

Private equity – a guide for ESG integration

LONDON, 10 April 2014 - The Principles for Responsible Investment (PRI) today launched a new guide to assist with the integration of environmental, social and governance (ESG) factors within private equity: ***Integrating ESG in private equity – a guide for general partners***.

PRI Managing Director, Fiona Reynolds, said “we are pleased to launch this guide for our signatories, which for the first time provides general partners (GPs) with a link between the integration of ESG and organisational governance, structure and culture”.

Tim van der Weide at PGGM and Chair of the PRI’s Private Equity Steering Committee stated, “the guide can also help limited partners (LPs) to understand the different ESG integration practices currently being implemented in the market. This will in turn facilitate discussions with their GPs during both fund selection and monitoring on what is reasonably possible.”

Haran Narulla, Partner at Blue Wolf Capital Partners and Chair of the PRI GP Guide Working Group added, “The guide offers a hands-on review of how incorporating ESG factors into the investment process can influence results. We anticipate that the case studies will serve as models for GPs and LPs to build best practices as they enhance their ESG capabilities”.

The PRI engaged strategy consulting firm Spring Associates, to work with the PRI GP Guide Working Group to develop the new publication. “By adopting and applying an ESG lens throughout the various investment stages, private equity has the opportunity to tap in to value creation and preservation potential. The examples in this report are there for the taking.” said Maarten Biermans at Spring Associates.

To gain insights into the current ESG practices being used in the market, interviews were carried out with over 50 GPs and LPs worldwide, covering a range of investment strategies and fund size. A full list of organisations participating in the development of this guide is [available here](#).

According to Sara Robinson at Adams Street Partners and a member of the PRI’s GP Guide Working Group, “an important objective of the GP Guide is to help GPs of all sizes and stages of ESG integration to consider concrete ways in which they can build institutional support for, and effectively implement, the evaluation of ESG factors as part of the investment process.”

A copy of the new ‘[Integrating ESG in private equity – a guide for general partners](#)’ and the selection of [case studies](#) are now available online.

About the Principles for Responsible Investment

The Principles for Responsible Investment Initiative (PRI) is a network of international investors working together to put the six Principles for Responsible Investment into practice. The Principles were devised by the investment community. They reflect the view that environmental, social and corporate governance (ESG) issues can affect the performance of investment portfolios and therefore must be given appropriate consideration by investors if they are to fulfil their fiduciary (or equivalent) duty. The Principles provide a voluntary framework for all investors to incorporate ESG issues into their decision-making and ownership practices and so better align their objectives with those of society at large.

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