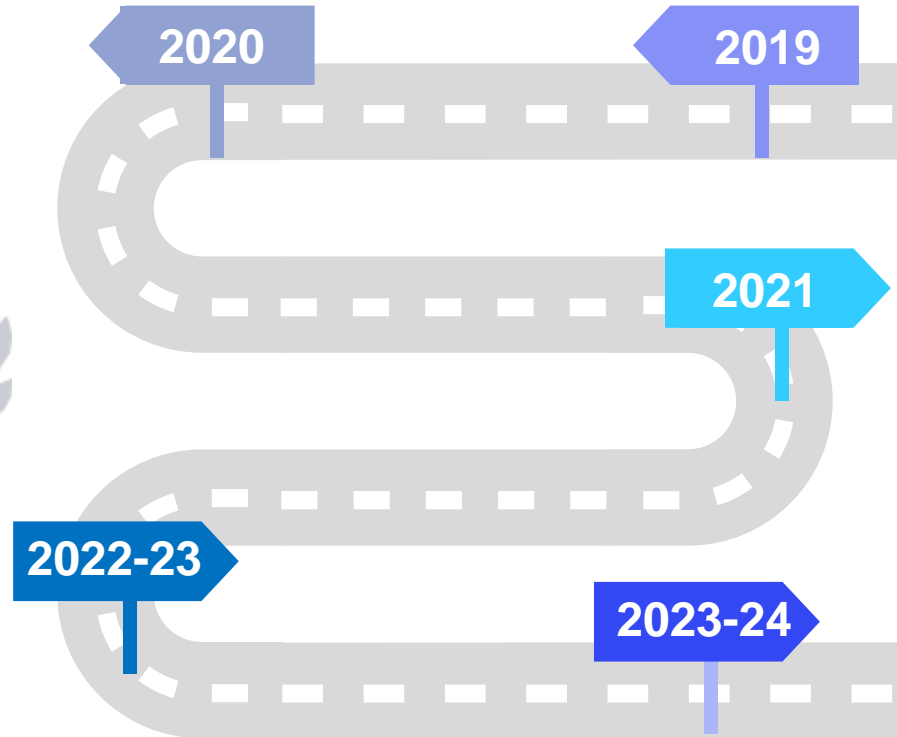




# **Audit of public measures for the implementation of the principles of responsible business conduct and sustainable financing**

**Mr. Dmitry Zaitsev, Head of the WGSDG KSDI Secretariat, Member of the Board of the Accounts Chamber of the Russian Federation**

# Accounts Chamber of the Russian Federation and SDG audit



**2019** – Unit for Sustainable Development audit

**2020** – Audit of Preparedness for the Implementation of the SDGs

**2021** – Audit of Preferential regimes' establishment and functioning

**2022-23** – Audit of SDGs indicators in regions

**2023-24** – Audit of sustainable financing and responsible business conduct

# Principles of sustainable financing and responsible business conduct



- **Responsible business conduct** (social responsibility) implies the responsibility of an organization for the impact of its decisions and activities on the society and the environment through transparent and ethical behavior
- **Sustainable financing** (financing for sustainable development) implies the process of taking into account ESG aspects when making long-term investment decisions

# Audit subject

## ➤ Analysis of

- ✓ strategic documents at the federal level
- ✓ thematic normative legal acts
- ✓ methodological documents and other documents
- ✓ international experience in implementing the principles of responsible business conduct



## ➤ Expert interviews with representatives of large businesses – members of ESG Alliance

# Assessment of the maturity of the incentive system for responsible business conduct

Quite high level of maturity of the system of government incentives for responsible business conduct in the Russian Federation has been determined

## Criteria:

- ✓ strategic planning documents address the implementation of the ESG principles
- ✓ normative legal acts contain requirements/recommendations for the content of the ESG reporting
- ✓ mandatory requirements to fulfill ESG principles are embedded in the normative legal acts
- ✓ interdepartmental interaction on the implementation of the ESG principles has been arranged etc.

# International experience



- National standards in researched countries
  - ✓ developed in light of the most common international standards
  - ✓ take into account national specifics



# Maturity model: domains

- developed within the framework of the Guidance on ESG audit
- includes 5 domains
  - ✓ analysis of legislative and normative legal acts
  - ✓ analysis of strategic planning documents
  - ✓ analysis of public policy measures
  - ✓ analysis of interdepartmental interaction and interaction between public authorities and stakeholders
  - ✓ analysis of budget financing



# Maturity model: criteria

Domain	Maturity level	Criteria	Mark of compliance
Analysis of strategic planning documents for provisions that stipulate for the implementation of the ESG principles.	0	The strategic planning documents lack provisions, goals and target indicators aimed at implementing the ESG principles	
	1	The strategic planning documents address the implementation of the ESG principles	
	2	The strategic planning documents define goals and target indicators aimed at implementing the ESG principles. Separate strategic documents that are aimed at implementing the ESG principles including the regional (local) level have been developed.	



# Maturity model: overall scale

General level of maturity	Domain	Domain	Domain	Domain	Domain
Very low	0	0	0	0	0
Low	0	0	0	1 or 2	1 or 2
Medium	0	1 or 2	1 or 2	1 or 2	1 or 2
High	1 or 2	1 or 2	1 or 2	1 or 2	1 or 2
Very high	2	2	2	1 or 2	1 or 2

# Measures implemented in Russian Federation

- Taxonomy of green, adaptation and social projects
- Concept of public non-financial reporting development
- Methodological recommendations for the preparation of sustainable development reports
- Business reputation index of enterprise entities
- Laws on the responsible business conduct implemented at a local level

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**Thank you!**