



# ESG ACCORD

Your compliance, ESG & Sustainability, in accord

## TAX EFFICIENT VEHICLES

### DEEP-DIVE industry report

**For advice firms, Tax Efficient Vehicle providers and broader industry participants**

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# Sponsors:

We are enormously grateful to the report Sponsors for sharing our ethos for transparency and making this report possible.

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# Foreword:



**Christiana Stewart-Lockhart**

**Director General  
Enterprise Investment Scheme  
Association (EISA)**

I'm delighted to introduce this report and I welcome the important work that ESG Accord is doing.

Entrepreneurs are central to our economy and innovation is the key to our future. We have a thriving investment ecosystem providing crucial funds to allow entrepreneurs to scale and grow exciting businesses all across the UK. These start-ups are driving innovation across a huge range of sectors from life sciences and agri tech to fin tech and climate tech, and many will go on to genuinely change the world we live in.

Investment is the lifeblood for these start-ups and none of this important work would be possible without the investors who fuel so many of these exciting young businesses through the EIS and the SEIS. There is a huge amount of choice available when it comes to investing and a key priority for EISA is to simplify and clarify the information in a way that is beneficial to investors and consumers. Clearer, better information is crucial to maintaining trust and ensuring that consumers are able to make informed choices based on their unique circumstances and specific preferences. As an industry, we must offer choices that are communicated clearly and effectively.

It has been heartening to see the growing interest that consumers are taking in where their money is going, particularly amongst different generations. Many consumers want to make sure their money is being invested to do good in the world and are taking an active interest in the start-ups that are able to grow thanks to their investment. It is wonderful to see this focus and telling the stories of the investee companies is a key focus for the EISA.

In order to deliver on this, it is important that wealth managers and those advising consumers are given the tools to understand the difference choices in the market in a way that allows them to best serve the priorities of their clients. A significant proportion of consumers want to include some element of ESG and impact investing in their portfolio and clear information is crucial to ensure that advisors are able to act in the best interests of their clients.

I welcome this report and the important work that ESG Accord is doing in providing the tools to ensure that advisors and consumers are able to make informed choices and to ensure their preference and priorities are met. Clarity on what their money is being invested in and how it is making a difference is hugely important for transparency and trust within the EIS and SEIS ecosystem and I congratulate ESG Accord on their Deep Dive into this space.

***christiana@eisa.org.uk***



# Executive Summary:

## December 2022

Over the last two years we have been building and refining what we believe to be one of the most important developments to support advisers in the ESG and Sustainable Financial space – our Full Spectrum Compliance Framework and corresponding Deep Dive Industry Reports.

The investment world has shifted into a new phase with ESG & Sustainability being pushed to the forefront and the shift towards a low carbon economy. Within Financial Services, this 'new phase' is being accelerated by the regulatory advances of the [Sustainability Disclosure Requirements \(SDR\)](#) and [investment labels](#) and the new [Consumer Duty](#). These important new rules mean that advisers and providers alike are facing increasing demands for transparency and trust.

### In-scope

The proposals within the [FCA Consultation Paper: Sustainability Disclosure Requirements \(SDR\) and investment labels \(CP22/20\)](#), bring Alternative Investment Fund Managers and Alternative Investment Funds in scope.

Providers will need to decide whether they wish to apply for a Sustainable Label for their in scope funds. Funds must meet certain qualifying criteria and disclosure requirements to be eligible for a Sustainable Label. All funds will have to meet anti-greenwashing and naming and marketing rules.

Consumers and their advisers are increasingly [demanding financial products that take sustainability or ESG factors into consideration](#). The interaction of the Sustainable Label regime, anti-greenwashing rules and Consumer Duty will improve the level of trust within financial services and the Government hopes to increase the flow of much-needed capital to investments that drive positive change.

### A compliance matter

By adopting a robust full spectrum compliance process, advisers gain the confidence to discuss their clients' investment objectives and preferences. Understanding ESG & Sustainability as part of the full spectrum of capital is core to advisers meeting their obligations under existing rules, as well as meeting Consumer Duty obligations. To do this and to deliver suitable advice to their clients, advisers require the right tools for the new and evolving investment and regulatory landscape.

