

WHY DO PE FUND MANAGERS NEED TO CONSIDER ESG?

IT MATTERS TO INVESTORS.

- 56% of UK Investors have increased their allocations to ethical funds in last five years
- 81% of millennials want to know more about responsible investing
- Institutional investors, such as pension schemes, endowment funds and insurers are themselves increasingly subject to ESG-related requirements, driven by regulations or their own investors, a trend that is set to continue

IT MATTERS TO INVESTMENT RETURNS.

- ESG is now seen as a driver of better investment performance, helping to generate better investment returns in the long term than those achieved by conventional funds
- 37% of asset managers see ESG investing as means of decreasing investment risk
- Sustainable funds are seen by many to have performed better than conventional funds during the Covid-19 pandemic

...AND IT MATTERS TO THE REGULATORS.

- ESG is a key regulatory focus at a global, European and UK level with numerous rules and regulations finalised or in the pipeline
- Regulators are increasingly focussed on identifying and stamping out “green-washing”
- Detailed ESG-related disclosures and transparency requirements will apply to asset managers from March next year as part of rules introduced by the EU Disclosure Regulation and EU Taxonomy Regulation, including a number of rules applicable to all asset managers and financial products, regardless of whether they have an ESG focus or not
- There is an increased focus on integration of ESG considerations into asset manager’s governance and investment processes

WHAT ARE THE ESG ISSUES THAT PE FUND MANAGERS ARE FACING?

We are attuned to the many issues facing PE fund managers when it comes to ESG. Some of these may be driven by regulations, some by investors’ demands and some by the wider geo-political environment. None of them is easy but we can help you master them.



WHAT ADDLESHAW GODDARD CAN DO FOR YOU

We work across teams to advise asset managers, be it to maximise ESG-driven opportunities or mitigate risks.

Some examples of how we can support you:

PRODUCT DESIGN & DOCUMENT DISCLOSURE

- Advising on the launch of ESG focussed investment products
- Drafting ESG regulation compliance product terms, including fund document disclosures and side letters, and aligning existing terms with new regulatory requirements
- Analysing of existing product terms, helping identify the impact of forthcoming disclosure obligations
- Advising on stewardship disclosures

STRATEGY AND POLICY DEVELOPMENT

- Assisting in the development of your Enterprise Risk Management Framework
- Drafting ESG policies, codes of conduct
- Advice on, and execute, ESG project implementation plans
- Advising on the integration of ESG considerations into business and client engagement processes
- C-Suite advice on governance issues and senior management training

INVESTMENT DUE DILIGENCE

- Conducting regulatory, compliance and commercial due diligence processes, identifying ESG risks and issues at all levels in the transaction chain
- Advising on the full spectrum of environmental risk and liability issues

REPORTING AND DATA

- Data scoping exercises and advising on the development of reporting templates
- Negotiating commercial contracts with data suppliers

HORIZON SCANNING AND TRAINING

- Keeping you up to date on the latest ESG legal developments
- Designing and running bespoke training for business, legal and compliance teams

DISPUTES RESOLUTION AND REPUTATION PROTECTION

- Assisting clients with crisis response and reputation protection in cases of alleged ESG contraventions
- Drafting appropriate dispute resolution mechanisms into transaction documents to resolve ESG related grievances and represent clients before courts in contentious proceedings

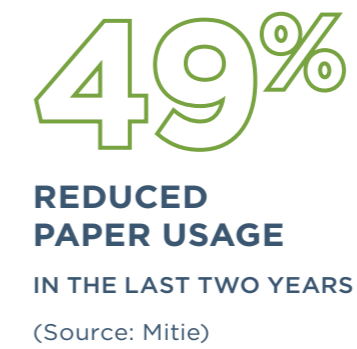
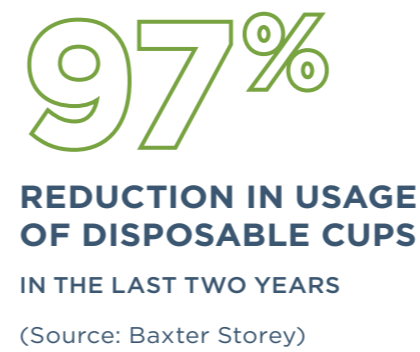
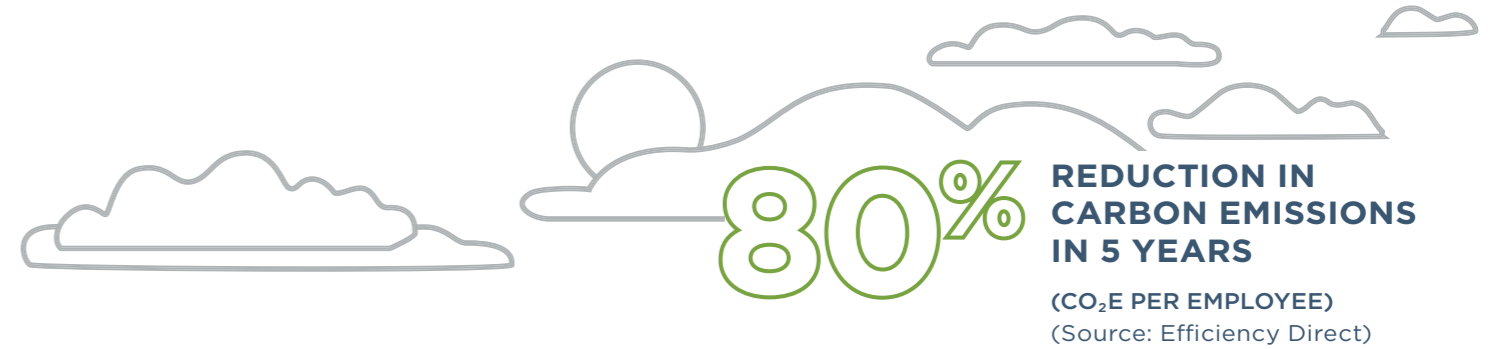
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[AG] HAVE SHOWN THEMSELVES TO BE DEDICATED, EXTREMELY RESPONSIVE, TECHNICALLY AND COMMERCIALY ASTUTE. [THEIR] TRANSACTIONAL MANAGEMENT SKILLS OF A VARIETY OF WORK STREAMS WERE INSTRUMENTAL IN GETTING THE MATTER COMPLETED, NOT TO MENTION MAKING THE LIFE OF IN-HOUSE COUNSEL SUBSTANTIALLY EASIER.

General counsel/institutional fund manager

PUTTING ESG INTO PRACTICE AT AG

SUCCESSSES TO DATE 'AT A GLANCE'



ISO 14001

ACHIEVED FOR FIRM'S ENVIRONMENTAL MANAGEMENT SYSTEM



FOUNDING SIGNATORY TO THE LAW SOCIETY'S DIVERSITY & INCLUSION CHARTER



FOUNDING MEMBER OF NOTICED*

CO-FOUNDER OF THE MINDFUL BUSINESS CHARTER



ACTIVE MEMBER AND SUPPORTERS OF 7 OTHER ALLIANCES AND INITIATIVES PROMOTING & SUPPORTING INCLUSION

*An inter-firm diversity network, raising awareness about issues faced by BAME in accessing the legal profession

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