORTFOLIO SUPPORT	SCORECARD (OUT OF 16)
Andreessen Horowitz	Menlo Park	20.8	11					0
Bessemer Venture Partners	Redwood City	9.52	3					0
Founders Fund	San Francisco	8.57	5					0
General Catalyst Partners	Cambridge	8.92	5	3	1	1	1	6
Insight Partners	New York	38.7	6	2	1	3	2	8
Lightspeed Venture Partners	Menlo Park	15	9					0
New Enterprise Partners	Chevy Chase	10	4					0
Sequoia Capital	Menlo Park	24.5	12					0
Technology Crossover Ventures	Menlo Park	7.68	1					0
Tiger Global Management	New York	26.8	6					0

ACCELERATORS

Techstars	Boulder	N.A.	10	4	4	3	1	12
Y Combinator	Mountain View	N.A.	37					0

9 OUT OF 12 FIRMS SCORED A 0

Scorecard:

- 2 - Activity currently in place
- 1 - Activity in progress of implementation
- 0 - No evidence of activity



CONCLUSION

Generative AI has the potential to transform our economies, politics and societies. According to Margrethe Vestager, the Executive Vice President of the European Commission for a Europe Fit for the Digital Age, “Generative AI is a complete game-changer. Everyone knows this is the next powerful thing.”¹⁰⁰ As the *[Voluntary Commitments Ensuring Safe, Secure, and Trustworthy AI](#)* developed by the Biden Administration and signed by 15 leading technology companies clearly state, “Artificial intelligence offers enormous promise and great risk.”¹⁰¹ It is striking that, in an environment fraught with potential risks, so many leading VC firms and start-up accelerators investing in this technology have been conspicuously silent, especially as regards their capacity and willingness to consider the human rights risks posed by Generative AI. It is past time for venture capitalists to uphold their responsibility to protect human rights, and implement adequate human rights due diligence processes.

Nation states have binding obligations under international human rights law to protect

human rights from abuses by third parties.¹⁰² This includes the obligation to regulate the conduct of companies - including venture capital firms - which are domiciled there or are under their effective control in order to prevent them from causing or contributing to human rights abuses even if they occur in other countries.¹⁰³

States and limited partners¹⁰⁴ play an important role in changing the behavior of VC firms and accelerators, and improving transparency is a decisive first step. The information gap between private capital and civil society is wide, and as evidenced by the lack of VC and accelerator participation in this research, civil society needs support to bridge that gap. Regulatory frameworks should prioritize meaningful, mandatory disclosures concerning human rights due diligence to better ensure the responsible development of technology, starting from the early investment stages. This too, will allow for state-run funds to better ensure that taxpayer dollars are not contributing to the creation of AI tools that present significant risk to human rights and the environment.

07



RECOMMENDATIONS

Amnesty and BHRC provided recommendations on what venture capital firms, Limited Partners, and States should do to comply with human right standards.

TO VENTURE CAPITAL FIRMS:

1. VC FIRMS SHOULD CONDUCT COMPREHENSIVE HUMAN RIGHTS DUE DILIGENCE AT ALL STAGES OF THE INVESTMENT PROCESS

INCLUDING AS REGARDS **THEIR INVESTMENT IN COMPANIES DEVELOPING GENERATIVE AI MODELS, PRODUCTS, TOOLS, AND SERVICES.** THIS INCLUDES:

- A. Developing an effective, publicly available policy that corresponds to the standards set forth in the *UN Guiding Principles on Business and Human Rights*, including a commitment to respect human rights, as well as explaining how the policy will be put into practice and who will be ultimately responsible for its effective implementation;
- B. Conducting human rights due diligence (HRDD) prior to investment in line with the *UN Guiding Principles*, to identify, prevent, mitigate, and publicly account for the actual and potential human rights impacts of their investments; it is critical that this HRDD integrates salient risks of technologies that may have a disproportionate impact on women, racialized groups, children, persons with disabilities, and other groups at risk;
- C. Publicly reporting on the due diligence conducted on their investments, including the actual and potential impacts they have identified and actions taken to prevent and remediate any harm and mitigate any risk;
- D. Including a commitment in term sheets offered to portfolio companies stating that these companies must commit to respect human rights;
- E. Ensuring that portfolio companies implement an adequate due diligence process to identify, prevent, mitigate, and account for the actual and potential human rights impacts of their business operations, products, or services;
- F. Monitoring the human rights implications of portfolio company business models, products and services on an ongoing basis, and taking immediate action to prevent any adverse impacts, mitigate any risks, and remedy any harm that they identify;
- G. Providing regular public reporting on their HRDD processes;
- H. Requiring publicly accessible annual reporting from portfolio companies on their HRDD, including accounting for how they are addressing or have addressed any human rights impacts resulting from their operations; and
- I. Divesting from portfolio companies if after engagement it is not possible to prevent or mitigate any human rights risks, because mitigation attempts have failed, mitigation is not feasible or the adverse impact is severe, taking steps to ensure that divestment is done responsibly and carefully assessing potential adverse impacts, in accordance with the *UN Guiding Principles*.

2. VC FIRMS SHOULD PROVIDE SUPPORT TO THEIR PORTFOLIO COMPANIES TO ENSURE THAT THEY COMPLY WITH HUMAN RIGHTS STANDARDS.

AS PART OF THIS EFFORT, VC FIRMS SHOULD **REQUIRE ALL COMPANIES IN WHICH THEY PLAN TO INVEST TO SHOW THAT THEY HAVE AUDITED** ANY GENERATIVE AI MODELS, PRODUCTS, TOOLS AND SERVICES TO ENSURE THAT THEY DO NOT EXHIBIT ALGORITHMIC BIAS OR DISCRIMINATION. THIS INCLUDES:

- A. Assessing the risk that the Generative AI models, products, tools or services will have a discriminatory impact at both the development and deployment stage, taking into account risks commonly associated with machine learning systems such as training systems on incomplete or unrepresentative data or relying on datasets representing historic or systemic bias;
- B. Correcting for any discriminatory impact discovered, in both the design and impact of the system and in deciding which training data to use;
- C. Submitting systems that have a significant risk of resulting in human rights abuses to independent third-party audits;
- D. Committing to track the potential discriminatory impact of these systems over time, including ongoing quality assurance checks and real-time auditing through design, testing and deployment stages; and
- E. Committing not to deploy a Generative AI model, product, tool or service when the risk of discrimination or other rights violations is too high or impossible to mitigate.

