

Alongside assigning relevant risk ratings to companies based on the inherent ESG risks, impacts and opportunities, it is also important to assess a company's capacity for ESG management.

The questions in the questionnaire relate primarily to a company's ability to assess and manage environmental and social (E&S) risks and opportunities. Their commitment, capacity and track record (CCTR) are all leading indicators of its ability to achieve and maintain compliance with E&S requirements and importantly their ability to see where E&S performance can drive business value and opportunity.

The structure of this [questionnaire](#) is such that it can be used as part of due diligence and it focuses on the internal processes, practices, capacity and accountabilities that underpin the successful assessment and management of E&S issues.

Together with the findings of the general and technical due diligence, assessing company's capacity will help to identify the main ESG-related follow-up actions, opportunities and challenges for the fund to consider/address.