

Trends in SWEN Capital Partners' annual ESG 2021 campaign

A steady number of GPs surveyed
 (2/3 of GPs surveyed are in the portfolio. The other 1/3 are GPs in SWEN CP's investment universe.)

but a big improvement in the reply rate:

+10 PTS
 In the reply rate from 2019 and 2021

This is true of both GPs in the portfolio (where the reply rate will be hard to improve in the coming years) and GPs in SWEN CP's investment universe (including all types of GPs – in the portfolio or in SWEN CP's investment universe)

More than 2000
 Invested entities surveyed

80%
 in Private Equity/Debt

20%
 in Infrastructures

+300
 Invested entities surveyed between 2019 and 2021

A very good reply rate from GPs in the portfolio, with a

91%
 reply rate

Reply rate of more than 2/3

Crossed for the first time in 2021 in invested entities (both companies and infrastructure assets)

The reply rate from invested entities in 2021 picked up the momentum in improvement seen until 2019. This confirms that the decline in the reply rate of 2020 (56% last year vs. 67% in 2020 and 64% in 2019) was exceptional and due to Covid-19.

At the level of SWEN CP

Here are some lessons that can be drawn

- The commitment of ESG and investment teams** in handling personalised reminders to surveyed entities was a key factor
- The support and efficiency of the online ESG databank** was clearly a decisive factor in the process of compiling and analysis of ESG data

At the level of the MARKET



SWEN CP sees several reasons that GPs are taking sustainability issues more into account in their management practices.

Sustainability reporting is increasingly governed by specific regulations.

The entry into force of the Sustainable Finance Disclosure Regulation (SFDR) in 2021 is the most concrete example of this as it urges all market participants to commit themselves fully to monitoring, measuring and disclosing ESG information.

Increased requests for reports from LPs, a practice that is now widespread and on a regular basis.

As a pioneer in private equity, SWEN CP has for almost 10 years surveyed investment management firms on their performances in sustainability as well as the performances of their underlying investments.

Harmonisation of ESG questionnaires used by LPs, under the wing of France Invest.

Harmonisation of questionnaires and their use by several LPs has helped simplify the process of compiling ESG data.

Setting up a true ecosystem of sustainable services.

Investment management firms now have access to many service providers and tools (various platforms for compiling ESG data, public ESG benchmarks, etc.) allowing them to roll out a responsible investment strategy

Sustainability is being integrated into the core of investment strategies, along with ESG processes throughout the investment process. These reflect the **convictions of investment management companies** and come with a **professionalisation of ESG functions within management companies.**

Did you know?
 SWEN CP supports GPs!

Personalised feedback based on their questionnaire replies is possible if they wish.

Report
 Of the 8th edition of

ESG by **SWEN**
 BEST PRACTICES HONOURS Capital Partners

Tuesday 16 November 2021