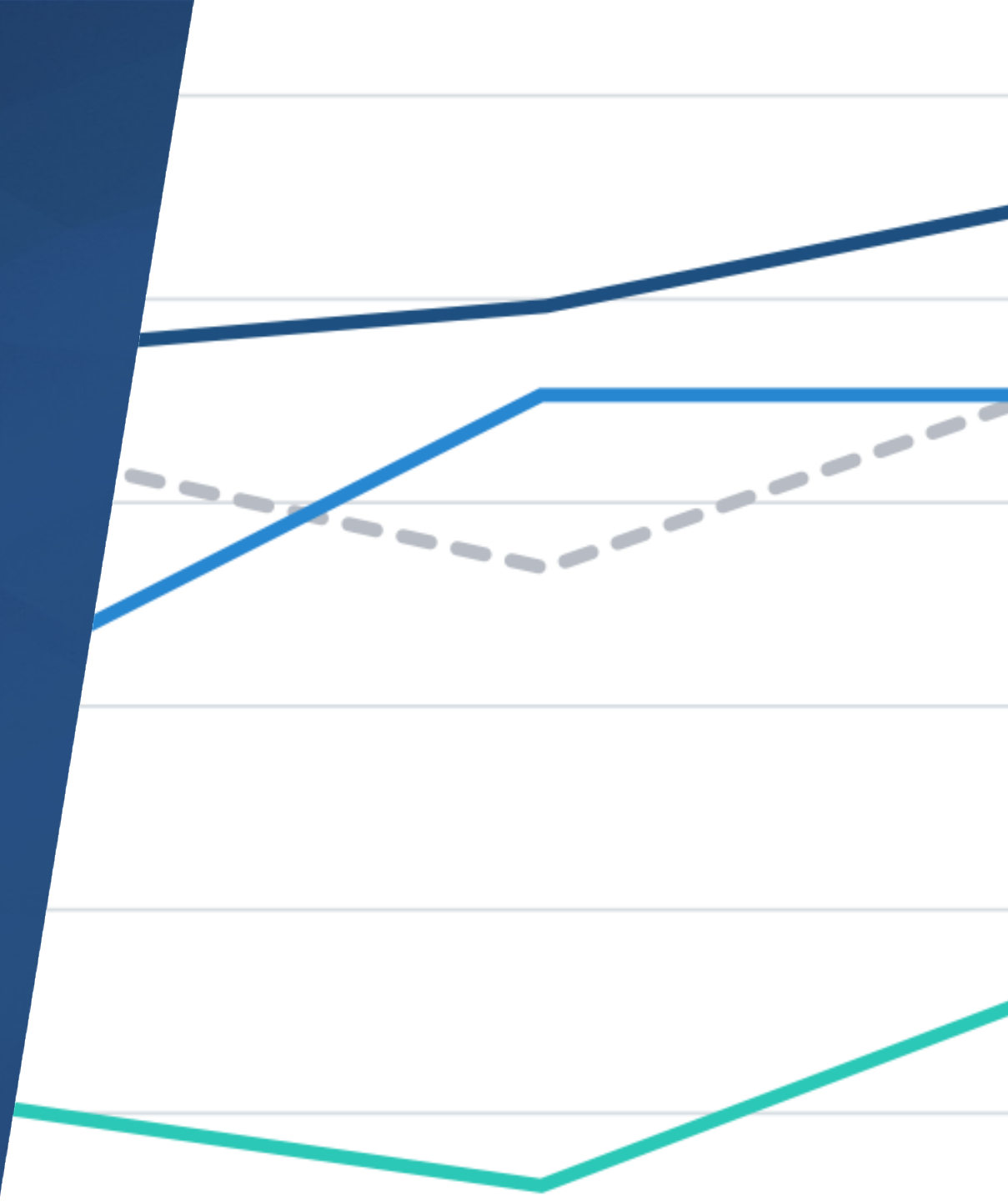




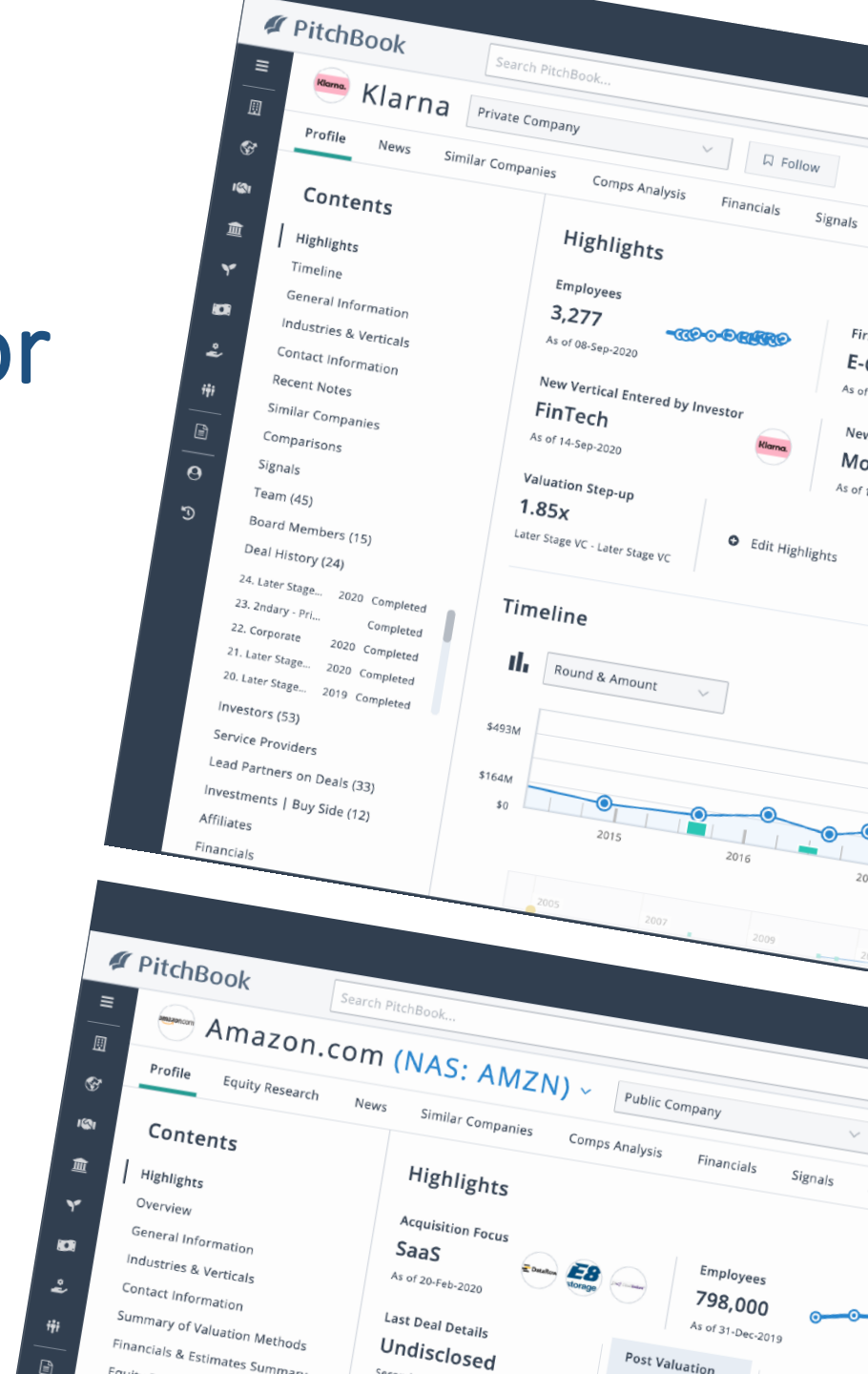
WEBINAR

# Sustainable investing in the context of COVID-19



# PitchBook: The leading resource for private and public market analysis

PitchBook is a financial technology company that provides data on the capital markets to help professionals discover and execute opportunities with confidence and efficiency. We collect and analyze detailed data on the entire venture capital, private equity and M&A landscape—including public and private companies, investors, funds, investments, exits and people. Our data and analysis are available through our suite of products (the PitchBook Platform), industry news and in-depth reports.