3. VC FIRMS SHOULD PUBLICLY COMMIT TO FUNDING MORE DIVERSE STARTUP FOUNDERS AS PART OF THEIR FLAGSHIP FUNDS

AND THEN TRACK AND PUBLICLY REPORT ON THE EXTENT TO WHICH THEY ARE **PROVIDING FUNDING TO FEMALE AND MINORITY FOUNDERS.**

TO LIMITED PARTNERS:

1. LIMITED PARTNERS SHOULD REQUIRE THAT THEY WILL ONLY INVEST IN VENTURE CAPITAL FIRMS THAT HAVE IMPLEMENTED A HUMAN RIGHTS POLICY

AND ROBUST HUMAN RIGHTS DUE DILIGENCE PROCEDURES, ESPECIALLY FOR TECHNOLOGY-RELATED INVESTMENTS.

2. LIMITED PARTNERS SHOULD PUBLICLY COMMIT TO INTEGRATING A HUMAN RIGHTS APPROACH TO THEIR INVESTMENT PROCEDURES BY DEMANDING GREATER TRANSPARENCY FROM VC FIRMS

AND REQUESTING PORTFOLIO UPDATES THAT OUTLINE HOW INVESTEE COMPANIES ARE MITIGATING SALIENT HUMAN RIGHTS RISKS. THIS INCLUDES HUMAN RIGHTS IMPACT ASSESSMENTS AND ALGORITHMIC BIAS ASSESSMENTS THAT CONSIDER GENDERED AND RACIAL IMPACTS.

TO STATES:

1. ENSURE THAT ALL COMPANIES, INCLUDING VC FIRMS, DOMICILED IN THEIR COUNTRIES ARE REQUIRED TO ACT RESPONSIBLY AND ARE HELD LIABLE FOR THEIR HUMAN RIGHTS HARMS.

THEY MUST REQUIRE BY LAW THAT **THESE COMPANIES UNDERTAKE HUMAN RIGHTS DUE DILIGENCE MEASURES** IN RESPECT OF THEIR GLOBAL OPERATIONS AND INVESTMENTS.

2. STATES SHOULD REQUIRE THAT ALL LIMITED PARTNER FUNDS LINKED TO TAXPAYER DOLLARS

—SUCH AS PUBLIC PENSION FUNDS, UNIVERSITY ENDOWMENTS, SOVEREIGN WEALTH FUNDS, ETC.—ARE ONLY INVESTING IN VC FIRMS AND ACCELERATORS THAT HAVE **PUBLIC HUMAN RIGHTS COMMITMENTS AND ROBUST HUMAN RIGHTS DUE DILIGENCE PROCEDURES.**

3. KNOWING THAT GOVERNMENT FUNDING AND CONTRACTS ARE OFTEN CRITICAL JUNCTURES FOR TECH START-UPS,

STATES SHOULD REQUIRE THAT **COMPANIES INSTITUTE HUMAN RIGHTS POLICIES AND DUE DILIGENCE PRACTICES** PRIOR TO ESTABLISHING A BUSINESS RELATIONSHIP—INCLUDING GOVERNMENT-BACKED INVESTMENT PROGRAMS.

4. STATES SHOULD, WHERE APPROPRIATE, INVESTIGATE AND PROSECUTE

ALLEGATIONS OF CRIMINAL BEHAVIOR ON THE PART OF CORPORATE ENTITIES, INCLUDING VC FIRMS.

08



ANNEX A: VC SCORECARDS

Responsible Technology &
Human Rights Score Card

INDICATORS	POINTS	SCORE	%	EXPLANATION
COMMITMENT	4	0	0%	
1. Responsible Investment: Has the firm made a public statement on its website that it is concerned about responsible technology practices of its investments?	2	0		No information was identified
2. Human Rights Commitment: Does the commitment explicitly mention respecting human rights by name?	2	0		No information was identified
POLICY	4	0	0%	
3. Policy: Has the firm published a formal policy that is publicly available regarding responsible investment?	2	0		No information was identified
4. Human Rights Policy: Does the policy explicitly mention human rights by name?	2	0		No information was identified
INVESTMENT PROCESS	4	0	0%	
5. Due Diligence: Does the firm publicly state that it considers issues of responsible technology when deciding whether to invest in technology ventures?	2	0		No information was identified
6. Human Rights Due Diligence: Does the firm explicitly state that they conduct human rights due diligence (HRDD) as part of the due diligence process?	2	0		No information was identified
PORTFOLIO SUPPORT	4	0	0%	
7. Portfolio Support: Does the firm provide support to its portfolio companies post-investment to improve its performance on issues related to responsible technology?	2	0		No information was identified
8. Human Rights Support: Does the firm explicitly mention human rights as an issue on which it provides support?	2	0		No information was identified

COMPOSITE SCORE

Scorecard:

2 - Activity is in place

1 - Activity is partially in place or firm states activity is in process of implementation

0 - No activity was identified from public sources and no evidence was provided in response letter from firm to support any action is being taken

0 / 16

SCORE

0%

PERCENTAGE

INDICATORS	POINTS	SCORE	%	EXPLANATION
COMMITMENT	4	0	0%	
1. Responsible Investment: Has the firm made a public statement on its website that it is concerned about responsible technology practices of its investments?	2	0		No information was identified
2. Human Rights Commitment: Does the commitment explicitly mention respecting human rights by name?	2	0		No information was identified
POLICY	4	0	0%	
3. Policy: Has the firm published a formal policy that is publicly available regarding responsible investment?	2	0		No information was identified
4. Human Rights Policy: Does the policy explicitly mention human rights by name?	2	0		No information was identified
INVESTMENT PROCESS	4	0	0%	
5. Due Diligence: Does the firm publicly state that it considers issues of responsible technology when deciding whether to invest in technology ventures?	2	0		No information was identified
6. Human Rights Due Diligence: Does the firm explicitly state that they conduct human rights due diligence (HRDD) as part of the due diligence process?	2	0		No information was identified
PORTFOLIO SUPPORT	4	0	0%	
7. Portfolio Support: Does the firm provide support to its portfolio companies post-investment to improve its performance on issues related to responsible technology?	2	0		No information was identified
8. Human Rights Support: Does the firm explicitly mention human rights as an issue on which it provides support?	2	0		No information was identified

COMPOSITE SCORE

Scorecard:

2 - Activity is in place

1 - Activity is partially in place or firm states activity is in process of implementation

0 - No activity was identified from public sources and no evidence was provided in response letter from firm to support any action is being taken

