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### **Environmental Defense Fund Launches New ESG Management Tool for Private Equity**

*Comprehensive new framework provides a roadmap for assessing and improving environmental, social, and governance performance*

**NEW YORK (Dec. 11, 2012)** – In response to growing interest in environmental, social and governance (ESG) issues among leading private equity firms and institutional investors, [Environmental Defense Fund](#) (EDF), a leading national nonprofit organization, today announced the release of a comprehensive, new ESG Management Tool for the private equity industry. Created in collaboration with [Irbaris](#), the Tool defines for the first time the practices necessary to build a successful ESG management program and a framework to assess, analyze and improve ESG management at private equity firms of all sizes.

“EDF has been a value-added partner for Carlyle in the development of our ESG practices,” said Bryan Corbett, Principal at The Carlyle Group. “As the private equity industry’s interest in ESG issues continues to grow, there’s a clear market need for leadership and resources from EDF and others to help convert this growing interest into sound strategies for implementation and results.”

Free to [download](#), users of the Tool will evaluate and enhance performance across 22 best practice areas, including commitment and leadership from the top, access to ESG resources and expertise, integration of ESG management into the investment process and portfolio company operations, and measuring and reporting results.

“Leading private equity firms have already begun to capitalize on ESG opportunities and expectations are growing for the rest of the industry” said Tom Murray, managing director with EDF’s Corporate Partnerships Program. “This active management tool will not only help firms assess current performance, but also develop plans to better integrate ESG management and create measurable environmental, social and financial results.”

The Tool reflects the leading thinking in the industry and was informed by:

- EDF’s experience partnering with prominent private equity firms including Kohlberg Kravis Roberts & Co. (KKR), The Carlyle Group (Carlyle) and Oak Hill Capital Partners. These partnerships combined have impacted over 30 portfolio companies and resulted in approximately \$370 million dollars of operating cost savings or revenue growth as well as 820,000 metric tons of avoided CO2 emissions.

- Research and publications by the British Venture Capital Association, BSR, Doughty Hanson, Irbaris, Malk Sustainability Partners, PwC, Private Equity International, the United Nations Principles for Responsible Investment, and World Wildlife Fund.
- Detailed peer review and feedback from a broad range of stakeholders, including Actis, Blackstone, Bloomberg, BSR, Carlyle, Doughty Hanson, Harvard Management Company, KKR, Oak Hill Capital Partners, PwC US, TPG, and four other leading global LPs.

“Reviewing the Tool helped expand our thinking about ESG management and best practices” said J. Taylor Crandall, Managing Partner of Oak Hill Capital Partners. “EDF’s new Tool provides clear and helpful guidance on the building blocks necessary for a successful ESG program.”

Going forward, EDF will work with [BSR](#) and other industry partners to broadly disseminate this resource across the industry with the goal of making measuring and managing environmental, social and governance performance a standard practice for value creation across the private equity sector.

“The private equity sector is giving more and more consideration to ESG issues in the context of their business decisions” said Jane Mendillo, CEO of Harvard Management Company. “If investment performance can be enhanced by good ESG management the entire sector stands to benefit.”

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### **About Environmental Defense Fund**

[Environmental Defense Fund](#), a leading national nonprofit organization, creates transformational solutions to the most serious environmental problems. EDF links science, economics, law and innovative private-sector partnerships. For more information, visit [edfbusiness.org](#). Read EDF’s blog at [blogs.edf.org/business](#). Follow EDF on Twitter: [twitter.com/EDFbiz](#).

### **About Irbaris**

[Irbaris](#) is a specialist advisory business that brings together a highly experienced, multi-disciplinary team of business advisers with deep international expertise in carbon, climate change and wider sustainability issues, as well as clean technologies.

### **About BSR**

[BSR](#) works with its global network of nearly 300 member companies to build a just and sustainable world. From its offices in Asia, Europe, and North and South America, BSR develops sustainable business strategies and solutions through consulting, research, and cross-sector collaboration.