At ESG Accord, we believe investment preferences and objectives span across the full spectrum of capital. And we believe that investment preferences and objectives must be identified as part of the advice process for all. Assessing a client's investment preferences and objectives sits alongside Fact Finding and Attitude to Risk. The FCA has confirmed that this is implicitly part of knowing your client and suitability obligations - see [FCA \(Foreword for ESG Accord MPS Report\)](#).





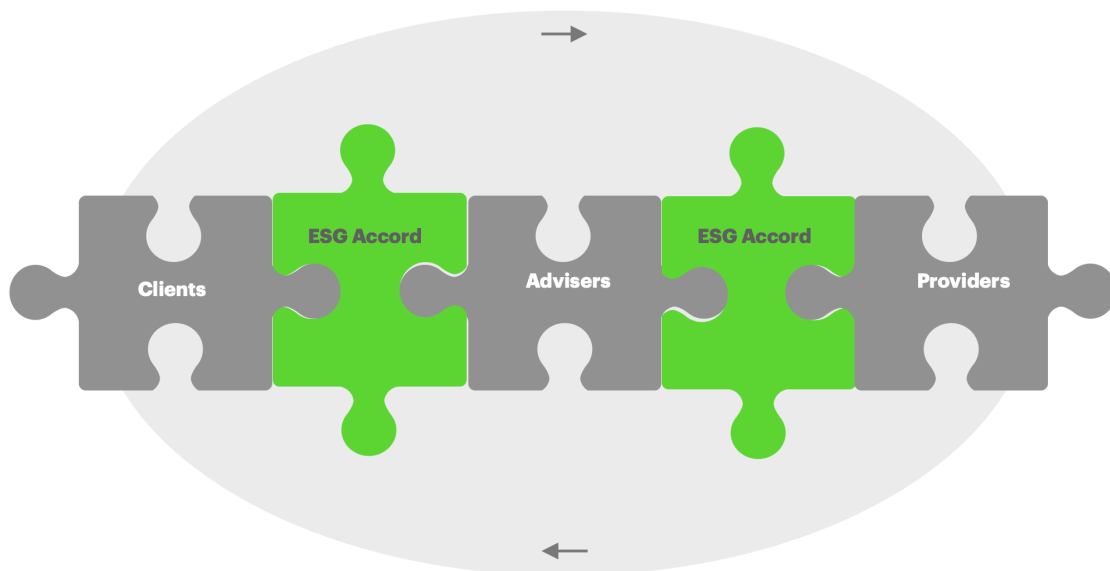
## **Our solution: ESG Accord Tax Efficient Vehicles Deep Dive Industry Report & Database**

Our Tax Efficient Vehicles Deep Dive Report provides a single resource for advisers seeking to understand how providers build ESG and Sustainability factors into their investment process. We asked Tax Efficient Vehicles providers a very broad range of questions about their processes, drawing out information on how far ESG and Sustainability is built into their investee company due diligence, ongoing management, exit planning and valuation processes.

Given that most funds who are looking to invest in companies when they exit the Tax Efficient Vehicles space will themselves have ESG and Sustainability reporting requirements, providers that have managed investee company growth and have good ESG/Sustainable data/reporting mechanisms are likely to achieve better exit values than those that have done nothing!

We believe advisers, on behalf of their clients, will increasingly expect these risks to be managed by fund providers. This isn't about everyone going "green", although many Tax Efficient Vehicles provide excellent opportunities for directing the flow of capital towards innovation, technology and development for the low carbon economy and biodiversity etc. It is about understanding and managing risk. Essential elements of the due diligence and advice process!

Advisers need quality and comparable data to give best practice advice and retain clients. By using our Deep Dive Report and database, advisers will be able to focus on the needs of their clients, matching the most appropriate Tax Efficient Vehicle to each client's investment preferences and objectives.



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## Who is the report for?

The report contains valuable, comparable and timesaving information for UK Financial Advisers and Para-planners. Due to the 'deep dive' approach to our questions and data gathering, the report is also of high relevance to Tax Efficient Vehicles providers and other broader industry participants.

## What is in the report?

A purposefully designed Due Diligence Questionnaire (DDQ) forms the basis of the Report and database. The outcome of the DDQ is an independent 'deep dive' into firms and funds that offer and/or integrate ESG, Climate or Sustainability into their business processes. ESG Accord does not rate the firm or funds. We aim only to ask the right specialist questions to deliver transparent and accurate information to the adviser and client.