0 / 16

SCORE

0%

PERCENTAGE



INDICATORS	POINTS	SCORE	%	EXPLANATION
COMMITMENT	4	0	0%	
1. Responsible Investment: Has the firm made a public statement on its website that it is concerned about responsible technology practices of its investments?	2	0		No information was identified
2. Human Rights Commitment: Does the commitment explicitly mention respecting human rights by name?	2	0		No information was identified
POLICY	4	0	0%	
3. Policy: Has the firm published a formal policy that is publicly available regarding responsible investment?	2	0		No information was identified
4. Human Rights Policy: Does the policy explicitly mention human rights by name?	2	0		No information was identified
INVESTMENT PROCESS	4	0	0%	
5. Due Diligence: Does the firm publicly state that it considers issues of responsible technology when deciding whether to invest in technology ventures?	2	0		No information was identified
6. Human Rights Due Diligence: Does the firm explicitly state that they conduct human rights due diligence (HRDD) as part of the due diligence process?	2	0		No information was identified
PORTFOLIO SUPPORT	4	0	0%	
7. Portfolio Support: Does the firm provide support to its portfolio companies post-investment to improve its performance on issues related to responsible technology?	2	0		No information was identified
8. Human Rights Support: Does the firm explicitly mention human rights as an issue on which it provides support?	2	0		No information was identified

COMPOSITE SCORE

Scorecard:

2 - Activity is in place

1 - Activity is partially in place or firm states activity is in process of implementation

0 - No activity was identified from public sources and no evidence was provided in response letter from firm to support any action is being taken

0 / 16

SCORE

0%

PERCENTAGE

INDICATORS	POINTS	SCORE	%	EXPLANATION
COMMITMENT	4	3	75%	
1. Responsible Investment: Has the firm made a public statement on its website that it is concerned about responsible technology practices of its investments?	2	2		General Catalyst has a section of its website dedicated to its commitments to responsible innovation here .
2. Human Rights Commitment: Does the commitment explicitly mention respecting human rights by name?	2	1		General Catalyst does not mention a specific commitment to human rights broadly as part of its commitments. However it does have commitments to several dimensions of technology and human rights including "respect people & their privacy", "operate with accountability and transparency" and "champion diversity."
POLICY	4	1	25%	
3. Policy: Has the firm published a formal policy that is publicly available regarding responsible investment?	2	1		General Catalyst has signed onto the Responsible AI Commitments for startups and their investors
4. Human Rights Policy: Does the policy explicitly mention human rights by name?	2	0		General Catalyst has signed onto the Responsible AI Commitments for startups and their investors
INVESTMENT PROCESS	4	1	0%	
5. Due Diligence: Does the firm publicly state that it considers issues of responsible technology when deciding whether to invest in technology ventures?	2	1		General Catalyst has not disclosed any information related to whether it conducts due diligence into responsible technology issues as part of its investment process.
6. Human Rights Due Diligence: Does the firm explicitly state that they conduct human rights due diligence (HRDD) as part of the due diligence process?	2	0		General Catalyst does not state it conducts HRDD as part of its due diligence process.

Scorecard:

2 - Activity is in place

1 - Activity is partially in place or firm states activity is in process of implementation

0 - No activity was identified from public sources and no evidence was provided in response letter from firm to support any action is being taken

INDICATORS	POINTS	SCORE	%	EXPLANATION
PORFOLIO SUPPORT	4	1	25%	
7. Portfolio Support: Does the firm provide support to its portfolio companies post-investment to improve its performance on issues related to responsible technology?	2	1		General Catalyst states it is collaborating with the non-profit Responsible Innovation Labs but does not provide any details as to the type of support and scope of its portfolio companies participating in this support.
8. Human Rights Support: Does the firm explicitly mention human rights as an issue on which it provides support?	2	0		General Catalyst has signed onto the Responsible AI Commitments for startups and their investors.

COMPOSITE SCORE

Scorecard:

2 - Activity is in place

1 - Activity is partially in place or firm states activity is in process of implementation

0 - No activity was identified from public sources and no evidence was provided in response letter from firm to support any action is being taken

6 / 16

SCORE

37.5%

PERCENTAGE

RESPONSIBLE
TECHNOLOGY &
HUMAN RIGHTS
SCORE CARD

FIRM NAME:

INSIGHT PARTNERS

INSIGHT
PARTNERS

INDICATORS	POINTS	SCORE	%	EXPLANATION
COMMITMENT	4	2	50%	
1. Responsible Investment: Has the firm made a public statement on its website that it is concerned about responsible technology practices of its investments?	2	2		Insight Partners states it has a commitment to responsible investment. "As a ScaleUp investor, Insight has been building ESG into its investing practice since it first adopted its ESG policy in 2015. Since then, we have continued to refine the ways in which we integrate ESG as a critical component of accelerating growth within our portfolio. Below, we provide an overview of Insight's multi-faceted approach to ESG and some of the lessons we've learned as an investor building out an ESG program."
2. Human Rights Commitment: Does the commitment explicitly mention respecting human rights by name?	2	0		Insight Partners does not explicitly mention human rights as part of its commitment to responsible investment.
POLICY	4	1	25%	
3. Policy: Has the firm published a formal policy that is publicly available regarding responsible investment?	2	1		Insight Partners has signed onto the Responsible AI Commitments for startups and their investors.
4. Human Rights Policy: Does the policy explicitly mention human rights by name?	2	0		Insight Partners has not made a Responsible Investment Policy publicly available.
INVESTMENT PROCESS	4	3	75%	
5. Due Diligence: Does the firm publicly state that it considers issues of responsible technology when deciding whether to invest in technology ventures?	2	2		Insight Partners does conduct ESG due diligence into its investments: "At the pre-investment stage, we partner with Malk Partners, a seasoned and highly regarded ESG advisor, to conduct comprehensive due diligence and evaluations of ESG risks on all new portfolio investments. Insight integrates these diligence findings into its investment thesis and factors them into its investment decision."
6. Human Rights Due Diligence: Does the firm explicitly state that they conduct human rights due diligence (HRDD) as part of the due diligence process?	2	1		Insight Partners does not state it conducts HRDD as part of its due diligence process. However, it does discuss several issues related to data privacy as being part of its due diligence: "...One lesson that we've learned is that for ESG diligence to be useful, it needs to evaluate risks through a lens that is relevant to the company's business. Does the company collect personal data on its customers or other third parties? If so, we then dig into their data-privacy policies and practices to ensure the company has designed its program to comply with an ever-increasing list of data-privacy regulations, including GDPR, CCPA, CPRA, and the VCDPA."