# Sustainable investing in the context of COVID-19



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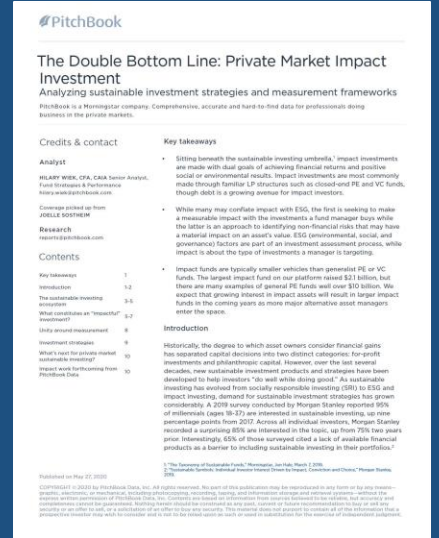
# Research Coverage:

## 2020 Sustainable Investment Survey

Download survey

## The Double Bottom Line: Private Market Impact Investment

Download note



# Agenda

- About the survey
- Survey findings
- Asset owner perspectives
- Asset manager views
- Q&A

POLL

Q: Select the option that most closely fits your organization

A

Asset Manager

B

Asset Owner

C

Both

D

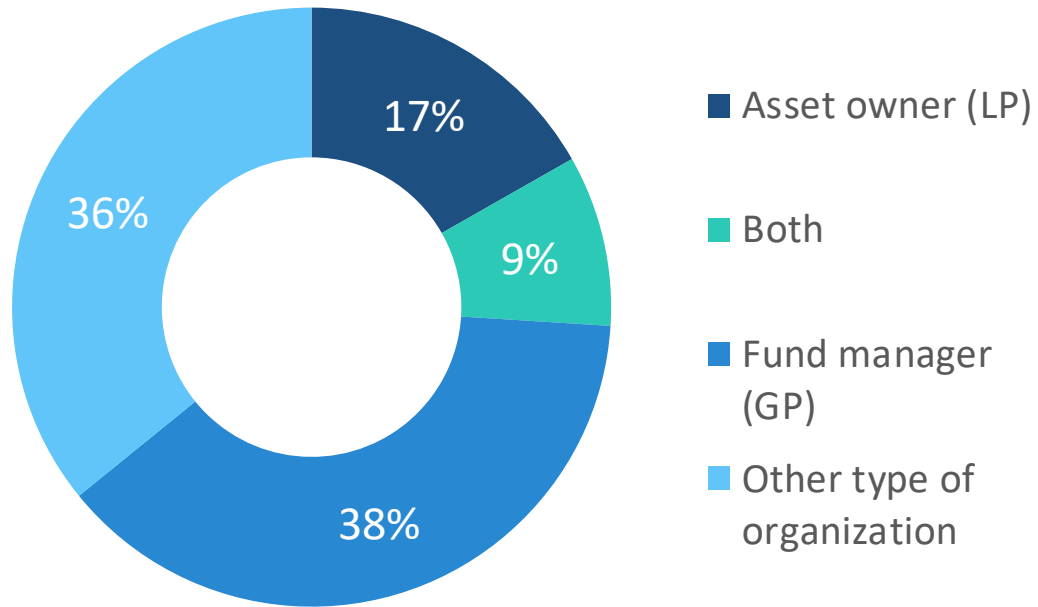
Other

# About the Survey

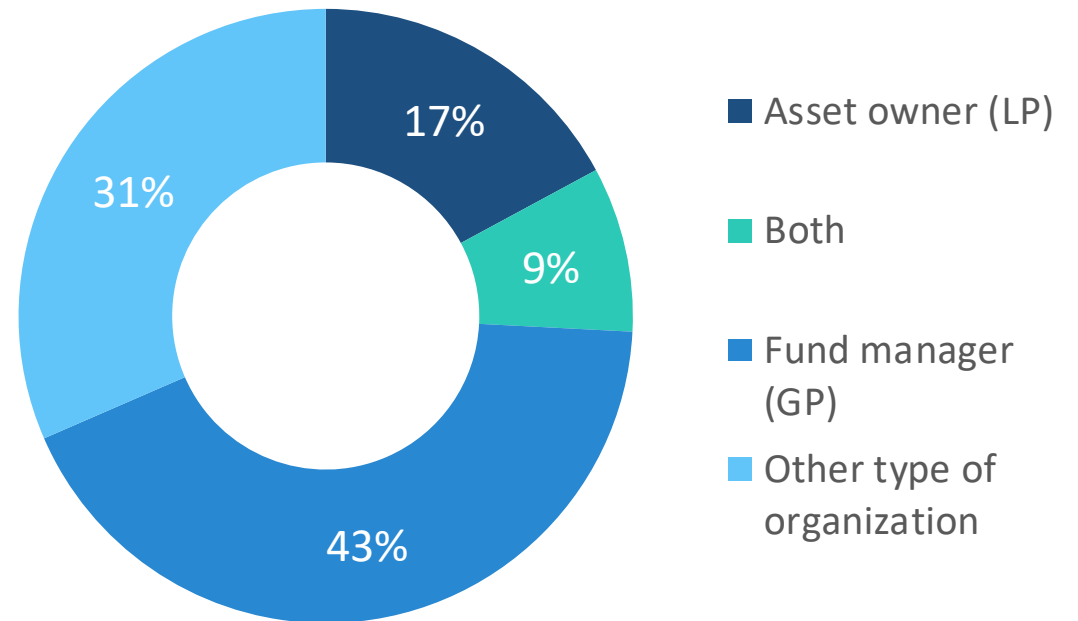
Survey respondents by participant type

650 started the survey, 368 completed it

2020 started surveys by participant type



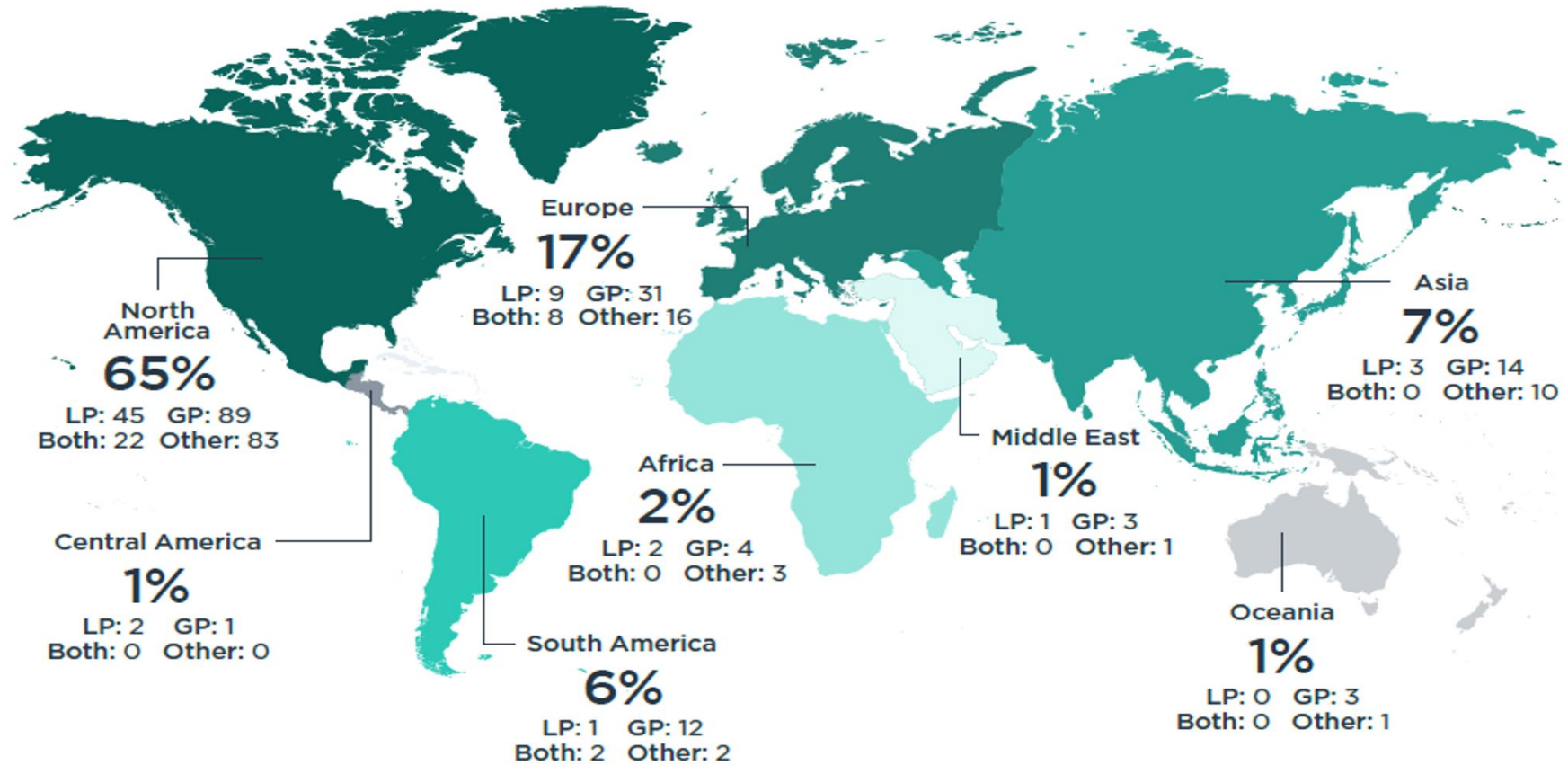
2020 completed surveys by participant type