The DDQ is split into sections (searchable via the adviser facing report database) with a total of 85 deep dive questions:

- Core (56 questions). These questions cover objectives, policy, characteristics etc. We also break down the stages of investment to draw out as much information as possible (pre-investment, ongoing management, exit and valuation considerations)
- Environmental (5 questions). Questions covering Environmental aspects
- Social (5 questions). Questions covering Social aspects
- Governance (5 questions). Questions covering Governance aspects
- Sustainability (4 questions). Questions covering Sustainability focus and themes

- Impact & SDGs (6 questions). Questions covering specific Impact & SDG criteria
- Talking points (4 questions). These questions give providers a chance to tell the adviser/investor more about their philosophy and operations, plus a final catchall message for anything they are keen to share that was not covered in the main DDQ

We did not impose a limit on the information that could be provided. We believe that ESG and Sustainable finance isn't a tick-box exercise; it is all about intentionality, process and competence. Our due diligence questions give providers the opportunity to speak directly to advisers, and their clients, about how and why they do what they do.

- A full list of all the Tax Efficient Vehicle covered by the Report can be found in Appendix 2.

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# About ESG Accord:



## **Lee Coates OBE**

Co-Founder & Director

- 31 years as an IFA in his own firm, Ethical Investors, exclusively advising on ethical and responsible investment
- Lee co-founded Ethical Screening in 1998 which is an Ethical research company, whose clients are charities, HNWs, DFMs and FMs
- In 2010 Lee launched Australia's first vegan superannuation fund - Cruelty Free Super
- And in 2011 Lee was awarded his OBE for 'services to ethical business and finance'



## **Elly Dowding**

Co-Founder & Director

- Professional Adviser 2022 Women in Financial Advice, Woman of the Year - ESG
- Elly holds the CFA Certificate in ESG Investing and the CFA Certificate in Climate and Investing



- Prior to ESG Accord, Elly was an independent compliance consultant and Pension Transfer Specialist on post-sale Defined Benefit file reviews and other file reviews
- Elly has S.166 experience for Tax & Trust planning, offshore bonds, investments and pension income
- Elly has held numerous roles with L&G including Wealth Development Manager (City, key national accounts), Sales Manager (team of Pensions & Investment BDMs)



At ESG Accord, we believe ESG & Sustainability is a best practice and suitability imperative. 'Good' compliance can give advisers (and the market) peace of mind via independent, repeatable & granular processes.

Our compliance framework is designed to help advisers handle full spectrum of capital investment preferences and objectives in a standardised and repeatable way in line with PROD, COBS and the Consumer Duty requirements and the forthcoming [Sustainability Disclosure Requirements \(SDR\)](#) and investment labels requirements\*.

\*ESG Accord is a member of the [Disclosures and Labels Advisory Group](#) which was set up by the FCA & observed by HM Treasury to inform on the incoming labels regime and SDR

In addition to our compliance framework, ESG Accord also provides specialist full spectrum compliance consultancy, proposition development and training services suitable for Advice Firms, Networks, Nationals and Family Offices, Fund Groups, DFMs, VCTs and EIS.

We also provide free to access independent deep-dive ESG & Sustainable industry reports:

- MPS Report/Database **NOW LIVE**, registration required, Executive Summary & Foreword by FCA
- Tax Efficient Vehicles Report/Database - **Q4 2022**
- MultiManager & MultiAsset Funds Report/Database - TBC Q2 2023

### **Click:**

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- [Email Lee Coates OBE](#)
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# Appendix 1:

## Q&A

### **How do you define the full spectrum of capital for investment preferences and objectives and how is this relevant to Tax Efficient Vehicles?**

At ESG Accord we define the full spectrum of capital for clients' investment preferences and objectives as follows;

- Targeted or Traditional investing
- Financial Risks and Returns (may include Environmental, Social and Governance factors)
- Sustainability objective: Improvers
- Sustainability objective: Focus
- Sustainability objective: Impact (including Sustainable Development Goals)
- Applying beliefs and values: Ethical Investment
- Applying beliefs and values: Philanthropy

This spectrum incorporates the proposed sustainable labels. **Alternative Investment Fund Managers and Alternative Investment Funds are in-scope within the proposals within the [FCA Consultation Paper: Sustainability Disclosure Requirements \(SDR\) and investment labels \(CP22/20\)](#).**

We believe advisers, on behalf of their clients, will increasingly expect disclosures and clear objectives to be displayed when selecting providers. This isn't about everyone going "green" (although many Tax Efficient Vehicles provide excellent opportunities for directing the flow of capital towards innovation, technology and development for the low carbon economy and biodiversity etc), it is about understanding and managing risk which includes Climate, Environmental, Social, Governance and Sustainability factors. All can be considered essential elements of financial objectives!

