

Insights

Mesirow Private Equity ESG Policy

Long-Term Commitment

Mesirow Private Equity (MPE or the firm) is focused on acting in the best long-term interests of its clients. As such, we believe that environmental, social, and corporate governance (ESG) considerations are fundamental to risk management and operational excellence, and businesses that manage ESG issues are often well positioned to create long-term value and demonstrate sustainable growth. While there has been an increase in emphasis on incorporating responsible investment practices and creating sustainable value in the private equity space, we recognize there is continued room for improvement. Therefore, the firm has adopted a comprehensive ESG policy, which integrates ESG considerations into the firm's investment due diligence process, post-investment monitoring and embedded within our corporate culture as part of our commitment to ethical and responsible behavior.

Responsible investing

PRI SIGNATORY

Mesirow Financial Investment Management, Inc. proudly became a signatory to the Principles for Responsible Investment (PRI) in 2019. Mesirow Private Equity is committed to incorporating PRI's six principles for Responsible Investment when evaluating private market opportunities.

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Principle 6: We will each report on our activities and progress towards implementing the Principles.

ESG Policy

Long term commitment

Mesirow Private Equity (MPE) at the firm is focused on acting in the best long-term interests of its clients. As such, we believe that environmental, social, and corporate governance (ESG) considerations are fundamental to risk management and operational excellence, and businesses that manage ESG issues are often well-positioned to create long-term value and demonstrate sustainable growth. While there has been an increase in emphasis on incorporating responsible investment practices and creating sustainable value in the private equity space, we recognize there is continued need for improvement. Therefore, the firm has adopted a comprehensive ESG policy, which integrates ESG considerations into the firm's investment due diligence process, post-investment monitoring and embedded within our corporate culture as part of our commitment to ethical and responsible behavior.

Responsible investing

PRINCIPLES

Mesirow Strategic Investment Management has formally become a signatory to the Principles for Responsible Investment (PRI) in 2018. Mesirow Private Equity is committed to incorporating PRI's six principles for Responsible Investment when evaluating private market opportunities.

Principle 1 We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2 We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3 We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4 We will provide acceptance and implementation of the Principles within the investment industry.

Principle 5 We will work together to enhance our effectiveness in implementing the Principles.

Principle 6 We will each report on our activities and progress towards implementing the Principles.

NOCEANUS DAY TRADING SYSTEM

MPE will exclude Noceanous day trading systems in countries that knowingly support child labor, human trafficking, prostitution or forced labor across our managed portfolio.

OUR DUE DILIGENCE PROCESS

Partnership Investments

As part of Mesirow Private Equity's partnership investment due diligence process, an ESG analysis is conducted to identify the risk of potential risks to which a general partner's organization or their portfolio companies could be subject. This ESG analysis supports a risk-based understanding of an investment's properties. Specifically, the firm considers whether the general partner has a formal approach to ESG, whether the general partner is a signatory to PRI or another ESG initiative, and how the manager engages with portfolio companies to address ESG issues. The underlying manager ESG policies are reviewed for completeness and any questions or concerns are directed to the manager. If a manager does not have a formal ESG policy, we discuss their general considerations of these risks and attempt to enhance a more formal approach. Furthermore, we actively review all prior private equity investments in a prospective manager's relevant track record prior to making any new capital commitment. Based on materials provided to us by the prospective manager, we review prior portfolio companies for adverse ESG risks or issues. As appropriate, we discuss flagged ESG risks with the prospective manager to better understand their risk mitigation strategy. MPE records ESG findings in the firm's proprietary ESG Investment Database, a tool designed to assess how responsible investing and ESG considerations are incorporated into a general partner's firm management, investment process, and reporting. ESG findings are formally documented in the

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