Survey results by region

## A geographically diverse group of respondents



Source: PitchBook | Geography: Global | Respondents: All  
Question 62

Sustainable investing ecosystem

Laying out the playing field



# Survey Findings

POLL

Q: How has your focus on sustainable investing changed in 2020?

A

Increased

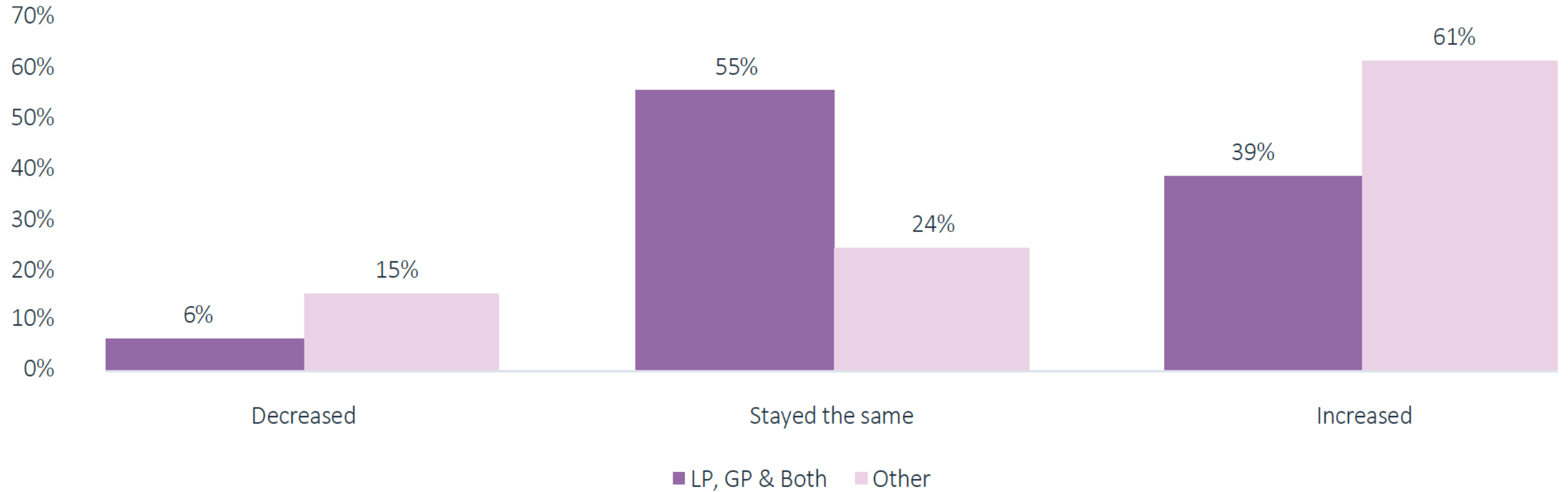
B

Stayed the same

C

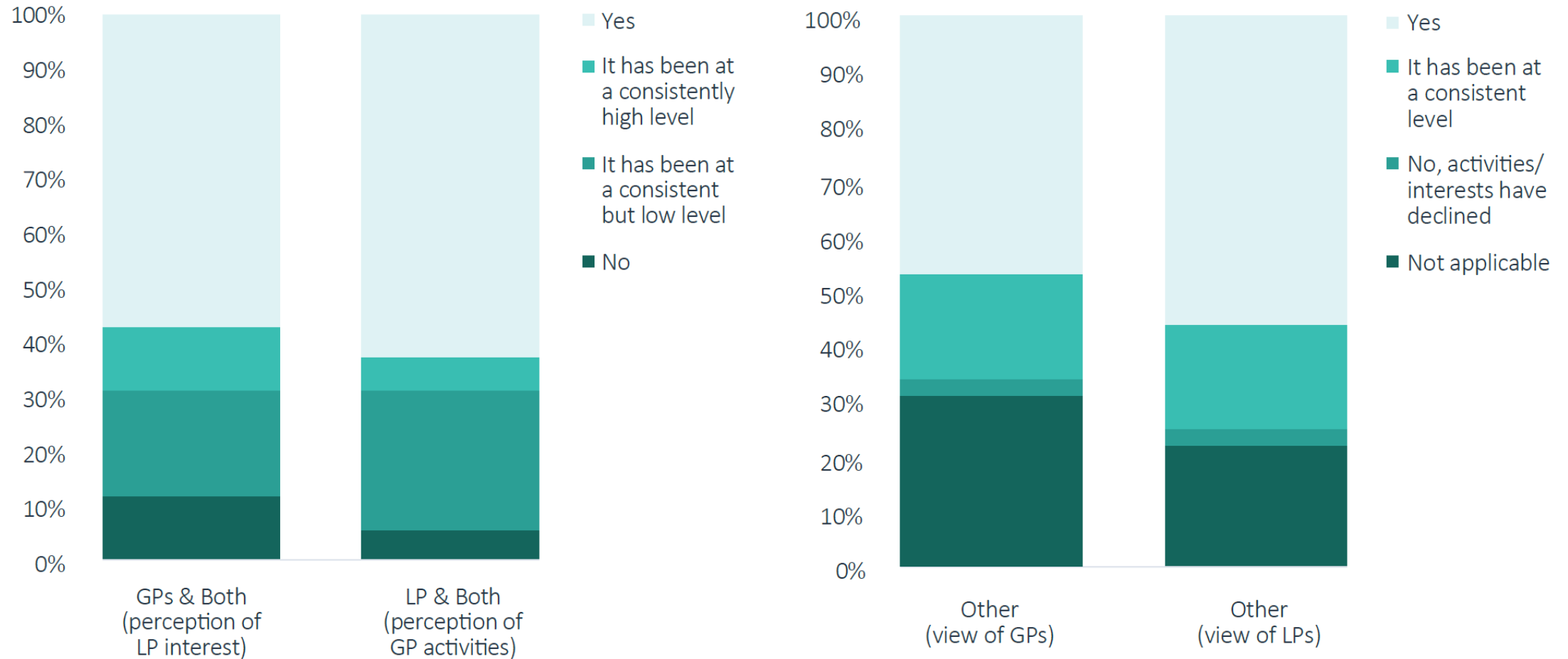
Decreased

