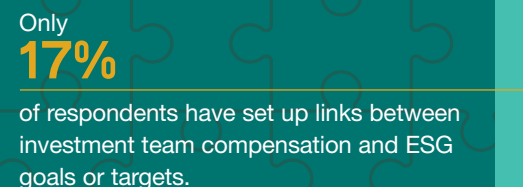
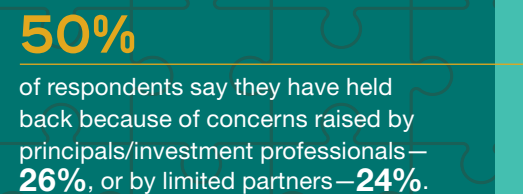
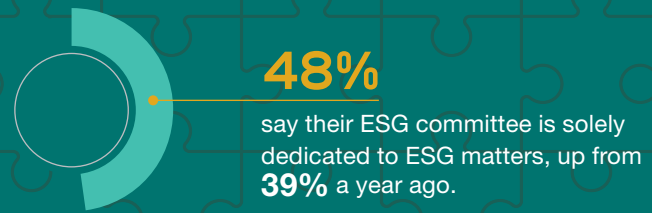
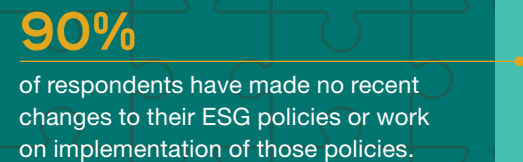


Key Findings

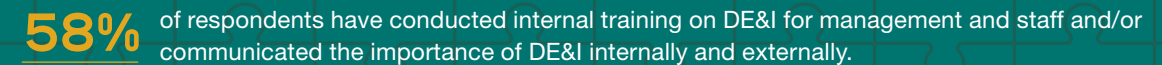
Different funds and GPs have different pieces of the sustainability puzzle in place—but few have completed the entire puzzle just yet. According to our findings:

Asia-based GPs are dedicating additional resources to their sustainability efforts—but is it enough and are these changes taking place in the most pressing areas?

Work on sustainability policies and implementation has slowed, and GPs remain reluctant to include sustainability performance metrics in remuneration structures

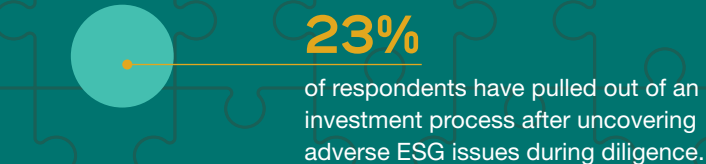


Sustainability work goes well beyond climate-related issues—with many GPs working particularly hard to make progress on DE&I

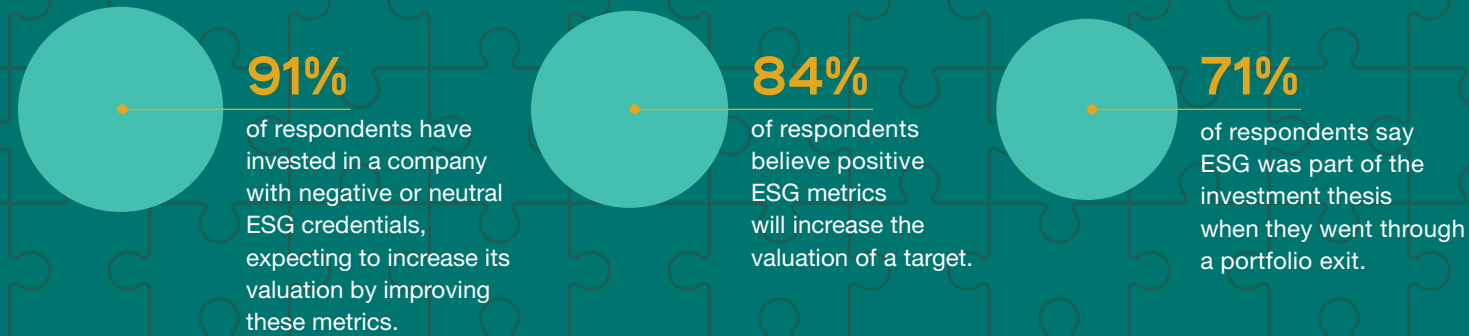


Sustainability is a consideration at each stage of the investment process—but poor sustainability credentials at a potential portfolio company are rarely seen as a barrier to investment

Fewer GPs are dealing with accusations of greenwashing—but there is concern about the potential for such controversy



GPs recognize the potential for strong and improving sustainability performance to drive value and return



GPs face significant challenge as they work to integrate sustainability practices into their operations

53% of respondents cite **the need to keep pace with rapidly evolving regulatory regimes**—the most significant challenge for respondents—as one of their top three concerns.

