



ESG Due Diligence Fortress Model

Connecting long-term shareholder value to ESG risk and strategy.

What? We provide you with a third-party evaluation using Grant Thornton's ESG Fortress Model. Specifically, we assess ESG (Environmental, Social & Governance) aspects that are concerned with strategic optimization, competitive advantage, material risk, compliance, and internal control processes.

Why? The reporting and monitoring of ESG issues within investment decision-making are increasingly demanded by not only Limited Partners, but also new legislation by the EU Commission. New legislation for an EU sustainable 'Taxonomy' – affecting institutional investors and asset managers – is proposed to be implemented from 2019 to 2021. However, it pays to capitalize on the value that can be found through more strategic ESG management and avoid lower valuations of portfolio companies.

Grant Thornton's Value - The majority of ESG Due Diligence services tend to be compliance focused, generalized, and have basic support for post-transaction strategic work. Built upon international frameworks, Grant Thornton's ESG Fortress Model offers customized company evaluations that are based on ESG issues found within in all levels of the company's structure. This builds a more holistic evaluation by displaying the strengths and weaknesses of ESG integration into a firm's strategy. We provide support throughout the entire investment lifecycle for both investor and company management.

Premium evaluations

- **ESG Fortress Model** - Due diligence for M&A, portfolio health-check, post-transaction, vendor assistance and exit-readiness
- **Structured risk materiality assessment** – tested and proven financial materiality for company specific ESG issues
- **Strategic assessment** – board level and executive committee assessment, risk handling, long-term objectives regarding material ESG risks, internal controls deployed
- **Tactical assessment** – technologies, processes, KPIs, reporting risk, ESG reporting standards, policy alignment, stakeholder identification
- **Operational assessment** – effect of ESG strategic work, efficiency rating, internal reporting channels
- **Site visits** – creates credible judgments when triangulating desktop observations with onsite findings
- **Strategic recommendations** – risk reduction, internal controls deficiencies, action plan, prioritization
- **ESG reporting and monitoring recommendations** – for systematic communication between LP, GP and fund companies
- **Overall performance certification** – graphical visualization and summary of residual risk

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