



Improvement of scores in ESG ratings and investor communication quality

2023

kept

ESG

as a primary focus of investors

Today, the investment community has become increasingly interested in ESG issues.

As responsible investment practices gain traction, investors have a growing need for structured and reliable ESG information on performance of companies they invest in →

Given the low level of standardization of non-financial reporting, the investor community has to enlist the help of ESG rating agencies that are ready to provide systematized and comparable data on the ESG management performance. That is why companies find it important to track their performance scores in ESG ratings and work towards improving them.

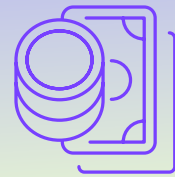
Improving ESG scores enables companies to retain immediate investors and, in the best-case scenario, to attract new ones focused on green and social investment, as well as to reduce “national discounts” by bringing the perception towards companies from certain regions closer to that of global firms.

121.3 → **+41%**

USD trillion

since 2019¹

assets under management of investors,
who incorporated ESG issues into their
investment practice



58% of → **1,000+**

studies conducted in 2015–2020

suggest a positive correlation between
ESG factors and company financial
performance²



Sources:

- 1 PRI growth 2006–2021. Principles for Responsible Investment, 2022: <https://www.unpri.org/about-us/about-the-pri>
- 2 ESG and financial performance, NYU Stern Center for Sustainable Business, 2021.



Products of leading ESG analysts

S&P Global

A wide set of indices (DJSI, S&P 500 ESG Index etc.) and a scoring instrument (The S&P Global Corporate Sustainability Assessment, CSA) that cover thousands of companies all over the world.

The CSA focuses on sustainability criteria that are both industry-specific and financially material

Sustainalytics

Morningstar Sustainalytics has the widest coverage of analyst-based ESG Risk Ratings in the market – over 16,300 companies. The ESG Risk Ratings measure the level of risk mismanaged by a company

ISS ESG

ISS ESG is the responsible investment arm of Institutional Shareholder Services Inc., a world's leading provider of corporate governance and responsible investment solutions for asset owners, asset managers, hedge funds and asset servicing providers. ESG Corporate Rating assesses companies' sustainability performance based on in-depth ESG criteria with a rules-based methodology

MSCI

MSCI ESG Ratings aim to measure a company's management of financially relevant ESG risks and opportunities. MSCI uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. Scores and evaluates companies by using two metrics: the level of risk exposure and maturity of risk management practices

FTSE Russell

FTSE Russell ESG is a quantitative data model developed for measuring the exposure and performance of corporate operations in relation to environmental, social and governance business risks

CDP

Ranks companies based on their performance in terms of managing greenhouse gas emissions, as well as water and forest resources

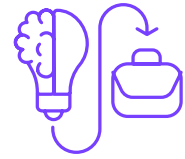
...and others

01

How Kept can help

Kept is here to advise you on improving your scores in ESG ratings and enhancing the efficiency of your investor communication on sustainability issues

Analysis of investor expectations on ESG management



Investors follow various ESG strategies. The first and foremost step we help with is developing an understanding of how your key investors perceive sustainability issues, what ESG criteria they use as red flags and which rating agencies they rely upon.



02

Assessment of maturity of ESG management practices



Our experts will analyze your company's current rating scores and ESG management practices, identify any gaps in ESG performance and help you assess how well your public reporting meets expectations of the investment community.



03

Development of a roadmap for improving the scores in ESG ratings and indices



We will help you understand criteria of ESG ratings and work out – together with your company’s business units – an action list for improving your scores.



04

Roadmap implementation



Actions described in the roadmap may be categorized into three types: measures to ensure a more complete disclosure of non-financial information, measures to elaborate corporate documents and measures to enhance ESG management practices. Kept is ready to assist both in achieving quick wins through information disclosure and preparation of corporate documents and in addressing complex challenges of fine-tuning the processes of managing sustainable development aspects.



