

## **Alternative investment managers increase focus on climate change and DEI**

**The proportion of private equity managers assessing and measuring climate-related risks has risen sharply over the last twelve months, supported primarily by a significant increase among Asian managers. LGT Capital Partners' annual ESG Report shows that the proportion of managers addressing climate-related risks rose 12 percentage points to 55%. Managers have also made strong improvements in diversity, equity and inclusion (DEI) issues.**

Pfaeffikon, 6 July 2023. LGT Capital Partners' ESG Report analyzes the activities of 381 managers globally (including 309 private equity managers) to assess the improvements being made in ESG practices. Key findings from the report include:

- Europe continues leading the way in ESG integration, but Asia is catching up quickly. This year, 82% of European private equity managers assessed were ranked "excellent" or "good" for their ESG approaches, compared with 79% for Asian managers. In the US, progress has also remained broadly stable, with 49% of managers earning high marks for ESG integration.
- Private debt managers have made significant progress on climate change: 81% of the portfolio companies analyzed are now assessing their own carbon emissions, up 24 percentage points from last year.
- Hedge fund managers are also moving forward in ESG integration, with the proportion of firms now rated "excellent" or "good" on ESG having risen to 69%, versus 64% last year. This is most likely driven by increasing regulatory requirements and investor demand, although all managers demonstrated some commitment to ESG and recognized sustainability-related risks.

### **LGT Capital Partners addressing ESG regulation in private equity**

Over the last year, LGT Capital Partners has stepped up its focus on the EU's Sustainable Finance Disclosure Regulation (SFDR) within private equity investments. These efforts have enabled the firm to align all new investment offerings – including primaries, secondaries and directs – with Article 8 requirements under SFDR, which "promote environmental and/or social (E&S) characteristics." This is in addition to aligning the firm's impact private equity offering with Article 9 requirements because of the strategy's explicit sustainable investment objective and impact focus.

### **Commenting on the survey findings, Tycho Sneyers, a Managing Partner at LGT Capital Partners and PRI board member, said:**

"There has been significant progress in how alternative investment managers approach ESG issues in recent years, and this is a trend that has continued over the last 12 months. This shift has been largely supported by regulators demanding greater clarity in how ESG is defined and applied, particularly the implementation of SFDR, which is the most wide-ranging ESG regulatory framework currently implemented."

The full ESG Report 2023 can be found [here](#).

**LGT Capital Partners**

LGT Capital Partners is a leading alternative investment specialist with over USD 95 billion in assets under management and more than 650 institutional clients in 44 countries. An international team of over 750 professionals is responsible for managing a wide range of investment programs focusing on private markets, liquid alternatives, and multi-asset class solutions. Since 2003, LGT Capital Partners has been encouraging the integration of ESG in its offering and its promotion in the financial industry. In 2008, the firm was one of the first signatories of the UN PRI, since 2018 LGT Capital Partners further engages with PRI as a member of its Board. Headquartered in Pfäffikon (SZ), Switzerland, the firm has offices in San Francisco, New York, Dublin, London, Paris, The Hague, Luxembourg, Frankfurt am Main, Vaduz, Dubai, Beijing, Hong Kong, Tokyo and Sydney.

**Contact**

Sebastian Kistner

Media Relations

+41 79 777 52 62

[sebastian.kistner@lgtcp.com](mailto:sebastian.kistner@lgtcp.com)

**IMPORTANT INFORMATION**

AuM is estimated and subject to change. Private market assets are stated in terms of committed capital. This marketing material was issued by LGT Capital Partners Ltd., Schützenstrasse 6, CH-8808 Pfäffikon, Switzerland and/or its affiliates (hereafter "LGT CP") with the greatest of care and to the best of its knowledge and belief. LGT CP provides no guarantee with regard to its content and completeness and does not accept any liability for losses which might arise from making use of this information. The opinions expressed in this marketing material are those of LGT CP at the time of writing and are subject to change at any time without notice. If nothing is indicated to the contrary, all figures are unaudited. This marketing material is provided for information purposes only and is for the exclusive use of the recipient. It does not constitute an offer or a recommendation to buy or sell financial instruments or services and does not release the recipient from exercising his/her own judgment. This marketing material may not be reproduced either in part or in full without the written permission of LGT CP. It is not intended for persons who, due to their nationality, place of residence, or any other reason are not permitted access to such information under local law.

© LGT Capital Partners 2023. All rights reserved.