

Over 90% of alternative investors believe the Sustainable Development Goals will help the financial industry to address the most pressing global issues

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An overwhelming majority (91%) of investors in alternatives believe that the UN Sustainable Development Goals (SDGs) will help the financial industry address pressing environmental and social issues. A quarter of them already integrate the SDGs into their investment activities in some way, while another 40% plan to do so within the next two years.

In a new study, LGT Capital Partners surveyed over 200 investors in alternatives (including pension funds, endowments and insurers from 28 countries). The survey assesses how investors integrate ESG into their investment activities, their views on the SDGs, and their requirements for greater ESG integration in the future.

The research found that 89% of investors believe the SDGs will create new investment opportunities. While only a tenth of them currently assess the impact of investee companies on the SDGs, 40% plan on doing so in the next two years.

Investors stated that Goal 13 (Climate Action) and Goal 7 (Affordable and Clean Energy) are their top two SDGs to address in their investment frameworks. More broadly, investors have a preference for SDGs that can be linked to specific investment opportunities, such as clean water, health and education.

Assessing the status of ESG integration, the LGT Capital Partners survey, **ESG to SDGs: the Road Ahead**, finds:

- 84% of investors believe that integrating ESG factors into investment decision-making has either a neutral or positive effect on risk-adjusted returns
- More than half of investors (54%) say ESG is relevant to their investment decision-making and 47% have already excluded managers on ESG grounds
- Best practice standards and more data sources are at the top of investors' ESG wish list to aid the further integration of ESG into investment decision-making

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

"91% of investors believe the SDGs will help the financial industry to address pressing environmental and social issues. As such, investors are increasingly turning to the SDGs to make their ESG and sustainable investment activities more outcome-oriented. The SDGs broaden the ESG scope from risk management to value creation in financial, natural and social capital."



For more information on LGT Capital Partners or to receive a copy of its ESG investor survey, *ESG to SDGs: The Road Ahead*, please contact:

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Methodology

The LGT Capital Partners' ESG survey is based on the views of 207 participants from 28 countries who invest in private equity, real estate, private debt, infrastructure and hedge funds. The survey seeks to assess their views on the role of ESG in investment decision-making, top ESG issues, motivations for ESG integration and priorities for the future. Participants were comprised of senior decision-makers (portfolio managers, heads of asset class, CIOs, CEOs) from a broad spectrum of institutions ranging from less than USD 3 billion to more than USD 50 billion in assets under management.

LGT Capital Partners

LGT Capital Partners has a long-held commitment to incorporating ESG considerations into its investment programmes and its business overall. Since 2003, many of its portfolios have had a responsible investment clause written into its governing documents, authorizing the firm to exclude investments that are substantially exposed to arms-related activities, violations of human rights, irresponsible treatment of the natural environment or other non-ethical conduct of business. In 2009, LGT Capital Partners launched its dedicated sustainable bond and equity offerings. In 2008, the firm was one of the first signatories of the UN PRI. Furthermore, since 2018, LGT Capital Partners engages with PRI as a member of its board. LGT Capital Partners is also a signatory to the Montreal Carbon Pledge.

LGT Capital Partners is a leading alternative investment specialist with over USD 60 billion in assets under management and more than 500 institutional clients in 37 countries. An international team of over 450 professionals is responsible for managing a wide range of investment programs focusing on private markets, liquid alternatives and multi-asset class solutions. Headquartered in Pfaeffikon (SZ), Switzerland, the firm has offices in New York, Dublin, London, Paris, Vaduz, Dubai, Beijing, Hong Kong, Tokyo and Sydney.