INDICATORS	POINTS	SCORE	%	EXPLANATION
PORFOLIO SUPPORT	4	2	50%	
7. Portfolio Support: Does the firm provide support to its portfolio companies post-investment to improve its performance on issues related to responsible technology?	2	2		<p>Insight Partners does monitor and provide support to its portfolio companies post-investment:</p> <p>“The next aspect of Insight’s ESG program involves direct and ongoing engagement with management at the portfolio company level. Insight starts this process immediately post-closing and maintains regular check-ins throughout the investment holding period to ensure that management not only understands our recommendations but actually puts them into practice. We have found that our companies are most successful when there is direct engagement with management immediately upon investing, when we provide resources to the portfolio, such as form policies and other practical guidance, and where the company demonstrates ownership of and commitment to improving its ESG posture by allocating dedicated resources to drive implementation. As is clear from the above, portfolio engagement is critical to implementation. The investment team members are our primary interface with management within the portfolio, and so it is important to sensitize them to our ESG priorities, how ESG fits into our investment process, and how to use their positions with the company (often at the board level) to encourage active engagement in our ESG program.”</p>
8. Human Rights Support: Does the firm explicitly mention human rights as an issue on which it provides support?	2	0		Insight Partners does not state whether human rights are part of its post-investment support it provides to its portfolio companies.

COMPOSITE SCORE

Scorecard:

2 - Activity is in place

1 - Activity is partially in place or firm states activity is in process of implementation

0 - No activity was identified from public sources and no evidence was provided in response letter from firm to support any action is being taken

8 / 16

SCORE

50%

PERCENTAGE

INDICATORS	POINTS	SCORE	%	EXPLANATION
COMMITMENT	4	0	0%	
1. Responsible Investment: Has the firm made a public statement on its website that it is concerned about responsible technology practices of its investments?	2	0		No information was identified
2. Human Rights Commitment: Does the commitment explicitly mention respecting human rights by name?	2	0		No information was identified
POLICY	4	0	0%	
3. Policy: Has the firm published a formal policy that is publicly available regarding responsible investment?	2	0		No information was identified
4. Human Rights Policy: Does the policy explicitly mention human rights by name?	2	0		No information was identified
INVESTMENT PROCESS	4	0	0%	
5. Due Diligence: Does the firm publicly state that it considers issues of responsible technology when deciding whether to invest in technology ventures?	2	0		No information was identified
6. Human Rights Due Diligence: Does the firm explicitly state that they conduct human rights due diligence (HRDD) as part of the due diligence process?	2	0		No information was identified
PORTFOLIO SUPPORT	4	0	0%	
7. Portfolio Support: Does the firm provide support to its portfolio companies post-investment to improve its performance on issues related to responsible technology?	2	0		No information was identified
8. Human Rights Support: Does the firm explicitly mention human rights as an issue on which it provides support?	2	0		No information was identified

COMPOSITE SCORE

Scorecard:

2 - Activity is in place

1 - Activity is partially in place or firm states activity is in process of implementation

0 - No activity was identified from public sources and no evidence was provided in response letter from firm to support any action is being taken

0 / 16

SCORE

0%

PERCENTAGE

INDICATORS	POINTS	SCORE	%	EXPLANATION
COMMITMENT	4	0	0%	
1. Responsible Investment: Has the firm made a public statement on its website that it is concerned about responsible technology practices of its investments?	2	0		No information was identified
2. Human Rights Commitment: Does the commitment explicitly mention respecting human rights by name?	2	0		No information was identified
POLICY	4	0	0%	
3. Policy: Has the firm published a formal policy that is publicly available regarding responsible investment?	2	0		No information was identified
4. Human Rights Policy: Does the policy explicitly mention human rights by name?	2	0		No information was identified
INVESTMENT PROCESS	4	0	0%	
5. Due Diligence: Does the firm publicly state that it considers issues of responsible technology when deciding whether to invest in technology ventures?	2	0		No information was identified
6. Human Rights Due Diligence: Does the firm explicitly state that they conduct human rights due diligence (HRDD) as part of the due diligence process?	2	0		No information was identified
PORTFOLIO SUPPORT	4	0	0%	
7. Portfolio Support: Does the firm provide support to its portfolio companies post-investment to improve its performance on issues related to responsible technology?	2	0		No information was identified
8. Human Rights Support: Does the firm explicitly mention human rights as an issue on which it provides support?	2	0		No information was identified

COMPOSITE SCORE

Scorecard:

2 - Activity is in place

1 - Activity is partially in place or firm states activity is in process of implementation

0 - No activity was identified from public sources and no evidence was provided in response letter from firm to support any action is being taken

0 / 16

SCORE

0%

PERCENTAGE

INDICATORS	POINTS	SCORE	%	EXPLANATION
COMMITMENT	4	0	0%	
1. Responsible Investment: Has the firm made a public statement on its website that it is concerned about responsible technology practices of its investments?	2	0		No information was identified
2. Human Rights Commitment: Does the commitment explicitly mention respecting human rights by name?	2	0		No information was identified
POLICY	4	0	0%	
3. Policy: Has the firm published a formal policy that is publicly available regarding responsible investment?	2	0		No information was identified
4. Human Rights Policy: Does the policy explicitly mention human rights by name?	2	0		No information was identified
INVESTMENT PROCESS	4	0	0%	
5. Due Diligence: Does the firm publicly state that it considers issues of responsible technology when deciding whether to invest in technology ventures?	2	0		No information was identified
6. Human Rights Due Diligence: Does the firm explicitly state that they conduct human rights due diligence (HRDD) as part of the due diligence process?	2	0		No information was identified
PORTFOLIO SUPPORT	4	0	0%	
7. Portfolio Support: Does the firm provide support to its portfolio companies post-investment to improve its performance on issues related to responsible technology?	2	0		No information was identified
8. Human Rights Support: Does the firm explicitly mention human rights as an issue on which it provides support?	2	0		No information was identified

COMPOSITE SCORE

Scorecard:

2 - Activity is in place

1 - Activity is partially in place or firm states activity is in process of implementation

0 - No activity was identified from public sources and no evidence was provided in response letter from firm to support any action is being taken