### **How do I ascertain if a Tax Efficient Vehicle has Sustainable objectives or applies ESG for risk and return only?**

The Core questions cover entity/provider level information. The Environmental Factors, Social Factors, Governance Factors, Sustainable and Impact & SDGs headings cover fund level/investee company information. This approach recognises that a provider may incorporate, for example, targets and risk analysis for climate but they do not have a specified/promoted ESG or Sustainable fund/vehicle.

The answers received from the completed DDQs are shown in our online database. This forms the searchable database for advice firms. The different sections of the DDQ map across to filters within the database, allowing advisers to match client preferences and objectives to provider and fund outcomes. Please see Appendix 3 for the full Due Diligence Question Set

### **Did ESG Accord limit the breadth of the Report?**

No. We reached out to over 100 Tax Efficient Vehicle providers in total. In our request to the providers we included details of what we hoped to achieve for the industry with the Report, as well as details regarding the incoming SDR and Labels. We will contact the outstanding providers again and welcome them to submit DDQs



### Why is the Report only available on-line?

Size! With over 85 due diligence questions and completely free format, unlimited size answers, any PDF-based report would be completely unwieldy. Only an online, searchable database would do the job.

### How will the report information be kept up to date?

There are two aspects to this question:

1) The Report will be fully updated once a year, which will give existing entrants the opportunity to update their entries and give new entrants the chance to be involved. We make no charge for Tax Efficient Vehicle providers to be included in the Report (thanks to our sponsors) so the only barrier to be included is the time needed to complete our Due Diligence questionnaire and send it back

2) We have a regular Newsletter which provides useful and insightful information on what is happening in the world of Sustainable Finance. In each Newsletter we have a section called the *TEV Report Hub*. Any Tax Efficient Vehicle (TEV) provider involved with the Report is offered the opportunity to send in links and updates for the newsletter

### I'd like to recommend a Tax Efficient Vehicle and I plan to use the ESG Accord Tax Efficient Vehicles database to find a suitable product. What questions do I need to ask my clients?

This could be a 'how long is a piece of string' question Thankfully we have a simple solution:

The ESG Accord **Compliance Framework** provides advisers with a comprehensive suite of documentation. This includes website statements, Terms of Business updates, a Triage process for the full spectrum of capital investment preferences and objectives, 'Informed Client' education materials preference questionnaires and due diligence question sets. The full framework is currently priced at a very competitive **£450 p/a which includes a Gap Analysis on your current processes.**

### I've heard that ESG Accord is developing a new site for Advisers?

#### COMING SOON:

## ACCORD INITIATIVE

●●●● supporting financial advisers with sustainable compliance solutions

We are excited to share that, with the support of a broad range of industry Partners, we are building a highly comprehensive UK adviser support, training and compliance focused website for ESG and Sustainable Finance. The website is called the Accord Initiative and we plan to launch early 2023. At that time, **UK Advisers will be able to access our Compliance Framework on a free to access basis.**

#### Further questions?

That's easy – drop us an email at [admin@esgaccord.co.uk](mailto:admin@esgaccord.co.uk)

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## Appendix 2:

### List of Tax Efficient Vehicle Providers covered by the Report (many Providers have multiple product entries)

| Tax Efficient Vehicle Provider                |         |
|---|---------|
| Blackfinch Investments Ltd                    | Sponsor |
| BritBots                                      | Sponsor |
| Calculus Capital Limited                      | Sponsor |
| Committed Capital Financial Services Ltd      | Sponsor |
| Haatch  | Sponsor |
| Regenerate Ventures                           | Sponsor |
| Stellar Asset Management                      | Sponsor |
| Vala Capital Ltd                              | Sponsor |
| Amati Global Investors                        |         |
| Beyond Impact Advisors Sàrl ("Beyond Impact") |         |
| Jenson Funding Partners LLP                   |         |
| Par Equity                                    |         |
| Park Walk Advisors                            |         |
| Sarasin                                       |         |
| Station 12                                    |         |
| Thorntons Investments                         |         |

We reached out to over 100 Tax Efficient Vehicle providers in total. In our request to the providers we included details of what we hoped to achieve for the industry with the Report, as well as details regarding the incoming SDR and Labels. We will contact the outstanding providers again and welcome them to submit DDQs. We would like to confirm that we made no charge for any fund provider to be included in our Report.