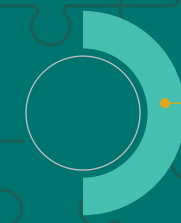
43% of respondents point to **a lack of transparency and reliability of ESG data** as a top three challenge.

 **The need to respond to LPs' diverse and changing ESG demands** is also regarded as highly challenging.


Responsible tech is a key theme for investment and sustainability in 2023— but some GPs may be missing out



80% of respondents say they have adopted or make it a requirement to adopt responsible tech at portfolio companies, a full **20%** either do not take this action or are unfamiliar with the concept.

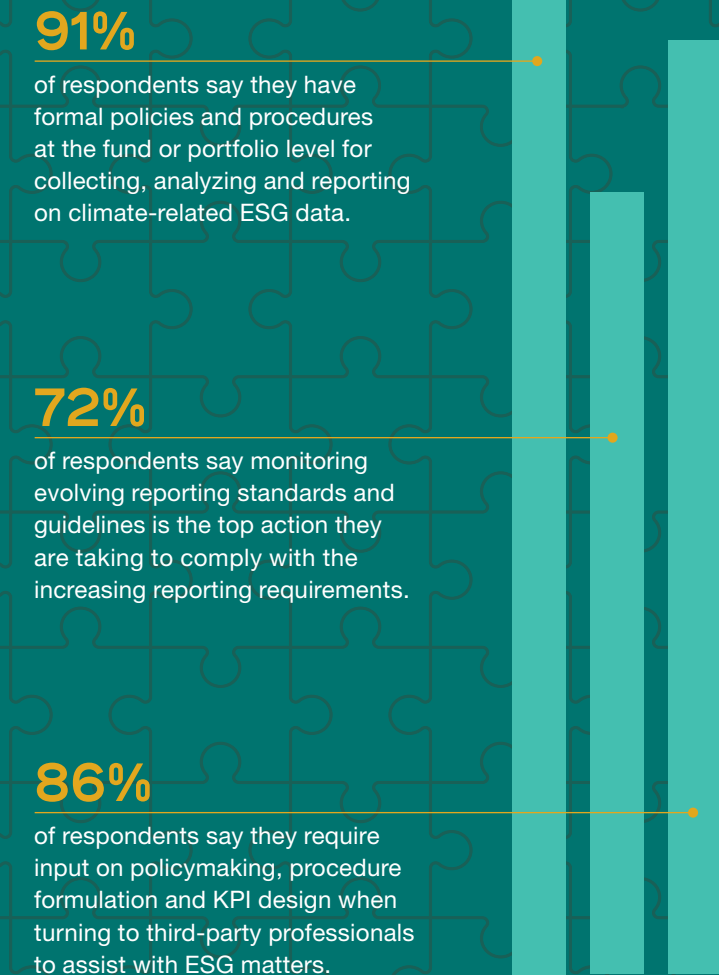


50% of respondents mention that there are competing priorities for tech innovation over responsibility and social considerations at their firm.



Data privacy and cybersecurity are the **top** concerns among respondents... while AI ranks **last** despite the power and complexity this innovation presents.

Respondents are taking action to make changes at fund or portfolio companies to improve performance toward emissions reduction or decarbonization



91% of respondents say they have formal policies and procedures at the fund or portfolio level for collecting, analyzing and reporting on climate-related ESG data.

72% of respondents say monitoring evolving reporting standards and guidelines is the top action they are taking to comply with the increasing reporting requirements.

86% of respondents say they require input on policymaking, procedure formulation and KPI design when turning to third-party professionals to assist with ESG matters.



What do these findings mean, and what do funds need to do in practice? Take our short online quiz to find out where you are along your ESG journey.



Go to Page 45 for six pieces to start putting your sustainability puzzle together. There is a short podcast to accompany each piece.