## More commitment to the space during the current crises

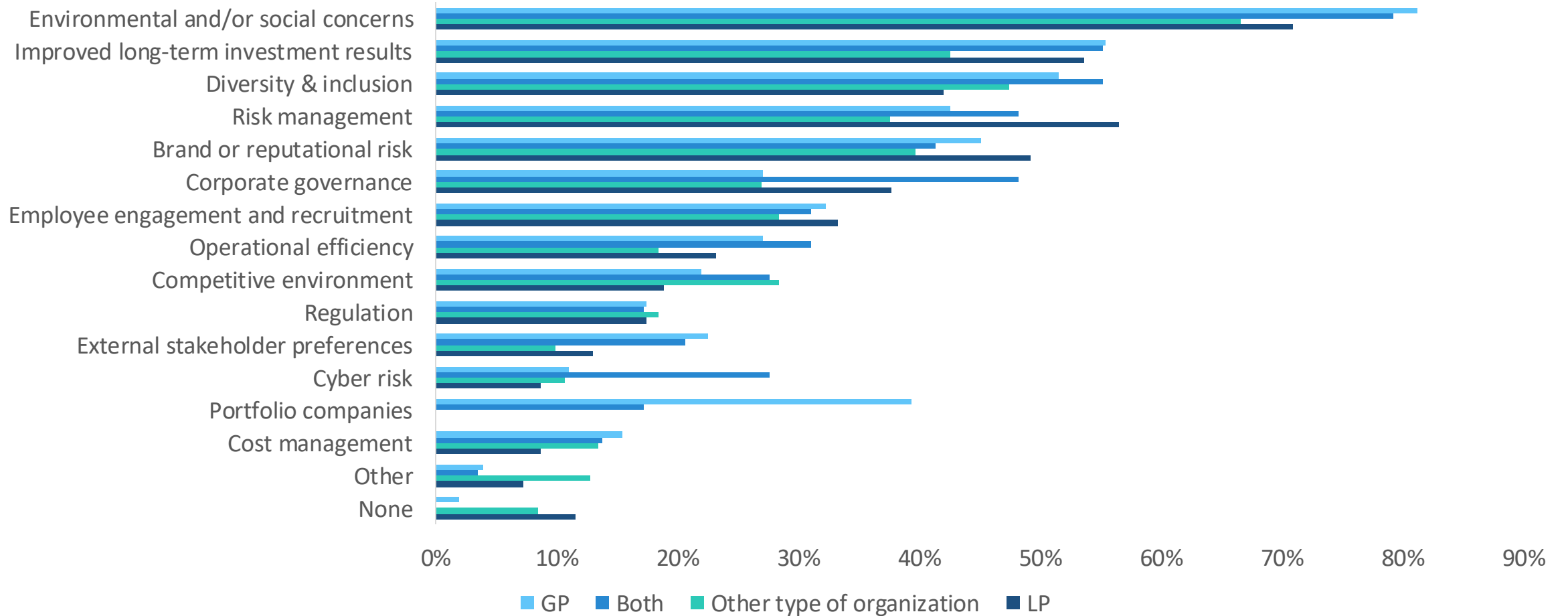


Perception of increased interest in sustainable investment in the last three years

## Interest is growing and so is the response from GPs; very few have seen interest decline



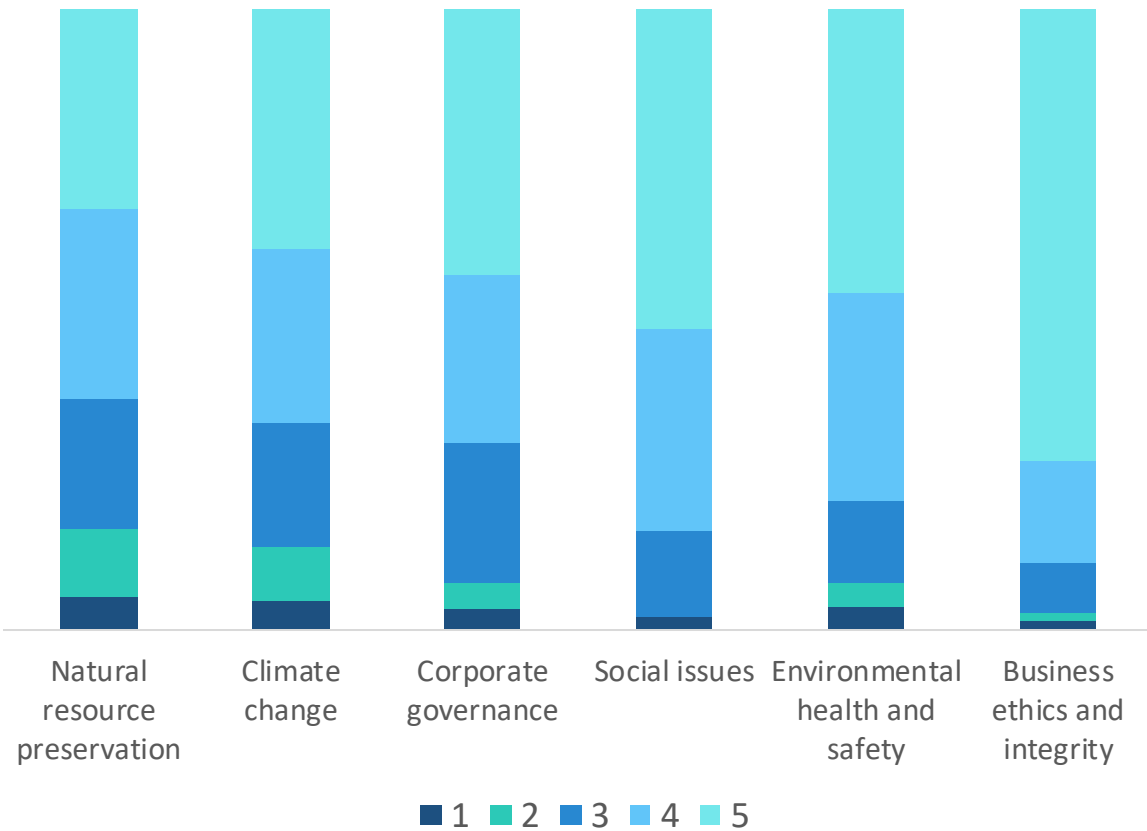
## Many positive forces leading to sustainable investments



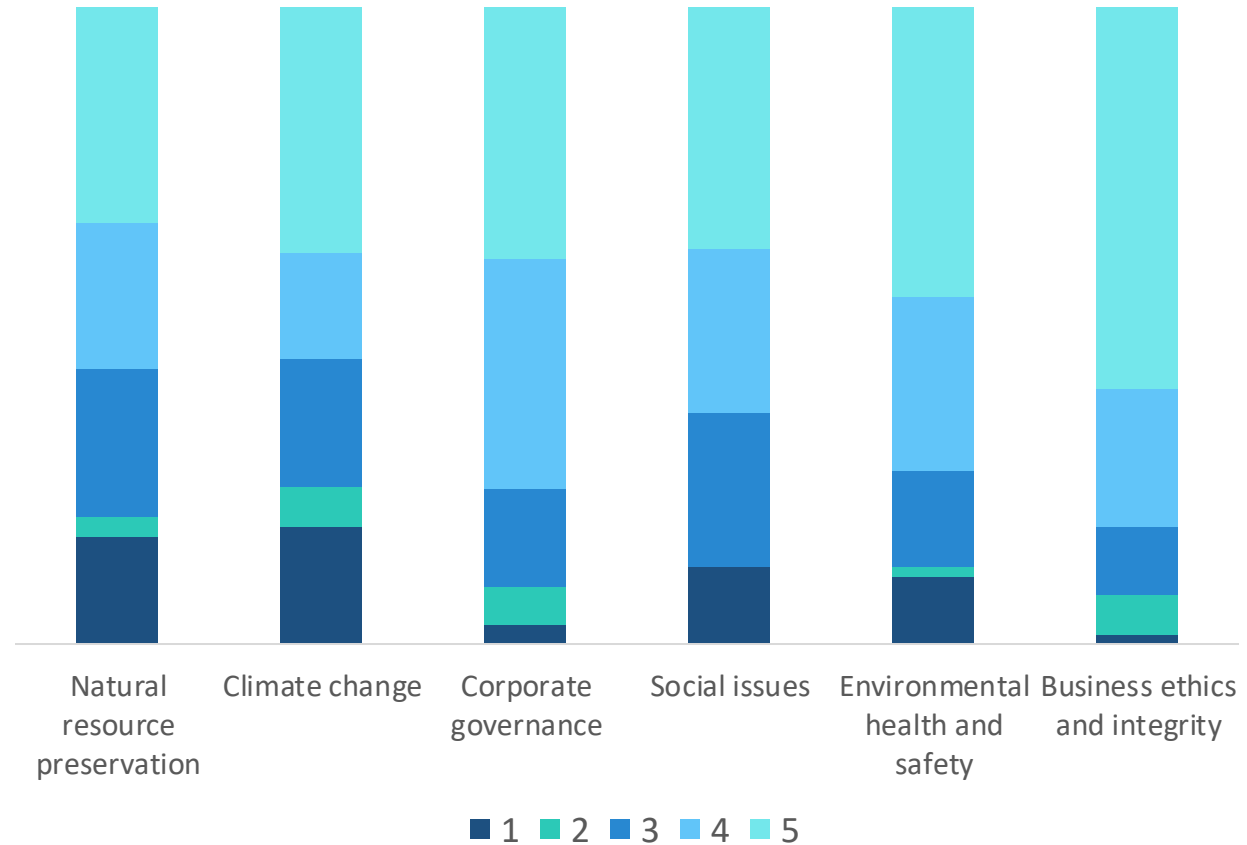
Areas of focus for current sustainable investment programs