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# Appendix 3:

## Full Due Diligence Question Set (including abridged questions displayed in database)

| Heading                | Sub Heading            | No.  | Question  | Abridged question displayed in database                                 |
|------------------------|------------------------|------|---|---|
| Name & Contact Details | Name & Contact Details |      | Company name  | Company name  |
| Name & Contact Details | Name & Contact Details |      | Name of Person completing DDQ Form  | Name of Person completing DDQ Form                                      |
| Name & Contact Details | Name & Contact Details |      | Contact / enquiries to  | Contact / enquiries to  |
| Name & Contact Details | Name & Contact Details |      | Contact email   | Contact email   |
| Name & Contact Details | Name & Contact Details |      | Contact phone   | Contact phone   |
| Core Questions         | Core                   | 1.0  | Name of product   | Name of product   |
| Core Questions         | Core                   | 1.1  | Type (VCT/EIS/SEIS/SITR/BPR)  | Type  |
| Core Questions         | Core                   | 1.2  | Do you define ESG, Climate and Sustainable Investing & what is your process? Please describe                                    | How you define ESG, Climate and Sustainable Investing, define process   |
| Core Questions         | Core                   | 1.3  | Please describe your Investment Objective & Policy  | Investment Objective & Policy   |
| Core Questions         | Core                   | 1.4  | Please specify any E, S or G characteristics/themes?  | E, S or G characteristics or themes                                     |
| Core Questions         | Core                   | 1.5  | Please describe your investment strategy and investible universe. Are there any investment limits and/or thresholds?            | Investment strategy & investable universe (limits, thresholds)          |
| Core Questions         | Core                   | 1.6  | Basis for fund weighting: how does the weighting reflect the focus of fund and the purpose of holding?                          | Fund weighting  |
| Core Questions         | Core                   | 1.7  | Are there any stated Non-financial objectives and impacts? If yes, how are they relevant and how are they disclosed & measured? | Non-financial objectives & impacts (relevance, measurement, disclosure) |
| Core Questions         | Core                   | 1.8  | Do you exert influence as an equity investor, manager and at board level for ESG / Climate / Sustainability? Please describe    | Exerting influence as equity investor                                   |
| Core Questions         | Core                   | 1.9  | Does the mandate include ESG / Climate / Sustainability?  | ESG / Climate / Sustainability in mandate                               |
| Core Questions         | Core                   | 1.10 | Please provide information, as GP/FM on your track record and capabilities regarding ESG / Climate / Sustainability             | GP/FM track record and information                                      |

