

Preqin ESG Indicators: A Common Language of Responsible Investing for Private Capital Markets

Preqin, the foremost provider of alternative assets intelligence, today unveiled ESG Indicators, an assessment of private capital funds and investors' portfolios based on Environmental, Social and Governance (ESG) factors.

Preqin's approach intends to foster greater transparency and engagement on ESG topics among private market participants. The approach establishes a common benchmark for measuring ESG factors across funds over time, and enables investors and fund managers to analyze their portfolios against their ESG and financial performance targets.

How are ESG Indicators calculated?

Preqin ESG Indicators leverage widely accepted frameworks, including the Sustainability Accounting Standards Board's (SASB) factors and the UN Sustainable Development Goals Index. It applies those frameworks to its proprietary industry taxonomy, private capital deals data and fund-level performance database. This allows it to generate baseline ESG scores for a portfolio, based on the industries and geographies of the underlying assets.

Planned enhancements to Preqin ESG Indicators include incorporating additional fund-specific ESG information provided by fund managers and obtained from other data sources.

What does the introduction of ESG Indicators mean for the market?

With the introduction of ESG Indicators, Preqin is transforming how private capital markets measure, benchmark and compare ESG factors across funds and how they correlate to funds' financial performance.

"Preqin ESG Indicators are meant to help investors, fund managers and other private market players get on the same page with how environmental, social and governance considerations are factored into capital allocation and deployment decisions", said **Dmitri Sedov, Chief Product and Marketing Officer of Preqin**. "We designed the product to provide asset owners with a common, meaningful baseline in their conversations with fund managers about ESG across their private market investments."

"The private markets lack transparency, consistency, and comparability when it comes to understanding and evaluating ESG factors for portfolio companies", said **Jeff Cohen, CAIA, Institutional Product Strategist at The Sustainability Accounting Standards Board**. "Preqin's ESG Indicators are helping address this challenge and are a meaningful and welcome development."

For more information on the methodology behind the ESG Indicators, or to provide feedback, please see [ESG and Alternative Assets](#).

About Preqin

Preqin is the Home of Alternatives™, the foremost provider of data, analytics and insights to the alternative assets community. From pioneering rigorous methods of data collection to developing a revolutionary platform, we have committed ourselves to furthering the understanding of alternatives for over 16 years. Through close partnership with our clients, we continuously build innovative tools and mine new intelligence to enable them to make the best decisions every day.

For more information, contact our dedicated press team at press@preqin.com or call (+44) 20 3207 0265.

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About SASB

The Sustainability Accounting Standards Board (SASB) is an Independent, non-profit standards-setting organization for ESG information. SASB connects businesses and investors on the financial impacts of sustainability. SASB's mission is to help businesses around the world identify, manage and report on the sustainability topics that matter most to their investors. SASB standards are developed based on extensive feedback from companies, investors, and other market participants as part of a transparent, publicly-documented process. SASB standards differ by industry, enabling investors and companies to compare performance from company to company within an industry.

For more Information, please visit <https://www.sasb.org/>