# Rating the importance of certain sustainability program focus areas, 5 is extremely important

GP responses



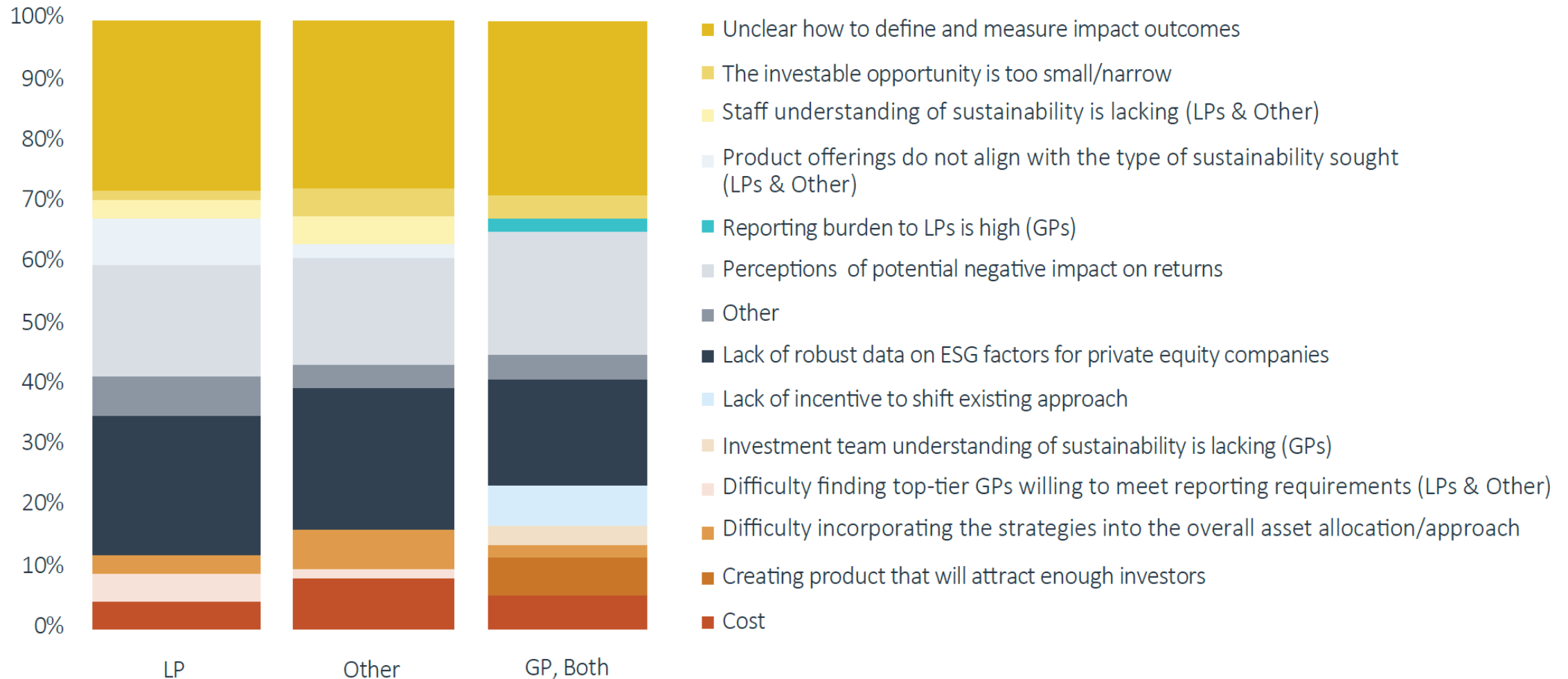
LP responses





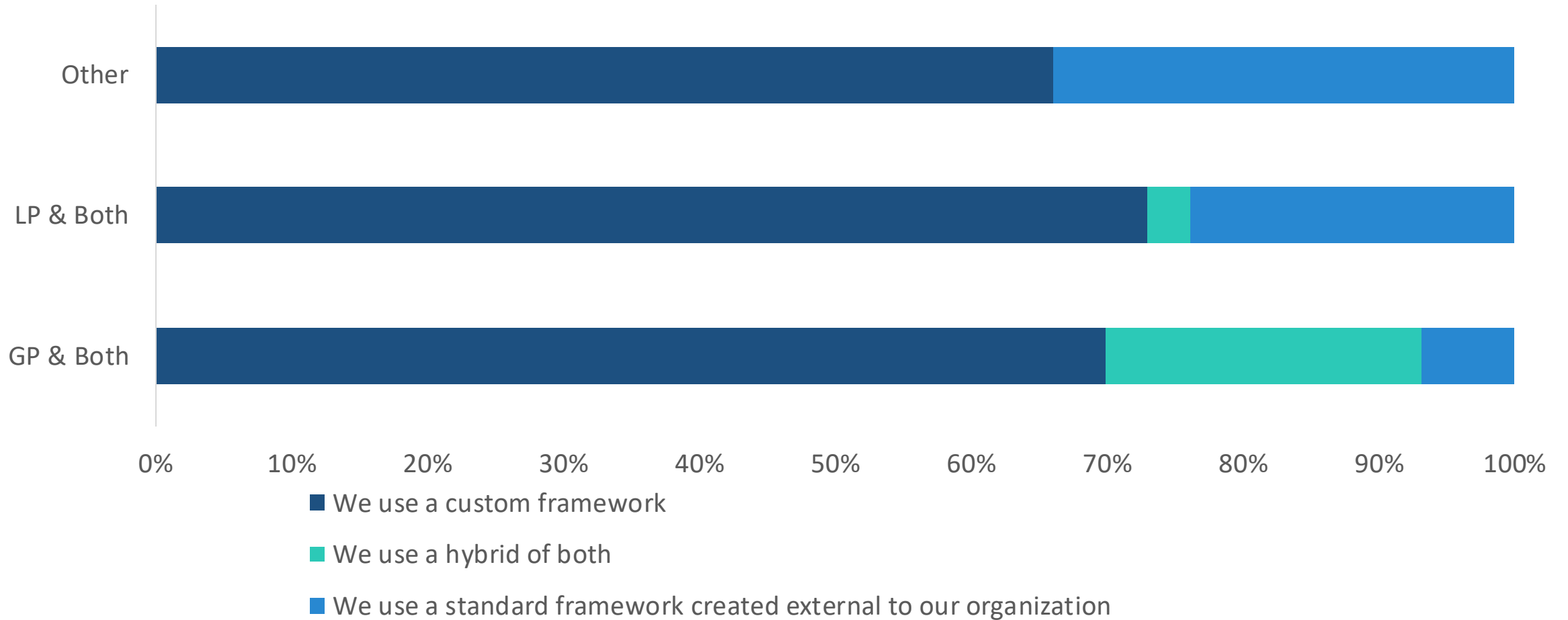
Biggest sustainable investment challenges by participant type