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|                |                    |      |   |  |
|----------------|--------------------|------|---|--|
| Core Questions | Core               | 1.11 | Within your business who is responsible for climate change or environmental measurement, management and reporting? For example dedicated Resources / Capability / Specialism / ESG committee / LP expert group                    | Responsibility for ESG / Climate / Sustainability in firm                                  |
| Core Questions | Core               | 1.12 | Where ESG / Climate / Sustainability is part of the investment process and/or value opportunity - which metrics are used and why?   | Metrics used for ESG / Climate / Sustainability  |
| Core Questions | Core               | 1.13 | Are you TCFD aligned for reporting?   | TCFD aligned reporting   |
| Core Questions | Core               | 1.14 | Do you use an ESG accounting framework? Please describe   | ESG accounting framework   |
| Core Questions | Core               | 1.15 | Do you use monitoring or reporting software for ESG reporting? If yes, how do you ensure quality of data?   | Monitoring software for reporting  |
| Core Questions | Core               | 1.16 | Are any claims around the pursuit of ESG / Climate / Sustainability characteristics, themes or outcomes, appropriately reflected in the objective and investment policy? Please describe  | ESG / Climate / Sustainability claims reflected in objectives & policy                     |
| Core Questions | Core               | 1.17 | Are you a signatory of the initiative Climat International (iC International)?  | Signatory of iC International  |
| Core Questions | Core               | 1.18 | Do you have a Net Zero pledge?  | Net Zero pledge  |
| Core Questions | Core               | 1.19 | Do you use Science Based targets?   | Science based targets  |
| Core Questions | Core               | 1.20 | Do you set targets to reduce emissions on future investments?   | Targets to reduce emissions on future investments  |
| Core Questions | Core               | 1.21 | What information is available to retail investors to help them make Investment decisions alongside their financial adviser?   | Information to retail investments  |
| Core Questions | Core               | 1.22 | Do you have a dedicated ESG / Climate / Sustainability Finance section on your web site? Please provide link  | ESG / Climate / Sustainability on website  |
| Core Questions | Core               | 1.23 | Platform availability   | Platform availability  |
| Core Questions | Core               | 1.24 | Investment limits / levels  | Investment limits / levels   |
| Core Questions | Core               | 1.25 | Fees & Charges  | Fees & Charges   |
| Core Questions | Core               | 1.26 | Adviser research: Please list 3rd party(ies) you work with  | Adviser research   |
| Core Questions | Pre-Investment     | 2.0  | Is ESG / Climate / Sustainability considered in the pre-investment due diligence?   | ESG / Climate / Sustainability considered in due diligence?                                |
| Core Questions | Pre-Investment     | 2.1  | Do you have any ESG / Climate / Sustainability expectations, filters or engagement with companies pre-investment on ESG / Climate / Sustainability - how these are integrated   | ESG / Climate / Sustainability filters or engagement with companies                        |
| Core Questions | Pre-Investment     | 2.2  | Do you have objectives and targets to support the company reducing the level of carbon emissions it emits?  | Objectives and targets to support reducing carbon emissions                                |
| Core Questions | Pre-Investment     | 2.3  | Do you apply a materiality assessment to take account of sector, company size, location, regulatory environment? Is this an industry led assessment or tailor made to for your investment philosophy? Please describe and explain | Materiality assessments  |
| Core Questions | Pre-Investment     | 2.4  | Is ESG / Climate / Sustainability included in your Private Placement Memorandum or Prospectus?  | ESG / Climate / Sustainability included in your Private Placement Memorandum or Prospectus |
| Core Questions | Ongoing Management | 3.0  | Is ESG / Climate / Sustainability considered in the ongoing management (including existing assets)  | ESG / Climate / Sustainability considered in ongoing management                            |

