

SERVICE 03

ESG Framework Design & Implementation

■ Illustrative Scenario

CLIENT PROFILE

Client Type	Single-Family Office — Second-Generation Principal
AUM	\$310 million
Location	Chicago, Illinois
Situation	Family transitioning investment oversight to second generation; new principal committed to ESG integration as founding principle of investment program
Engagement	ESG Framework Design & Implementation \$38,000

THE CHALLENGE

A Chicago-area single-family office managing \$310 million was undergoing a generational transition, with the second-generation principal assuming primary investment oversight. The incoming principal had a strong personal commitment to ESG principles and wanted ESG integration to be foundational to the family's investment program — not an afterthought.

The family needed a complete ESG investment infrastructure built from scratch: an investment policy statement incorporating ESG criteria, a manager evaluation framework, KPI definitions, a reporting calendar, and board-ready governance documentation. The challenge was building a system rigorous enough to withstand institutional scrutiny while remaining practical for a lean family office team.

VERDE ADVISORS APPROACH

Verde Advisors designed and implemented a complete ESG investment framework tailored to the family office's asset allocation, values, and governance structure. The engagement began with a series of structured discovery sessions with the principal and key advisors to identify the family's specific ESG priorities, return objectives, and values-based exclusions.

Verde then built the policy and governance infrastructure, drafting a comprehensive ESG Investment Policy Statement aligned to UN PRI principles, designing a 5-factor manager evaluation rubric covering environmental performance, social responsibility, governance quality, ESG data transparency, and stewardship activity, and developing KPIs and reporting templates suitable for quarterly investment committee review.

The implementation phase included applying the new framework to the existing manager universe — scoring each manager, flagging misalignments, and producing an initial transition recommendation that balanced ESG improvement with portfolio continuity and tax efficiency.

KEY DELIVERABLES

- ESG Investment Policy Statement — board-adopted, UN PRI aligned
- Manager ESG Evaluation Rubric — 5-factor scoring model with weighting methodology
- Initial manager universe scoring and ESG gap report across all current allocations
- KPI definitions and quarterly reporting template for investment committee

- ESG reporting calendar and governance documentation
- Transition recommendation with phased implementation plan respecting tax and liquidity constraints

OUTCOMES & RESULTS

\$310M	100%	3 Months
Portfolio Covered	Managers Scored	Full Implementation

This is an illustrative scenario based on the types of engagements Verde Advisors is equipped to deliver. Client details are hypothetical.