0 / 16

SCORE

0%

PERCENTAGE

INDICATORS	POINTS	SCORE	%	EXPLANATION
COMMITMENT	4	0	0%	
1. Responsible Investment: Has the firm made a public statement on its website that it is concerned about responsible technology practices of its investments?	2	0		No information was identified
2. Human Rights Commitment: Does the commitment explicitly mention respecting human rights by name?	2	0		No information was identified
POLICY	4	0	0%	
3. Policy: Has the firm published a formal policy that is publicly available regarding responsible investment?	2	0		No information was identified
4. Human Rights Policy: Does the policy explicitly mention human rights by name?	2	0		No information was identified
INVESTMENT PROCESS	4	0	0%	
5. Due Diligence: Does the firm publicly state that it considers issues of responsible technology when deciding whether to invest in technology ventures?	2	0		No information was identified
6. Human Rights Due Diligence: Does the firm explicitly state that they conduct human rights due diligence (HRDD) as part of the due diligence process?	2	0		No information was identified
PORTFOLIO SUPPORT	4	0	0%	
7. Portfolio Support: Does the firm provide support to its portfolio companies post-investment to improve its performance on issues related to responsible technology?	2	0		No information was identified
8. Human Rights Support: Does the firm explicitly mention human rights as an issue on which it provides support?	2	0		No information was identified

COMPOSITE SCORE

Scorecard:

2 - Activity is in place

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0 - No activity was identified from public sources and no evidence was provided in response letter from firm to support any action is being taken

0 / 16

SCORE

0%

PERCENTAGE

RESPONSIBLE
TECHNOLOGY &
HUMAN RIGHTS
SCORE CARD

FIRM NAME:

TECHSTARS

techstars_

INDICATORS	POINTS	SCORE	%	EXPLANATION
COMMITMENT	4	4	100%	
1. Responsible Investment: Has the firm made a public statement on its website that it is concerned about responsible technology practices of its investments?	2	2		Techstars describes its commitment to responsible investment as: "Techstars is a generalist investor that invests in companies in dozens of industries and dozens of countries, and we believe that incorporating environment, society, and corporate governance ("ESG") into our investment decisions results in a more resilient portfolio and better long-term investment returns." See page two of Techstars Responsible Investment & ESG Policy .
2. Human Rights Commitment: Does the commitment explicitly mention respecting human rights by name?	2	2		Techstars states its commitments to consider Social issues include human rights: "Social factors: diversity, equity, and inclusion, employee treatment, satisfaction and wellbeing, gender pay ratio, supply chain management, human rights and child labor, rights and treatment of stakeholders, employee mental health, impact and interaction in the community, philanthropy, pay equity, labor, and health and safety." See page two of Techstars Responsible Investment & ESG Policy .
POLICY	4	4	100%	
3. Policy: Has the firm published a formal policy that is publicly available regarding responsible investment?	2	2		Techstars published the Techstars Responsible Investment and ESG Policy in 2022. See Techstars Responsible Investment & ESG Policy .
4. Human Rights Policy: Does the policy explicitly mention human rights by name?	2	2		Techstars mentions human rights explicitly in its policy including: Exclusion List: "Techstars does not invest in companies that cause harm to the environment, human rights, society, or otherwise go against the high level of integrity Techstars requires of the businesses it brings into its portfolio." Code of Conduct: "31. We believe good companies and good business can, and must be, synonymous. We prioritize human rights and the safety of the environment. We do not do business with parties that abuse the rights of others or the environment around us."

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INDICATORS	POINTS	SCORE	%	EXPLANATION
INVESTMENT PROCESS	4	3	75%	
5. Due Diligence: Does the firm publicly state that it considers issues of responsible technology when deciding whether to invest in technology ventures?	2	2		<p>Techstars describes its due diligence process as: “ESG Due Diligence: Techstars conducts ESG related due diligence on potential accelerator companies prior to investment selection. This ESG diligence process includes screening applicant companies against Techstars Investment Exclusion List in addition to requesting information from applicants to determine whether they are actively addressing UN SDGs in their business models, operations, products or service offerings.</p> <p>The results of this ESG diligence will be provided to the Managing Director (“MD”) of the accelerator to which the company is applying. If ESG due diligence identifies that any applicant company’s operations involve excluded activities, that company will not be eligible for Techstars investment. In addition to the due diligence provided directly by companies during the application process, respective MDs will conduct ESG diligence on potential accelerator companies based on their conversations with the founders and intimate knowledge of the founders.” See page nine of Techstars Responsible Investment & ESG Policy.</p>
6. Human Rights Due Diligence: Does the firm explicitly state that they conduct human rights due diligence (HRDD) as part of the due diligence process?	2	1		<p>Techstars states it plans to references the UNGPs as a framework in future iterations of its metrics for evaluating accelerator applicants. “ESG Criteria for Accelerator Applicants...When considering applicant companies, Techstars investment teams balance many elements including how strong the team is, how good the idea is, how likely it is to succeed, and how much we can help the founders. In the current global landscape, Techstars also prioritizes the ESG risks and opportunities presented by a company.</p> <p>In consultation with existing international best practices related to ESG such as the IFC Performance Standards and the UN Guiding Principles on Business and Human Rights, and the Sustainability Reporting Standards Board (SASB), Techstars plans to redefine the metrics by which it measures the success of potential investments and accelerator program applicants to include both financial and non-financial metrics. This new guidance will be used to direct Techstars ongoing assessment of potential investments and be built into accelerator program KPIs.” Techstars also states it conducts due diligence into human rights for its LPs and partners: “ESG Diligence of Limited Partners and Corporate Partners...Techstars conducts ESG diligence on all new material partners, including both corporate partners and prospective investors in Techstars-managed funds.</p> <p>Techstars ESG diligence includes a set of mandatory questions addressing a potential partners’ sustainability practices/environmental impact, labor practices (specifically, whether they engage in or rely on a supply chain that engages in child labor), legal history regarding the environment and human rights, establishment of good governance policies (sanctions, anti-bribery, etc.) and their internal policies with respect to fostering a diverse workforce. Potential partners who do not provide satisfactory responses to the ESG diligence questions will either not be eligible to do business with Techstars, or will be asked to provide a plan that addresses how they will improve their ESG-related practices during their partnership with Techstars.” See page 11-12 of Techstars Responsible Investment & ESG Policy.</p>