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|                |                          |      |  |   |
|----------------|--------------------------|------|--|---|
| Core Questions | Ongoing Management       | 3.1  | Please describe your active management style   | Active management style   |
| Core Questions | Ongoing Management       | 3.2  | Please describe your oversight / board / specialism in relation to ESG / Climate / Sustainability  | Oversight / board / specialism in relation to ESG / Climate / Sustainability                        |
| Core Questions | Ongoing Management       | 3.3  | Do you have KPIs in place for ESG / Climate / Sustainability? Please describe  | KPIs for ESG / Climate / Sustainability   |
| Core Questions | Ongoing Management       | 3.4  | How are these KPIs carried over from pre-investment due diligence and any materiality assessment?  | KPI transition from pre-investment due diligence  |
| Core Questions | Ongoing Management       | 3.5  | How do you identify and adapt or mitigate transition risks (such as locked in assets exposed to short term risks). Please explain  | Identify & adapt or mitigate transition risks   |
| Core Questions | Ongoing Management       | 3.6  | How do you identify and adapt or mitigate physical risks (such as locked in assets exposed to medium term risks). Please explain   | Identify & adapt or mitigate physical risks   |
| Core Questions | Ongoing Management       | 3.7  | How do you translate your ESG / Climate / Sustainability risk assessment into relevant and concrete action plans and company engagement?   | ESG / Climate / Sustainability risk assessment into relevant and concrete action plans & engagement |
| Core Questions | Ongoing Management       | 3.8  | Legacy / existing assets. How are these reviewed in light of ESG / Climate / Sustainability?   | Legacy / existing asset   |
| Core Questions | Ongoing Management       | 3.9  | Controversial holdings. Please disclose with reasoning and any transition plans  | Controversial holdings  |
| Core Questions | Ongoing Management       | 3.10 | Do you have ESG / Climate / Sustainability action plans (to pick up the pre-investment due diligence issues)? Are these plans embedded into shareholder or subscription documents?                             | ESG / Climate / Sustainability action plans   |
| Core Questions | Ongoing Management       | 3.11 | How do you communicate KPI portfolio alignment to LPs/ investors?  | Communicate KPI portfolio alignment to LPs/ investors   |
| Core Questions | Exit                     | 4.0  | Is ESG / Climate / Sustainability considered in the exit due diligence?  | ESG / Climate / Sustainability considered in exit due diligence                                     |
| Core Questions | Exit                     | 4.1  | Do you review any material factors to ensure potential issues are dealt with pre- exit? Please explain   | Material factors reviewed pre-exit  |
| Core Questions | Exit                     | 4.2  | IPO due diligence. Do you include summary of risks, impacts, opportunities, management measures and improvements in the offering memorandum (including evidence of improvements, value-add etc)? Please detail | IPO due diligence   |
| Core Questions | Exit                     | 4.3  | Private sell. Do you include company management and performance on ESG / Climate / Sustainability for the offering document (including evidence of improvements, value-add etc)? Please detail                 | Private sell  |
| Core Questions | Exit                     | 4.4  | Does your financial model take account of ESG aspects? Please describe   | Financial model takes account of ESG aspects  |
| Core Questions | Valuation Considerations | 5.0  | Is ESG / Climate / Sustainability considered considered for valuation purposes?  | ESG / Climate / Sustainability considered considered for valuation purposes                         |
| Core Questions | Valuation Considerations | 5.1  | Do you consider stranded asset risk due to regulatory change/license to operate/high CapEx liabilities to reposition business? Please explain  | Stranded asset risk due to regulatory change/ license   |
| Core Questions | Valuation Considerations | 5.2  | Do you consider projected revenue growth from new sustainable assets?  | Projected revenue growth from new sustainable assets  |

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| Core Questions        | Valuation Considerations                     | 5.3 | Do you consider projected cost savings from energy efficiency/ reduced consumption etc?               | Projected cost savings from energy efficiency/ reduced consumption     |
| Core Questions        | Valuation Considerations                     | 5.4 | Do you consider increased costs, eg from climate related risks?                                       | Increased costs from climate related risks                             |
| Core Questions        | Valuation Considerations                     | 5.5 | Do you consider operational or supply chain risk due to transition or physical impacts?               | Operational or supply chain risk due to transition or physical impacts |
| Core Questions        | Valuation Considerations                     | 5.6 | Do you consider competition/market threats for ESG / Climate / Sustainability?                        | Competition/market threats for ESG / Climate / Sustainability          |
| Core Questions        | Valuation Considerations                     | 5.7 | Do you consider regulatory risks for ESG / Climate / Sustainability?                                  | Regulatory risks for ESG / Climate / Sustainability?                   |
| Environmental Factors | Looking at the companies in which you invest | 6   | Do you consider Environmental factors? Please include which materiality assessment/s you use and why  | Environmental factors considered                                       |
| Environmental Factors | Looking at the companies in which you invest | 6.1 | Are there any positive Environmental aspects of these companies that you would like to highlight?     | Highlight any positive Environmental aspects of companies              |
| Environmental Factors | Looking at the companies in which you invest | 6.2 | Which E risks do you consider? Please describe  | E risks considered   |
| Environmental Factors | Looking at the companies in which you invest | 6.3 | Which E opportunities do you consider? Please describe  | E opportunities considered   |
| Environmental Factors | Looking at the companies in which you invest | 6.4 | Do you apply E factors into scenario planning, risk assessments & financial modelling? Please explain | E factors applied into scenario planning                               |
| Social Factors        | Looking at the companies in which you invest | 7   | Do you consider Social factors? Please include which materiality assessment/s you use and why         | Social factors considered  |
| Social Factors        | Looking at the companies in which you invest | 7.1 | Are there any positive Social aspects of these companies that you would like to highlight?            | Highlight any positive Social aspects of companies                     |
| Social Factors        | Looking at the companies in which you invest | 7.2 | Which S risks do you consider? Please describe  | S risks considered   |

