

The ESG Scorecard

A Deep Dive into the U.S. Private Equity Firms



Executive Summary

The ESG landscape for U.S. private equity firms is increasingly defined by systemic governance pressure and rising social and environmental scrutiny. Governance issues at firms such as Blackstone, KKR, Thoma Bravo, TPG, and Francisco Partners primarily focus on deal processes, disclosure practices, and investor protection. These concerns encompass settlements related to pension mismanagement, actions taken by the Department of Justice regarding pre-merger filings, as well as lawsuits and shareholder investigations examining the fairness of take-private transactions and stock buybacks.

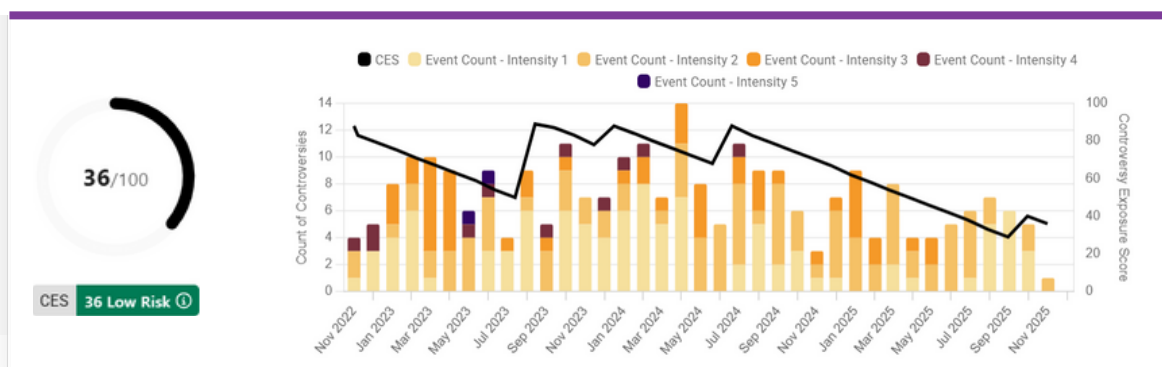
On the social side, exposure is driven largely by portfolio companies and political positioning. Housing and tenant-rights disputes sit alongside allegations of labor abuses, child labor, and unsafe conditions. Environmental concerns are increasingly prominent, with major companies facing criticism for their exposure to fossil fuels, their impact on climate change, and associated lobbying efforts.

What are the most pressing ESG challenges currently facing the U.S. private equity firms?

Blackstone: Governance Pressure, Social Backlash, and Climate Criticism

Blackstone faces a broad range of ESG controversies. Governance issues include a \$227.5 million Kentucky pension settlement, a \$590 million SPAC Recovery Co. lawsuit, and SEC fines for off-channel communications. Social concerns stem from political spending, child-labor incidents, and safety violations at portfolio companies.

Housing tensions continue through tenant protests and university divestment campaigns. Environmentally, Blackstone is frequently targeted by activists over its fossil-fuel exposure and perceived contribution to rising climate risks.



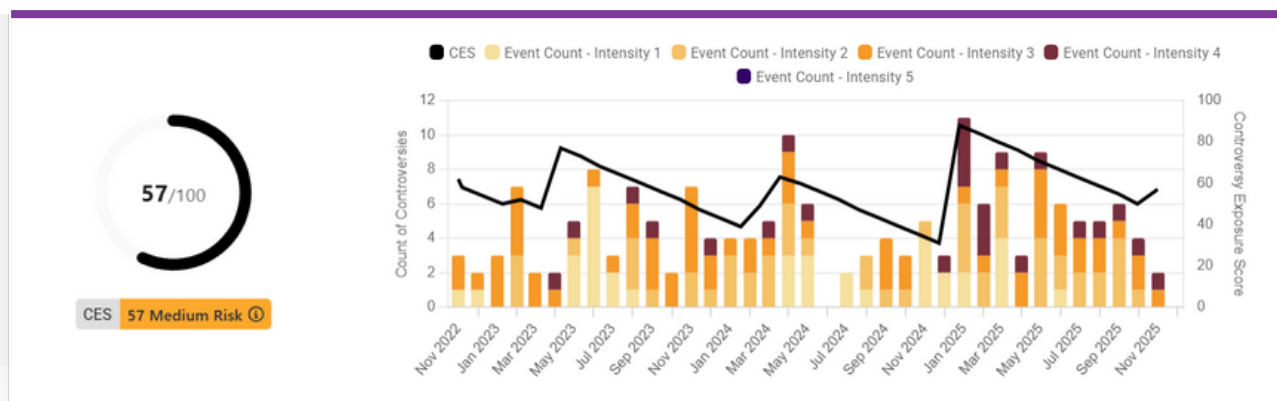
Key Controversies:

- [Kentucky pension mismanagement lawsuit settled for \\$227.5 million](#)
- [SPAC Recovery Co. Files \\$590 Million Lawsuit Against Blackstone](#)
- [Kelly Ayotte's oversight failures blamed for child labor abuses at Blackstone-backed company](#)
- [Stuy Town tenants win lawsuit to keep apartments rent stabilized](#)
- [Blackstone CEO Stephen Schwarzman Is Targeted at His New York Home by Climate Activists](#)

KKR: Regulatory Scrutiny, Social Tensions, and Environmental Transparency Risks

KKR faces several ESG controversies. Governance risks include Spain's anti-corruption probe into the Quirón sale, DOJ action over pre-merger filing violations, a proposed \$650 million penalty, and a Spanish gun-jumping investigation. Social concerns involve labor abuses at portfolio companies, and scrutiny of its healthcare activities

Environmentally, the firm faces pressure over hidden fossil-fuel exposure and allegations of underreported emissions, raising questions about its transparency and climate alignment.



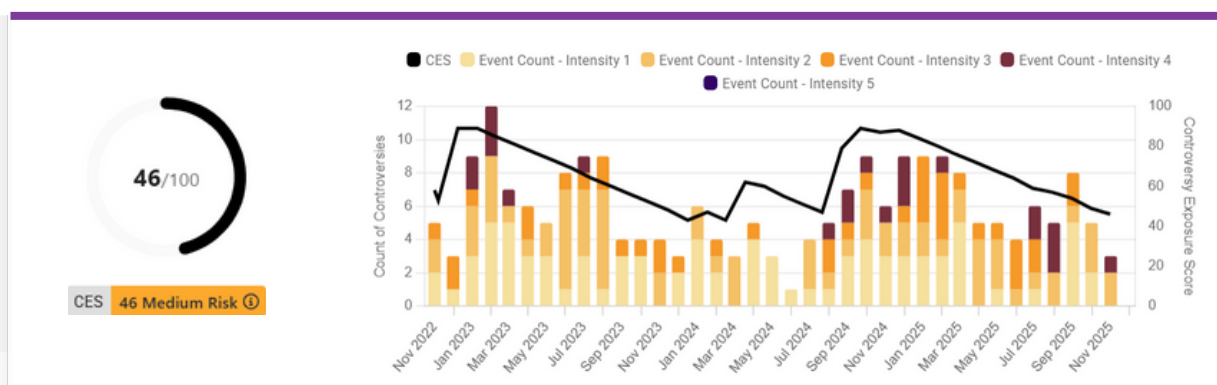
Key Controversies:

- Kentucky pension mismanagement lawsuit settled for \$227.5 million
- KKR Slams Feds for Seeking 'Draconian' \$650M Penalty Over Premerger Filings
- DOJ Sues Private Equity Firm KKR & Co. for Violations of HSR Act
- Spain probes KKR for possible gun-jumping breach
- Report finds labor abuses and safety violations at KKR
- KKR's hidden fossil fuel portfolio and climate emissions

Thoma Bravo: Deal-Governance Questions and Portfolio Conduct Controversies

Thoma Bravo faces ESG scrutiny focused on governance and portfolio conduct. Governance concerns arise from lawsuits and shareholder probes questioning the fairness of major deals, including the Olo sale, the MeridianLink buyback scheme, the Everbridge take-private, and DOJ scrutiny of the ForgeRock acquisition.

Portfolio companies such as RealPage and Sophos have also faced criticism over rent-setting algorithms, significant layoffs, and a past data-exposure incident. These issues raise questions about how the firm balances aggressive value creation with responsible practices.



Key Controversies:

- Thoma Bravo's RealPage accused of using algorithms that drove rents higher
- ForgeRock seesaws amid report Thoma Bravo still engaging with Justice Dept
- Thoma Bravo's \$2 Billion Deal for Olo Draws Scrutiny Lawsuit
- Thoma Bravo, MeridianLink Board Sued for Alleged Buyback Scheme
- Cyber-security firm Sophos lays off 450 staff globally