## Measurement and data continue to be the most challenging sustainable investment issues



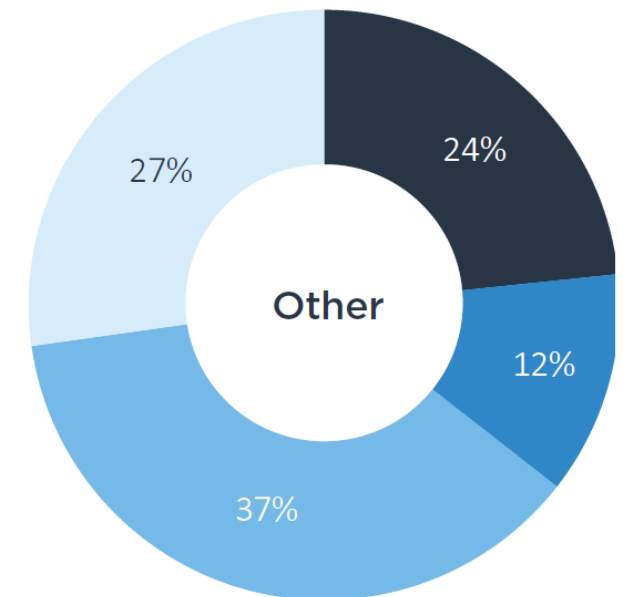
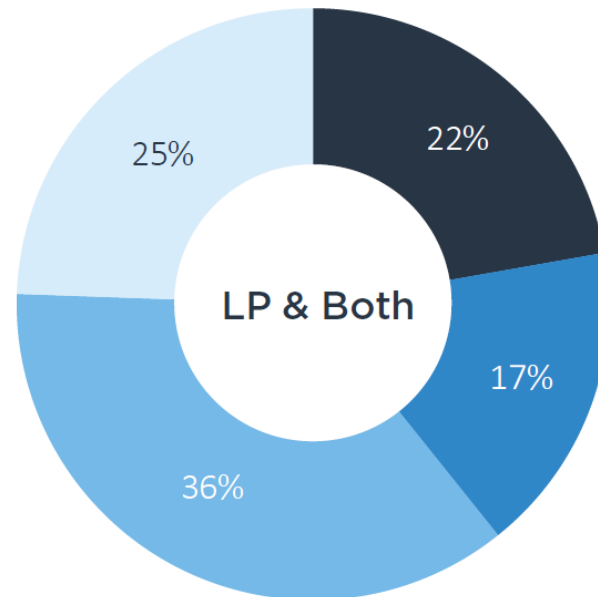
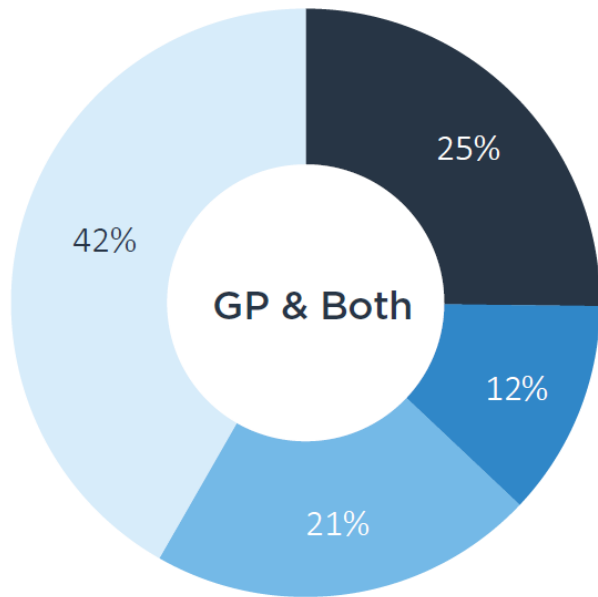
## Impact measurement approach by respondent type

With measurement and data as a big challenge, organizations have had to design their own methods



Proportion of LPs, GPs and SPs that offer, allocate to, or evaluate impact investment strategies

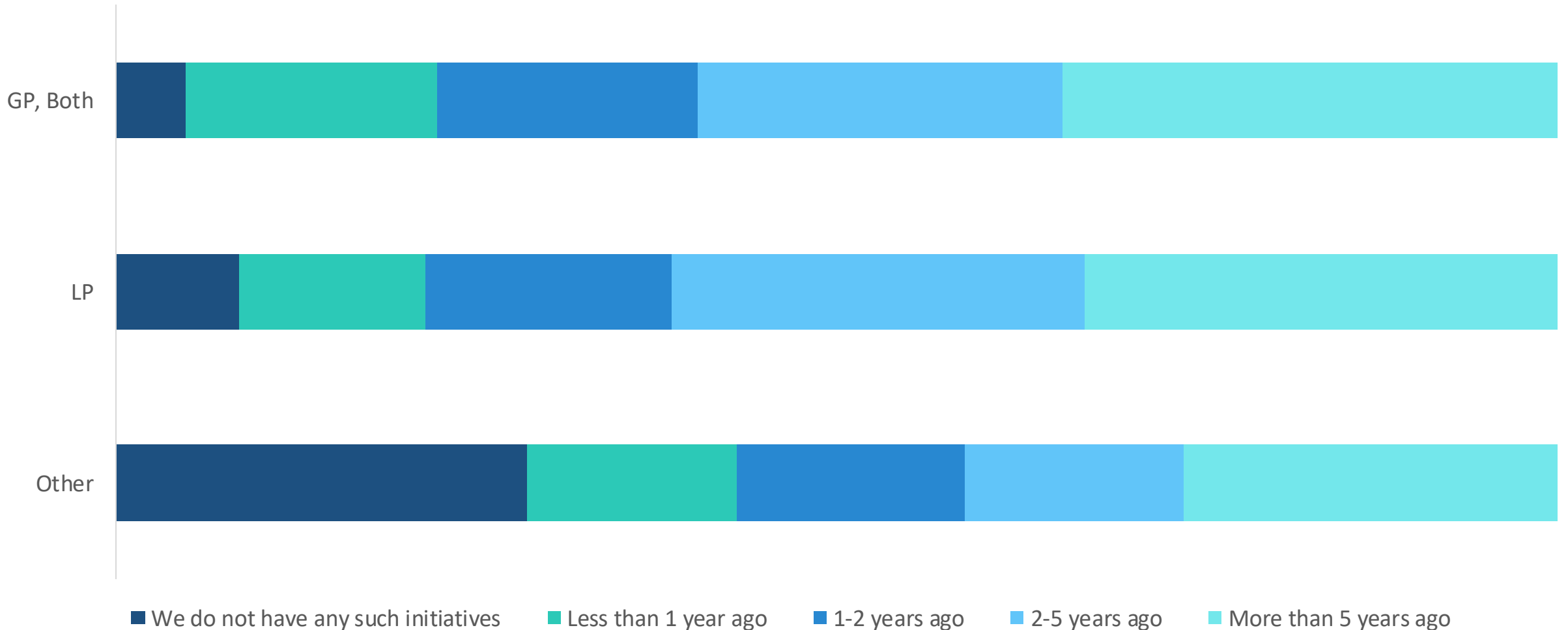
Survey bias is evident here with such a high percent of dedicated impact investors. Many would be surprised that there are so many.



■ Yes, all of our investment work is impact ■ Yes, but not all of our investment work is impact ■ No, but we are developing an impact strategy ■ No

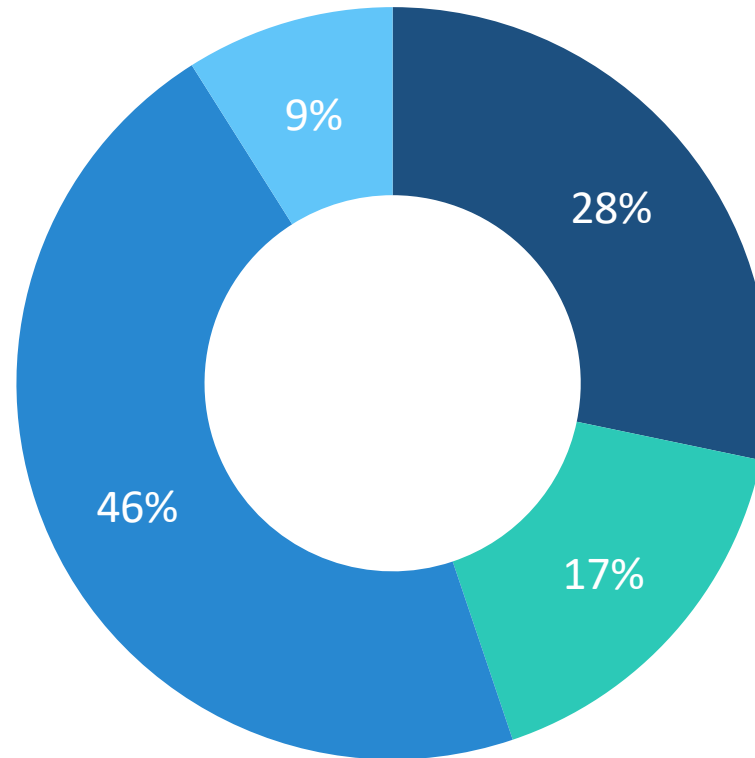
Timeline of sustainable investing initiatives by participant type