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| Social Factors     | Looking at the companies in which you invest | 7.3 | Which S opportunities do you consider? Please describe   | S opportunities considered                           |
| Social Factors     | Looking at the companies in which you invest | 7.4 | Do you apply S factors into scenario planning, risk assessments & financial modelling? Please explain      | S factors applied into scenario planning             |
| Governance Factors | Looking at the companies in which you invest | 8   | Do you consider Governance factors? Please include which materiality assessment/s you use and why          | Governance factors considered                        |
| Governance Factors | Looking at the companies in which you invest | 8.1 | How do you determine and identify G factors? Please include which materiality assessment/s you use and why | Identifying and determine G factors                  |
| Governance Factors | Looking at the companies in which you invest | 8.2 | Which G risks do you consider? Please describe   | G risks considered                                   |
| Governance Factors | Looking at the companies in which you invest | 8.3 | Which G opportunities do you consider? Please describe   | G opportunities considered                           |
| Governance Factors | Looking at the companies in which you invest | 8.4 | Do you apply G factors into scenario planning, risk assessments & financial modelling? Please explain      | G factors applied into scenario planning             |
| Sustainability     | Looking at the companies in which you invest | 9   | Do you have any Sustainability focus in selecting investee companies?                                      | Sustainability focus in selecting investee companies |
| Sustainability     | Looking at the companies in which you invest | 9.1 | How do you determine and identify the Sustainability focus? Please detail which metrics and why            | Identifying and determine Sustainability factors     |
| Sustainability     | Looking at the companies in which you invest | 9.2 | What is your Sustainability focus / theme?   | Sustainability focus / theme                         |
| Sustainability     | Looking at the companies in which you invest | 9.3 | What is your strategy for delivering your Sustainability focus / theme?                                    | Strategy Sustainability focus / theme                |
| Sustainability     | Looking at the companies in which you invest | 9.4 | How do you report progress towards the Sustainability focus?   | Reporting method towards sustainability focus        |

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| Impact & SDGs  | Looking at the companies in which you invest | 10   | Do you use the UN SDGs as part of your process?  | UN SDGs used in process  |
| Impact & SDGs  | Looking at the companies in which you invest | 10.1 | Which SDGs? Broad E, S or G themed or specific targeted SDGs   | Using SDGs. Broad E, S or G themed or specific targeted SDGs                     |
| Impact & SDGs  | Looking at the companies in which you invest | 10.2 | Where using the UN's SDGs, are these applied/assessed after investment process and stock selection?  | Using SDGs, applied/assessed after investment process and stock selection        |
| Impact & SDGs  | Looking at the companies in which you invest | 10.3 | Can any of your investments/investee companies be described as being 'Impact Investments'? *   | Investments/invested companies described as being 'Impact Investments'           |
| Impact & SDGs  | Looking at the companies in which you invest | 10.4 | If Yes, please describe your offering here, including the area/s of Impact   | Describe Impact Investments  |
| Impact & SDGs  | Looking at the companies in which you invest | 10.5 | For Impact Investments, how is the financial return quantified in relation to the Impact Goals?  | Financial return quantified in relation to Impact Goals?                         |
| Talking Points | Talking Points                               | 11   | Tell us more about your philosophy, strategy and any other positive areas of your operations you'd like to communicate to advisers and their clients.  | Communicate philosophy, strategy and any other positive areas of your operations |
| Talking Points | Talking Points                               | 11.1 | Contradictory holdings:<br>Please detail any contradictory (to fund strategy) holdings and provide explanation and reasoning<br><br>For example; holding an oil/Natural Gas stock whilst the fund maintains a commitment to meeting climate impact.<br><br>Essentially, 'show and tell' for prospective investors, so they can understand your processes and strategies. | Contradictory holdings   |
| Talking Points | Talking Points                               | 11.2 | What form/s of measurable disclosures do you currently have / plan to have? For example will you be monitoring / disclosing portfolio carbon emissions, board diversity etc?   | Form/s of measurable disclosures that you currently have or plan to have         |
| Talking Points | Talking Points                               | 11.3 | Please use this section as a final catchall message about your fund, in particular any aspects of ESG and Sustainability not already covered in previous sections (please feel free to include links)  | Final message  |

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