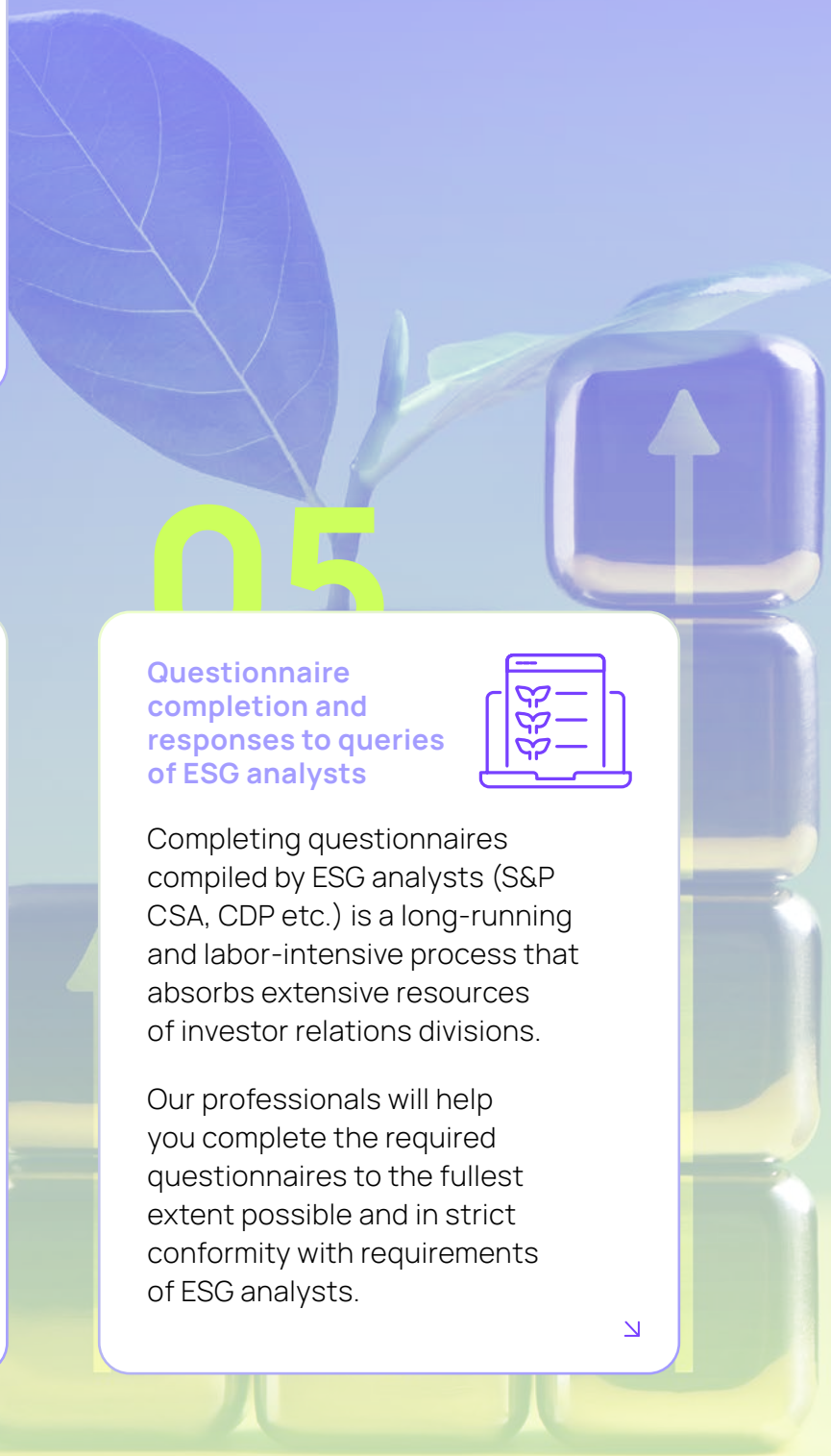
05

Questionnaire completion and responses to queries of ESG analysts



Completing questionnaires compiled by ESG analysts (S&P CSA, CDP etc.) is a long-running and labor-intensive process that absorbs extensive resources of investor relations divisions.

Our professionals will help you complete the required questionnaires to the fullest extent possible and in strict conformity with requirements of ESG analysts.



Why Kept

Operational Risk & Sustainability group at the forefront of ESG transformation

Our dedicated
team has



100 professionals

with extensive hands-on experience in all industries and with certifications across the entire spectrum of ESG issues, which allows us to be on the same page with functional divisions

Kept has
over



15 year track record

providing services to enhance sustainability practices across Eurasia, offering turnkey solutions, from diagnostics to implementation of proposed recommendations

- We apply global best practices, which we systematically monitor, and we are consistently developing our own methodology
- Our services are used by major companies in all sectors as well as by public organizations. This puts us in a unique position as we approach any task with comprehensive knowledge of a subject matter
- We are deeply committed to the current ESG agenda, participate in key thematic events and organize them. Our professionals are members of committees and working groups of leading public organizations and business associations, including the National ESG Alliance, ISO, etc.

Contact us



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