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INDICATORS	POINTS	SCORE	%	EXPLANATION
PORFOLIO SUPPORT	4	1	25%	
7. Portfolio Support: Does the firm provide support to its portfolio companies post-investment to improve its performance on issues related to responsible technology?	2	1		<p>Techstars states it is in the process of operationalizing a support mechanism for its portfolio companies: "ESG Resources for Portfolio Companies: Techstars has a significant role to play in defining ESG metrics for early stage startups - we believe this is one of the ways that we can help move the needle towards a more inclusive, regenerative, and ethical future economy. This will also help us collaborate within the VC sector to co-create standard ESG metrics or expectations that are appropriate for early stage companies.</p> <p>Techstars recognizes that embedding ESG into our business practices, and encouraging entrepreneurs to do the same, increases both organizations' overall value proposition. As mentioned in ESG Resources for Founders during Accelerators, Techstars will offer ESG tools and training during accelerator programming that founders can leverage to excel in a financial world that prioritizes ESG criteria. In the future many similar educational resources will be offered to companies post accelerator including ESG-focused mentors available to companies, incorporating ESG tools into the publicly available Techstars Entrepreneur's Toolkit." See page eleven of Techstars Responsible Investment & ESG Policy.</p>
8. Human Rights Support: Does the firm explicitly mention human rights as an issue on which it provides support?	2	0		Techstars does not mention whether it will provide support on issues of human rights as part of its portfolio support offerings.

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12/16

SCORE

75%

PERCENTAGE

INDICATORS	POINTS	SCORE	%	EXPLANATION
COMMITMENT	4	0	0%	
1. Responsible Investment: Has the firm made a public statement on its website that it is concerned about responsible technology practices of its investments?	2	0		No information was identified
2. Human Rights Commitment: Does the commitment explicitly mention respecting human rights by name?	2	0		No information was identified
POLICY	4	0	0%	
3. Policy: Has the firm published a formal policy that is publicly available regarding responsible investment?	2	0		No information was identified
4. Human Rights Policy: Does the policy explicitly mention human rights by name?	2	0		No information was identified
INVESTMENT PROCESS	4	0	0%	
5. Due Diligence: Does the firm publicly state that it considers issues of responsible technology when deciding whether to invest in technology ventures?	2	0		No information was identified
6. Human Rights Due Diligence: Does the firm explicitly state that they conduct human rights due diligence (HRDD) as part of the due diligence process?	2	0		No information was identified
PORTFOLIO SUPPORT	4	0	0%	
7. Portfolio Support: Does the firm provide support to its portfolio companies post-investment to improve its performance on issues related to responsible technology?	2	0		No information was identified
8. Human Rights Support: Does the firm explicitly mention human rights as an issue on which it provides support?	2	0		No information was identified

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INDICATORS	POINTS	SCORE	%	EXPLANATION
COMMITMENT	4	0	0%	
1. Responsible Investment: Has the firm made a public statement on its website that it is concerned about responsible technology practices of its investments?	2	0		No information was identified
2. Human Rights Commitment: Does the commitment explicitly mention respecting human rights by name?	2	0		No information was identified
POLICY	4	0	0%	
3. Policy: Has the firm published a formal policy that is publicly available regarding responsible investment?	2	0		No information was identified
4. Human Rights Policy: Does the policy explicitly mention human rights by name?	2	0		No information was identified
INVESTMENT PROCESS	4	0	0%	
5. Due Diligence: Does the firm publicly state that it considers issues of responsible technology when deciding whether to invest in technology ventures?	2	0		No information was identified
6. Human Rights Due Diligence: Does the firm explicitly state that they conduct human rights due diligence (HRDD) as part of the due diligence process?	2	0		No information was identified
PORTFOLIO SUPPORT	4	0	0%	
7. Portfolio Support: Does the firm provide support to its portfolio companies post-investment to improve its performance on issues related to responsible technology?	2	0		No information was identified
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0 / 16

SCORE

0%

PERCENTAGE

09



ANNEX B: LETTER TO VC FIRMS

Sample Letter to
Venture Capital Firms

22 MAY 2023

RE: HUMAN RIGHTS DUE DILIGENCE RESPONSIBILITIES
REGARDING GENERATIVE AI

On behalf of [Amnesty International USA](#) and the [Business and Human Rights Resource Centre](#), I am writing to inquire about your firm’s human rights due diligence processes. In particular, we would like to ask for additional information about your firm’s investment in companies developing generative AI platforms, products and tools.

Amnesty International is an independent, Nobel Peace Prize-winning, global human rights movement of more than ten million people. The Business and Human Rights Resource Centre (BHRRC) is a non-profit human rights organization tracking the social and environmental impacts of over 10,000 companies worldwide, in 10 languages, promoting corporate accountability and transparency.

Given the [concerns raised](#) by civil society about generative AI, and considering the responsibility of companies to respect human rights, we are currently conducting research into whether venture capital firms are conducting human rights due diligence when investing in companies working on generative AI. We are reaching out to the ten largest venture capital firms to gather this data and will use this information in an upcoming briefing. We aim to highlight any gaps that we find within the sector, as well as any best practices carried out by VCs such as yours, given your influence within the private capital ecosystem.

In 2021 Amnesty International published [Risky Business: How leading venture capital firms ignore human rights when investing in technology](#), highlighting the fact that venture capitalists shape the future of technology, and with it the future of our economies, politics, societies and fundamentally, our human rights. Amnesty International surveyed fifty-three of the world’s largest VC firms and start-up accelerators on their approaches to due diligence, and we aim to follow-up on this report to better understand developments in firms’ policies and practices over the past two years.

Companies have a responsibility to respect all human rights wherever they operate in the world and throughout their operations. This is a widely recognized standard of expected conduct as set out in international business and human rights standards including the United Nations Guiding Principles on Business and Human Rights (UN Guiding Principles).¹⁰⁵

The corporate responsibility to respect human rights requires companies to avoid causing or contributing to human rights abuses through their own business activities, and to address and remediate impacts on human rights linked to their operations, products, or services. It also requires companies to seek to prevent or mitigate adverse human rights impacts directly linked to their operations or services by their business relationships, even if they have not contributed to those impacts.¹⁰⁶ In the financial sector, a relationship between an investor and investee company including a minority shareholder can be considered a “business relationship” under the OECD Guidelines.¹⁰⁷

To meet this responsibility, a company must take proactive and ongoing steps to identify and respond to its potential or actual human rights impacts. This entails undertaking human rights due diligence to identify, prevent, mitigate and account for how they address their human rights impacts. The due diligence process should involve assessing actual and potential human rights impacts and acting upon those findings.¹⁰⁸ This is not a one-off responsibility, but an ongoing and proactive process.

