

ESG in Private Equity: What Every GP Needs to Know About Public Pension Fund Requirements

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Public pension funds have long been outspoken advocates of environmental, social & governance (ESG) principles in investing. As quasi-public institutions uniquely sensitive to public opinion and the political process, public pension funds have begun to incorporate ESG considerations into all asset classes in their portfolio, including their private equity investments. With public pension fund limited partner (LP) investments constituting 44% of total worldwide private funding by the top 100 LPs in private equity, the largest category of private equity LP type by far among this group, it is important that private equity firms understand the ESG expectations of public pension funds and assess on an ongoing basis whether their ESG policies and practices, and those of their portfolio companies, are responsive.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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