Sustainable investing still nascent within the industry with nearly half of respondents' programs having been started less than two years ago



Proportion of current or prospective clients raising sustainable investment topics

Asked to Other respondents, a broader view of market participant engagement

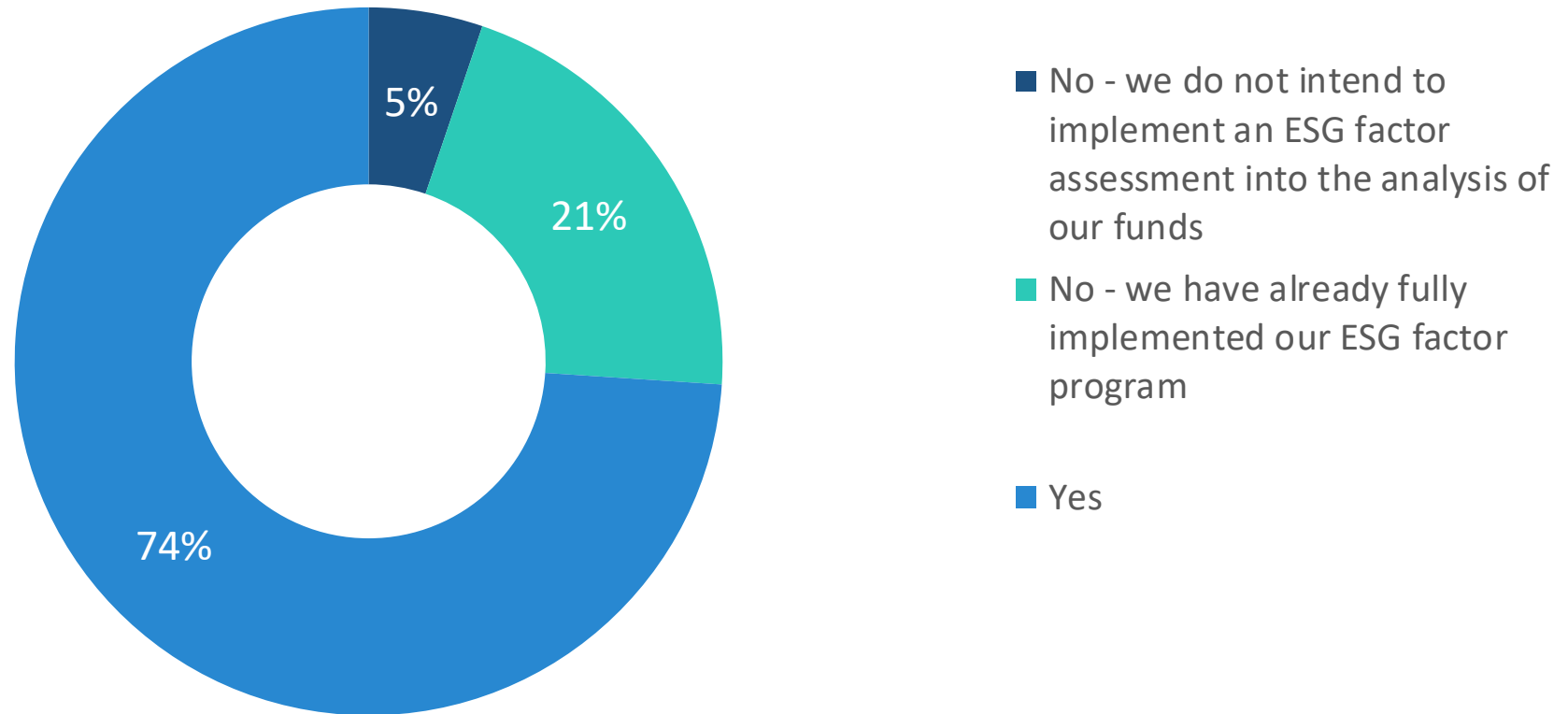


■ 25% to 50% ■ 50% to 75% ■ Less than 25% ■ Over 75%

# Asset Owner Perspectives

Proportion of LPs and Both that plan to increase attention to ESG risk factors in the next year

Fund managers take note - ESG risk factors are getting more attention from those seeking funds



LPs consider ESG risk factors and/or impact

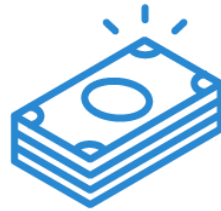
Institutional investors are thinking about sustainability at both portfolio companies and their own organizations



59% at  
their own  
organization



44% at the  
GP or asset  
manager level



44% at the  
fund level



60% at the  
portfolio  
company level

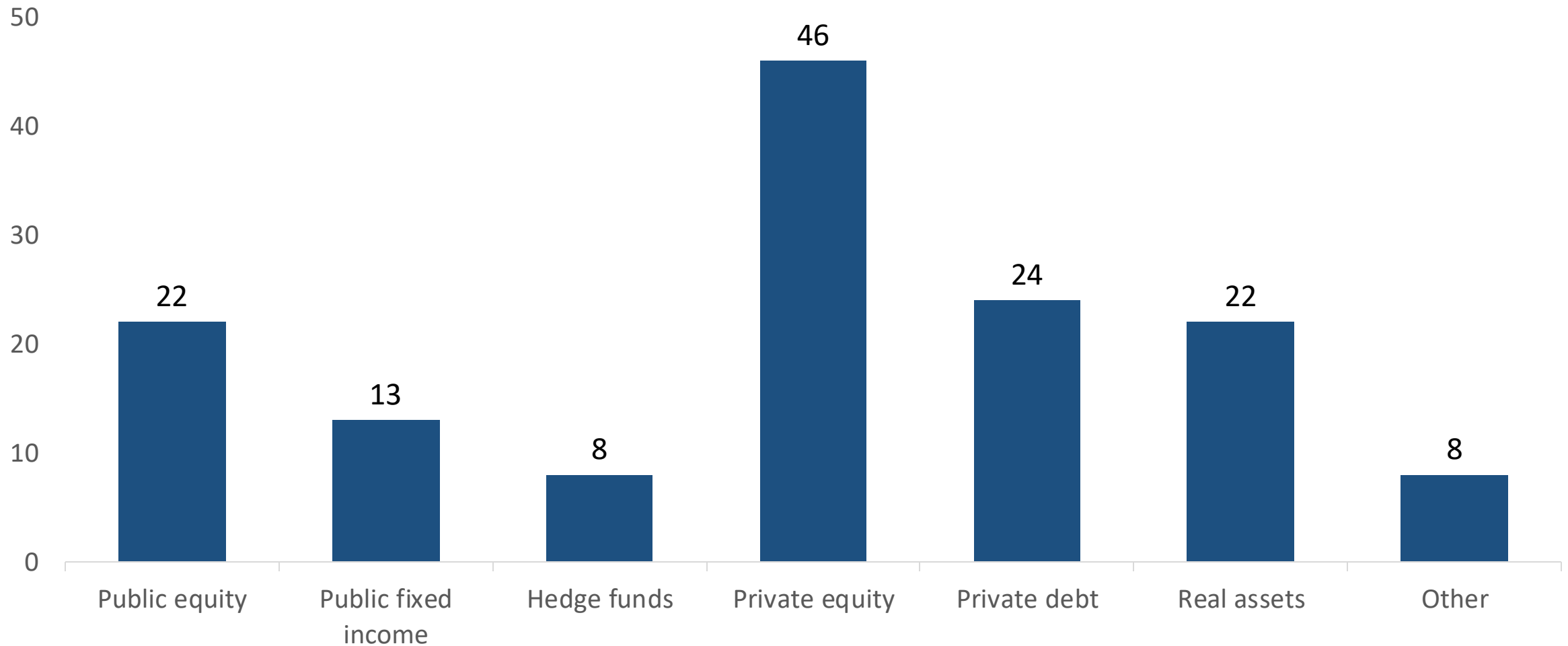


15% do not  
consider such  
factors at  
any level.