For venture capital funds, this responsibility applies to its decisions about the sectors on which to focus, and which companies it chooses to invest in. Venture capital firms must undertake human rights due diligence to assess the potential or actual human rights impacts of the companies they choose to support – i.e. the potential or actual impacts of those companies' actions and / or products. Furthermore, the human rights impact assessment of the entities a fund chooses to invest in must continue even after the initial investment has taken place, especially in instances where the business nature of the entity changes through time.

WE WOULD BE GRATEFUL FOR INFORMATION ON THE FOLLOWING:

POLICY & COMMITMENTS

- Does your firm have an ESG policy? Does your firm make their ESG policy publicly available?
- Does your firm have any exclusionary screens (product categories or customer markets that will not be served)? Which exclusionary screens does your firm use?
- Does your firm have an internal policy to respect human rights? What commitments to respect human rights have been developed?
- Who in the senior leadership team of your firm is responsible for ensuring compliance with ESG and human rights policies?

DUE DILIGENCE

- Does your firm conduct human rights due diligence as part of the pre-investment screening and diligence process?
- Do human rights due diligence processes apply a gender-sensitive and intersectional approach to understanding risk?
- Under what circumstances does your firm decline to invest due to human rights risks?
- Are there specific instances where your firm has declined to invest in a company or sector due to human rights and/or ESG risks? If yes, please provide details.
- What steps are taken by your firm after the investment has taken place to ensure human rights risks are identified and addressed by the investee companies?
- Are there specific instances where your firm has divested from one of its portfolio companies due to the identification of human rights impact? If yes, please provide details.

INVESTMENTS IN GENERATIVE AI

- How many of your portfolio companies are developing generative AI platforms, products or tools?
- Have you conducted human rights due diligence related to these investments, looking at human rights risks related to generative AI?
- If so, what did that human rights due diligence process entail? In particular, what risks related to generative AI are you assessing? Have these risks been considered through a gender-sensitive and intersectional approach?
- Have you decided to forgo investments as a result of this human rights due diligence process? If so, please provide details.

TERM SHEETS

- Does your firm include ESG criteria in term sheets to portfolio companies?
- Does your firm include an explicit statement to respect human rights in term sheets to portfolio companies? What actions are taken with companies that violate these terms?
- What safeguards does your firm require portfolio companies to take to minimize human rights risks?

As mentioned above, Amnesty International and BHRRC intend to publish a briefing on this topic and may include part or all of your response in the statement. We will also note those funds which decline to respond.

We are also exploring other opportunities for venture capital firms to present their current processes and challenges in carrying out human rights due diligence effectively. Please let us know if your firm might be interested in engaging in these conversations, if you would like further information about venture capital firms' responsibilities as applied to the UNGPs, or if you have any questions about our research request. If you would prefer to organize a phone call to discuss this further, please let us know.

We ask that you please send your responses by email to mkleinman@aiusa.org by the close of business on **2 June 2023**.

Sincerely,

Michael Kleinman

Sr. Director, Tech and Human Rights
Amnesty International USA

Gayatri Khandhadai

Head of Technology and Human Rights
Business & Human Rights Resource Centre

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⁸¹ “As a ScaleUp investor, Insight has been building ESG into its investing practice since it first adopted its ESG policy in 2015. Since then, we have continued to refine the ways in which we integrate ESG as a critical component of accelerating growth within our portfolio. Below, we provide an overview of Insight’s multi-faceted approach to ESG and some of the lessons we’ve learned as an investor building out an ESG program.” See Prodomos, Andrew, *Growing with ESG: A ScaleUp Investor’s Approach to Responsible Investing*, Insight Partners, 2021, at: <https://www.insightpartners.com/ideas/growing-with-esg-a-scaleup-investors-approach-to-responsible-investing/>

⁸² “Responsible Innovation: This is our framework for how we think about helping founders build scaled and incredibly successful businesses that also improve the lives and livelihoods of people everywhere. We believe that the most successful, next-generation companies will increasingly align with new societal values. By embracing responsible innovation at the earliest stages of company building, and by bringing it to the forefront of decision-making at every stage, founders will build truly enduring companies that compound over time. This is more than an ESG policy or ‘impact investing,’ it is purpose built for the venture ecosystem to catalyze a movement and provide a practical roadmap for the industry to change. The seven principles of Responsible Innovation are: Innovate Intentionally; Advance Inclusive Prosperity; Respect People & Their Privacy; Operate with Accountability & Transparency; Build Sustainably; Champion Diversity; [and] Promote a Healthy Society.” See *Our Approach to Company Building: Responsible Innovation*, General Catalyst, at: <https://www.generalcatalyst.com/mission>

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⁸⁴ “We believe good companies and good business can, and must be, synonymous. We prioritize human rights and the safety of the environment. We do not do business with parties that abuse the rights of others or the environment around us.” *Techstars Responsible Investment & ESG Policy*, p.5, at: <https://www.techstars.com/the-line/innovation-in-action/techstars-responsible-investment-and-esg-policy>

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⁸⁶ Techstars mentions human rights multiple times in its policy. For instance, in its Exclusion List, it states: “Techstars will screen all potential investments in companies against its Investment Exclusion List (the “Exclusion List”) and will not knowingly invest in companies engaged in any of the industries or activities described on that List. Techstars Exclusion List is designed to ensure

Techstars does not invest in companies that cause harm to the environment, human rights, society, or otherwise go against the high level of integrity Techstars requires of the businesses it brings into its portfolio.” Techstars also mentions human rights explicitly in its Code of Conduct signed by its employees and investee companies: “We believe good companies and good business can, and must be, synonymous. We prioritize human rights and the safety of the environment. We do not do business with parties that abuse the rights of others or the environment around us.” See *Techstars Responsible Investment & ESG Policy*, at: <https://www.techstars.com/the-line/innovation-in-action/techstars-responsible-investment-and-esg-policy>

⁸⁷ *Responsible AI Commitments for startups and their investors*, Responsible Innovation Labs, 2023, at: <https://www.rilabs.org/responsible-ai>

⁸⁸ *Responsible AI Commitments for startups and their investors*, Responsible Innovation Labs, 2023, at: <https://www.rilabs.org/responsible-ai>

⁸⁹ “Techstars conducts ESG related due diligence on potential accelerator companies prior to investment selection. This ESG diligence process includes screening applicant companies against Techstars Investment Exclusion List in addition to requesting information from applicants to determine whether they are actively addressing UN SDGs in their business models, operations, products or service offerings. The results of this ESG diligence will be provided to the Managing Director (“MD”) of the accelerator to which the company is applying. If ESG due diligence identifies that any applicant company’s operations involve excluded activities [N.B. which includes human rights], that company will not be eligible for Techstars investment. In addition to the due diligence provided directly by companies during the application process, respective MDs will conduct ESG diligence on potential accelerator companies based on their conversations with the founders and intimate knowledge of the founders.” See *Techstars Responsible Investment & ESG Policy*, at: <https://www.techstars.com/the-line/innovation-in-action/techstars-responsible-investment-and-esg-policy>

