



Private Equity

Under the Schroders Capital brand, we offer a specialist global private equity strategy focusing on specialist segments, including small and medium buyouts, venture and growth.

Our commitment to ESG and responsible investment starts with its mission and guiding principle of 'Making investments that our investors can be proud of'.

The team was an early adopter of ESG principles in its investment practice and strives to stay at the forefront of responsible investing within the institutional private equity industry. Each investment is assessed for its ESG risks and opportunities. Each private equity firm, in which it makes a commitment, is examined for its adoption of responsible investing practices and ESG principles within the firm's overall operations and its investment process. Additionally, we carry out ongoing ESG monitoring throughout the life of an investment.

Our approach to responsible investing and sustainability combines engagement, positive selection, and exclusion:



Source: Schroders Capital.

Given the historical application of ESG principles to its investment process, investment exclusions due to ESG risk tends to be triggered early on in the assessment of an investment project. Through our due diligence and post-investment monitoring, we also actively encourage private equity managers and portfolio companies to pursue positive ESG practices through active engagement.

Schroders Capital's approach to responsible investing is directed by its ESG Committee, which is responsible for developing and implementing a firm-wide approach to responsible investing that is actively embraced across all functional roles. The ESG Committee meets no less than quarterly, reports to Schroders Capital Executive Management, and maintains close coordination with the Schroders Sustainability Team.

In addition, all investment professionals at Schroders Capital are required to complete the 'RI Essentials' course with the PRI Academy. Schroders Capital's approach to responsible investment is led and further advanced by the Responsible Investment Committee ('RI Committee').

CASE STUDY

In 2018, Schroders Capital (then known as Schroder Adveq) was offered the opportunity to co-invest alongside a private equity firm in a fast-growing cosmetics company. A key differentiating factor and growth driver for the target company is the company's effective use of social media and influencer marketing to grow the brand identity and attract customers.

Our due diligence included an extensive review of influencer marketing which led it to raise concerns on some aspects of how the target company approached marketing its products via social media. It subsequently engaged with the company to address those issues, leading to marketing messages being updated on materials and on its products.