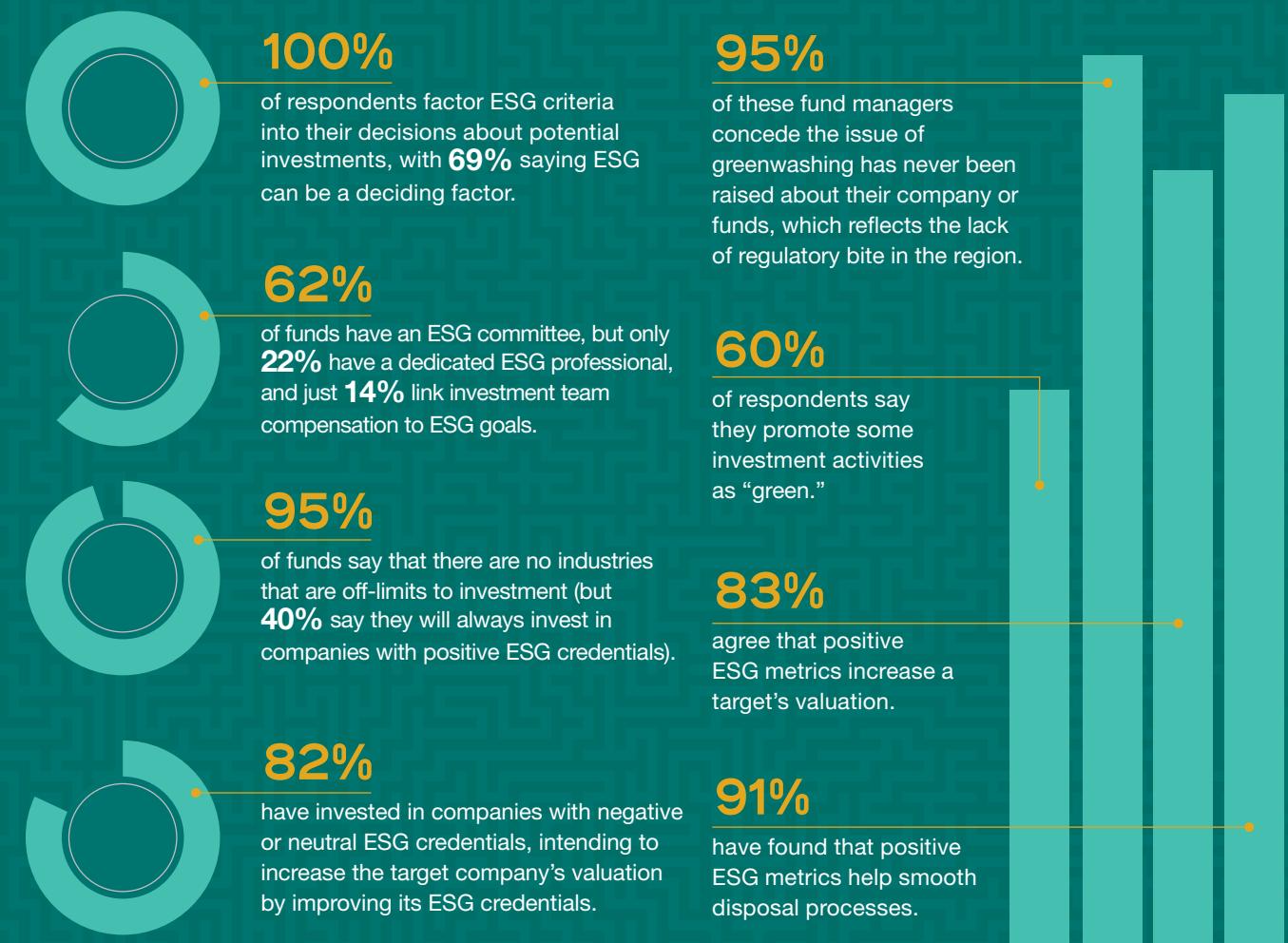


Asia Funds ESG Survey 2022: Navigating the ESG Maze

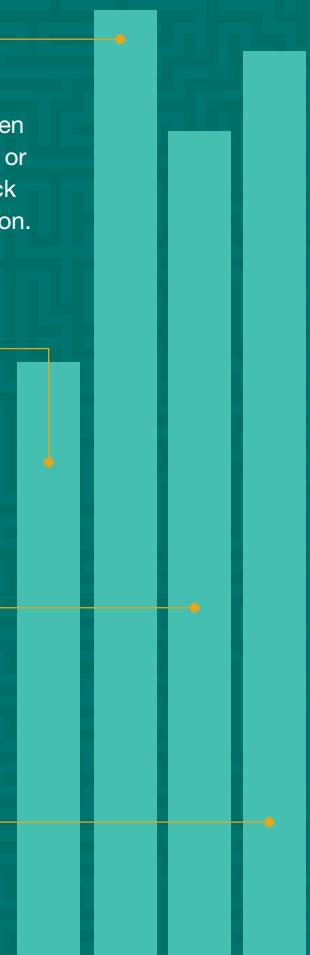
Many Asia-based GPs are incorporating ESG into their business and investments, but how far are they along their journey through the ESG maze?

According to our findings:

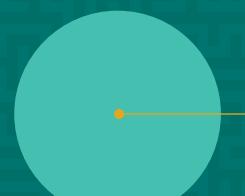
ESG is increasingly a consideration in operations and investment decisions—but for the majority of GPs, much of it remains superficial at best.



GPs see the benefits of improved ESG practices for reputation and investment opportunities—but is it all talk and not enough action?



Diversity, equity, and inclusion (DE&I) is rising up the agenda—but relatively few investors are taking decisive action.



88%

say that communicating the importance of DE&I issues internally is the top action they have taken to promote improved DE&I in their organizations.



Only **50%**

say they are committed to diverse representation in leadership.



Only **33%**

have made a financial commitment in this area.

ESG compliance is not yet an essential part of diligence and deal documentation—the industry needs to catch up.

46%

of respondents conduct ESG due diligence on every deal, with a further **46%** doing so on most deals—but much of this relates to policymaking rather than measurable results.

29%

less than a third of respondents always require the inclusion of clauses in investment documents to enhance or ensure ESG compliance.

59%

of respondents consider climate change in their ESG due diligence—a surprisingly low figure.

Methodology

In the third quarter of 2022, on behalf of Morrison Foerster, AVCJ surveyed 100 Asia-headquartered Fund General Partners (GPs) with USD 1 billion+ AUM to gain their insights on how environmental, social, and governance (ESG) considerations are impacting their investments and the market. The respondents came from private equity funds, credit and special situations funds, sovereign wealth funds, insurance asset managers, and pension funds. By geography, 35% of respondents were based in China/Hong Kong, 25% in Japan, 15% in India, 15% in South-East Asia, and 10% in other Asian jurisdictions, including Taiwan and South Korea. All responses are anonymous, and results are presented in aggregate.



Scan the QR code to read our ESG Funds report, to listen to podcasts, and to take our benchmarking survey.

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