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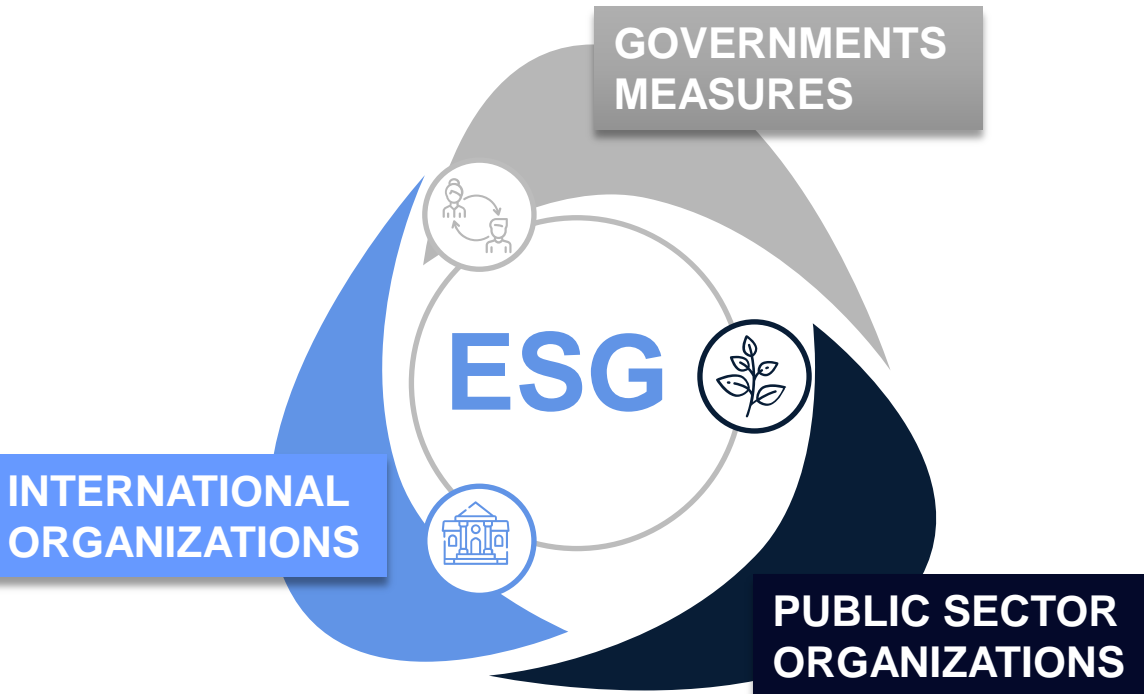


Presentation of the endorsement version of the Guidance on ESG audit

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ESG Audit



- Auditing national governments measures aimed at stimulating responsible business conduct
- Auditing ESG activities of public sector organizations
- Auditing ESG approaches of international organizations

Principles



- ✓ Recognizing the diversity of SAIs
- ✓ Audit based on the INTOSAI standards
- ✓ Inclusiveness as applicability to any maturity level (within the maturity model)
- ✓ Variability as applicability both at the national level and at the level of an organization
- ✓ Ensuring practicality

Glossary



ESG Framework means a document, a set of policies, guidelines and/or principles of an organization, pertaining to environmental, social and governance fields and promoting sustainable development.

ESG Materiality Factors mean factors associated with the environment (including ecological factors and factors related to climate change), society (social factors) and corporate governance, which are considered as significant at the same time by internal (management, employees, etc.) and external stakeholders (clients, partners).

ESG Reporting means public disclosure of information on the progress in the field of sustainable development, containing non-financial information, including factors related to the environment, society and corporate governance, as well as the impact on the achievement of international and national development goals.

