

THE LAWYER

GC Interview of Geraldine Copeland-Wright, LCN Capital Partners.

By Julia Hayhoe.

Why Sustainability Matters

The Lawyer Business Leadership Summit explores how the dramatic acceleration of macro trends has placed Purpose, Sustainability and ESG issues top of the corporate board, General Counsel and increasingly legal provider agenda.

This series of GC interviews informs the Summit and the webinar I present as part of on Enabling Client Success in their Transitions to Purpose Driven Sustainable Businesses. It builds on my wider work in the Sustainability & ESG arena.

In this interview I speak with Geraldine Copeland-Wright, who is the European General Counsel for LCN Capital Partners, a real estate fund manager specialising in sale and leaseback transactions with a single investment strategy – credit focused investments in critical corporate real estate across North America and Europe. With six portfolios currently under management, containing over USD3 billion in real estate assets, ESG is high on the priorities.

Gerry, tell us about why does sustainability matter to LCN Capital Partners and its stakeholders?

At LCN we believe that consideration of ESG issues and the conventions regulating these issues is an important part of responsible fund managers' and investors' asset management activities, integrating the consideration of ESG risks and value creation opportunities into every stage of the investment cycle.

We look at the sustainability of our buildings not just at the due diligence and acquisition phase - our build to suit developments are, for example, typically BREEAM certified (BREEAM is a third party certified sustainability assessment method for masterplanning projects, infrastructure and buildings) - but throughout the entire lifecycle. We work closely with our tenant-clients on on-going initiatives to improve the carbon footprint and environmental impact of our properties within each portfolio and we seek to add value at all levels through, for example, the installation of solar panels, upgrading of heating and cooling systems, water recycling initiatives, etc.

I know that you think of ESG in a holistic way, can you elaborate on that?

Whilst the “E” may appear to be the most obvious focus in “ESG” for real estate, as a responsible real estate principal we find the Social (“S”) and Corporate Governance (“G”) are just as important, particularly from an investing-partner’s perspective – as we come to the end of our successful capital raise for our 3rd funds in both North America and Europe, we are increasingly asked more sophisticated questions about our corporate approach to ESG.

This sits in the context of the wider private equity sector’s increasing recognition that it needs to focus more on ESG, not only because it is the right thing to do, but also because it both drives business value creation and mitigates risk. We will continue to see growing investor demands for more transparency in ESG-initiatives and these metrics will play an even more important role in the future.

How about your approach to your own business responsibility?

Importantly, ESG filters through all levels of our organisation. The team is encouraged to play their part - whether by engaging with our tenant-clients and advisors in identifying opportunities for sustainable investment or actively minimising our own direct impact on the environment through paperless offices and video conferencing facilities - of particular relevance in the current situation.

At the community level, we look to contribute to local projects through our assets – at Raadiku in Tallinn, Estonia (a residential housing complex with over 1200 apartments sold by LCN European Fund I earlier this year), for example, the Raadi community project was started with the aim to improve the awareness of the population regarding life management issues, encourage cooperation and direct attention to the improvement of the living environment.

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As legal providers are increasingly being seen as part of a business's supply chain, what expectations on sustainability do you have of legal providers?

The definition of sustainability implies an element of durability and that is how LCN approaches all its relationships, whether our tenant-clients or our investing-partners, but equally our service providers. The legal ability is generally a given, but we are looking to create long term relationships with legal advisers who mirror our values and approach.

Finally, to give us a flavour of your wider interests – what are your pastimes outside of work?

Last year I walked 100km from London to Brighton for charity in 24(ish!) hours, generously supported by the LCN team (taking us right back to that “S” in ESG!). Being based in Amsterdam and with no specific training requirement this year due to lockdown restrictions, I have enjoyed more relaxed walks around the city and canals rediscovering what a beautiful city Amsterdam is.