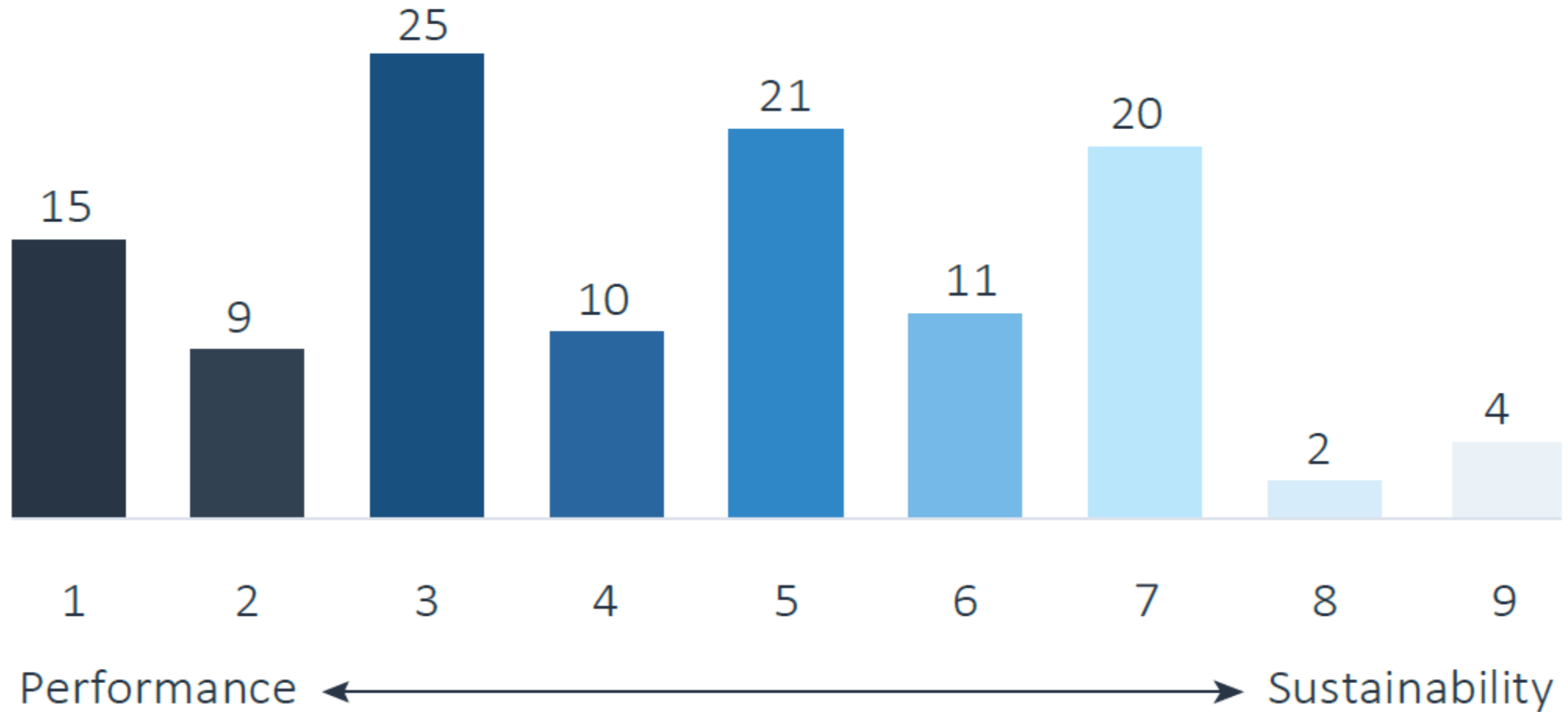
LP's sustainable investment program focus by asset class

Private equity is the area in their portfolio where most LPs most commonly have sustainable investing as a focus; it is rare to have a whole portfolio invested this way



LP's prioritization scale between performance and sustainability, number of respondents

Few consider only performance or only sustainability factors to be important; the skew remains closer to performance for most



# Asset Manager Views

POLL

Q: If an asset manager said they had an ESG framework in place, would you assume that they require portfolio companies to focus on ESG risk factors?

A

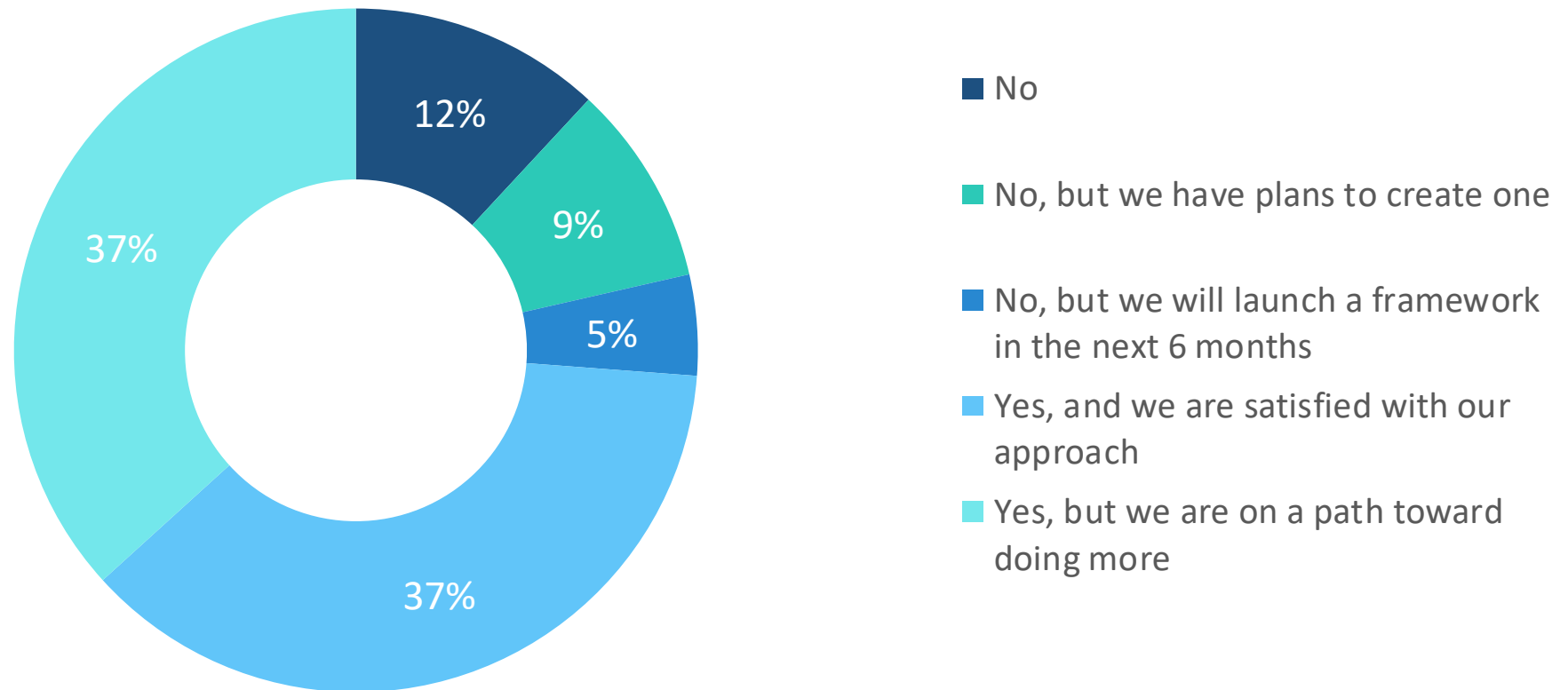
Yes

B

No

Proportion of GPs and Both that incorporate ESG risk-factor frameworks

Only 37% of GPs are satisfied with their approach, but 37% of GPs are going to be increasing their attention on ESG risk factors



Proportion of GPs that require portfolio companies to focus on financially material ESG factors

Despite 74% of GPs having an ESG risk factor framework, only 25% of GPs require portfolio companies to focus on ESG risk factors



■ No ■ Yes

Importance of asset managers considering financially material ESG risk factors

Asked to all who evaluate fund managers, more than half feel it is very to extremely important that GPs consider financially material ESG risk factors when managing portfolio companies



■ Not at all important   ■ Slightly important   ■ Moderately important   ■ Very important   ■ Extremely important

What we're doing to serve the sustainable investment ecosystem

## PitchBook sustainable investment initiatives

- Impact investor and fund taxonomy and tagging
- Continuing research pieces reporting on sustainable investing in the private markets
- Annual sustainable investment survey
- Part of Morningstar family, which also now includes Sustainalytics
- Ongoing ESG task force working on a variety of platform improvements





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