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ESG Audit Design Matrix



ESG Audit Matrix template.							
Hypothesis	Criterion	Method	Risk	Preliminary conclusion	Preliminary recommendation	Conclusions	Proposals
OBJECTIVE 1. ...						Conclusion 1 ...	Proposal 1 ...
Question 1.1. ...							
Hypothesis 1 ...	Criterion 1 ...	Method 1 ...	Risk 1 ...	Preliminary conclusion 1 ...	Preliminary recommendation 1 ...		
...		
Hypothesis N ...	Criterion N ...	Method N ...	Risk N ...	Preliminary conclusion N ...	Preliminary recommendation N ...		
...		
Question N ...							
...		
OBJECTIVE N. ...						Conclusion N ...	Proposal N ...

Maturity model: criteria

✓ Maturity Model to Assess the Activity of Public Authorities

Domain	Maturity level	Criteria
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.

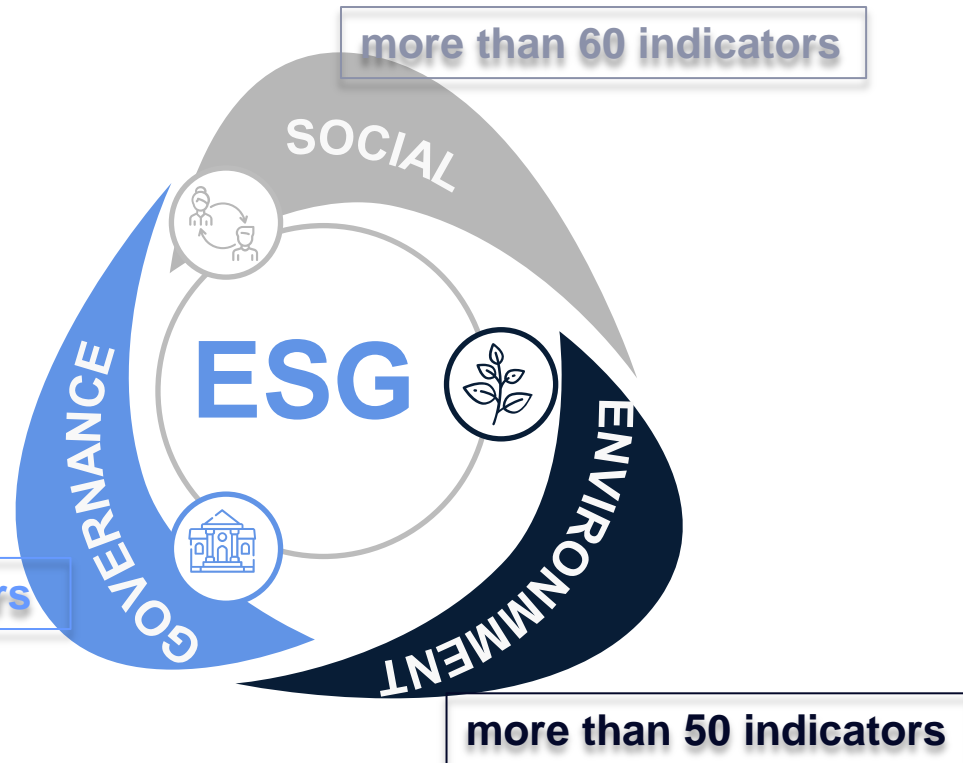
✓ Maturity Model to Assess the Activity of Organizations

Domain	Maturity level	Criteria
Assessment of the impact of an organization's operations on the achievement of global, national, regional and municipal development goals and objectives.	0	Negative impact of organization's activities on the achievement of national, regional and municipal goals in one of ESG areas (in the case of an international organization – global goals)
	1	No negative impact of organization's activities, minor positive impact, or significant positive impact in at least one ESG area
	2	Significant positive impact in all three ESG areas

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

List of ESG Indicators



- ✓ Environment (E)
 - Availability of policies to reduce greenhouse gas emissions
 - Availability of a program to improve energy efficiency etc.
- ✓ Social (S)
 - Good practices regarding communication with citizens
 - Inclusiveness towards employees etc.
- ✓ Governance (G)
 - Availability of a sustainable development policy or other strategic document
 - ESG strategy/sustainable development policy etc.

Knowledge Base



- ✓ Best Practices for Promoting the Implementation of the ESG Principles
- ✓ Knowledge Base on the WGSDG KSDI website



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THANK YOU!