⁹⁰ “Techstars conducts ESG diligence on all new material partners, including both corporate partners and prospective investors in Techstars-managed funds. Techstars ESG diligence includes a set of mandatory questions addressing a potential partners’ sustainability practices/environmental impact, labor practices (specifically, whether they engage in or rely on a supply chain that engages in child labor), legal history regarding the environment and human rights, establishment of good governance policies (sanctions, anti-bribery, etc.) and their internal policies with respect to fostering a diverse workforce. Potential partners who do not provide satisfactory responses to the ESG diligence questions will either not be eligible to do business with Techstars, or will be asked to provide a plan that addresses how they will improve their ESG-related practices during their partnership with Techstars.” See *Techstars Responsible Investment & ESG Policy*, at: <https://www.techstars.com/the-line/innovation-in-action/techstars-responsible-investment-and-esg-policy>

⁹¹ In 2022, Techstars will conduct a review of its existing material limited partners to assess their respective ESG risks and opportunities. The ultimate goal of this assessment is to determine each partner’s individual alignment with Techstars responsible investment commitments. It is contrary to Techstars commitments to positively impact the environment and society if our funds, or operations, are financed by entities that engage in harmful practices or known abuses of human rights and have not made commitments to engage in more net positive behavior. This review is necessary because Techstars existing limited partners have not gone through the ESG diligence process described above and therefore have not been evaluated on the basis of their environmental or social risks. Any partners that are found to misalign with Techstars ESG statements in the Code of Conduct will be discussed in the Responsible Investment Committee to determine whether the ESG risks related to the investor in question are too great or are not capable of being sufficiently mitigated in a reasonable period of time such that they will be See *Techstars Responsible Investment & ESG Policy*, at: <https://www.techstars.com/the-line/innovation-in-action/techstars-responsible-investment-and-esg-policy>

⁹² “When considering applicant companies, Techstars investment teams balance many elements including how strong the team is, how good the idea is, how likely it is to succeed, and how much we can help the founders. In the current global landscape, Techstars also prioritizes the ESG risks and opportunities presented by a company. In consultation with existing international best practices related to ESG such as the IFC Performance Standards and the UN Guiding Principles on Business and Human Rights, and the Sustainability Reporting Standards Board (SASB), Techstars plans to redefine the metrics by which it measures the success of potential investments and accelerator program applicants to include both financial and non-financial metrics. This new guidance will be used to direct Techstars ongoing assessment of potential investments and be built into accelerator program KPIs.” See *Techstars Responsible Investment & ESG Policy*, at: <https://www.techstars.com/the-line/innovation-in-action/techstars-responsible-investment-and-esg-policy>

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⁹³ “Insight has a dedicated ESG committee that includes team members from across our organization. This cross-functional approach ensures that our ESG strategy and process is informed by a 360-degree perspective of our stakeholders and tailored to our ESG program’s core priorities. Our ESG committee sets our ESG program’s priorities by clearly identifying the topics within ESG that are most relevant to our strategy of investing in software and that align with our values. Finally, our ESG committee reviews the results of the portfolio and ESG activities, identifying opportunities for improvements in our process...The second aspect of our program is ESG due diligence. At the pre-investment stage, we partner with Malk Partners, a seasoned and highly regarded ESG advisor, to conduct comprehensive due diligence and evaluations of ESG risks on all new portfolio investments. Insight integrates these diligence findings into its investment thesis and factors them into its investment decision. One lesson that we’ve learned is that for ESG diligence to be useful, it needs to evaluate risks through a lens that is relevant to the company’s business. Does the company collect personal data on its customers or other third parties? If so, we then dig into their data-privacy policies and practices to ensure the company has designed its program to comply with an ever-increasing list of data-privacy regulations, including GDPR, CCPA, CPRA, and the VCDPA. Do they rely upon third-party reseller channels for their products, particularly in far-flung jurisdictions? Then we closely examine their policies and training programs around ethics and compliance to uncover any potential ethics or compliance risks, such as bribery or money laundering.” See *Growing with ESG: A ScaleUp Investor’s Approach to Responsible Investing*, at: <https://www.insightpartners.com/ideas/growing-with-esg-a-scaleup-investors-approach-to-responsible-investing/>

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⁹⁵ “The next aspect of Insight’s ESG program involves direct and ongoing engagement with management at the portfolio company level. Insight starts this process immediately post-closing and maintains regular check-ins throughout the investment holding period to ensure that management not only understands our recommendations but actually puts them into practice. We have found that our companies are most successful when there is direct engagement with management immediately upon investing, when we provide resources to the portfolio, such as form policies and other practical guidance, and where the company demonstrates ownership of and commitment to improving its ESG posture by allocating dedicated resources to drive implementation. As is clear from the above, portfolio engagement is critical to implementation. The investment team members are our primary interface with management within the portfolio, and so it is important to sensitize them to our ESG priorities, how ESG fits into our investment process, and how to use their positions with the company (often at the board level) to encourage active engagement in our ESG program.” See *Growing with ESG: A ScaleUp Investor’s Approach to Responsible Investing*, at: <https://www.insightpartners.com/ideas/growing-with-esg-a-scaleup-investors-approach-to-responsible-investing/>

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⁹⁷ “Techstars has a significant role to play in defining ESG metrics for early stage startups – we believe this is one of the ways that we can help move the needle towards a more inclusive, regenerative, and ethical future economy. This will also help us collaborate within the VC sector to co-create standard ESG metrics or expectations that are appropriate for early stage companies. Techstars recognizes that embedding ESG into our business practices, and encouraging entrepreneurs to do the same, increases both organizations’ overall value proposition. As mentioned in ESG Resources for Founders during Accelerators, Techstars will offer ESG tools and training during accelerator programming that founders can leverage to excel in a financial world that prioritizes ESG criteria. In the future many similar educational resources will be offered to companies post accelerator including ESG-focused mentors available to companies, incorporating ESG tools into the publicly available Techstars Entrepreneur’s Toolkit.” See *Techstars Responsible Investment & ESG Policy*, at: <https://www.techstars.com/the-line/innovation-in-action/techstars-responsible-investment-and-esg-policy>

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