Key Considerations for the CAE of ESG

1	Baseline Assessment	▪ Validate mapping of operational footprint, products and services, as well as customers, markets and geographic locations. ▪ Completeness and accuracy of evaluation is necessary for ESG adoption.
2	Stakeholder Identification & Consultation	▪ Validate identification of all stakeholders directly influencing and/or being influenced by your organization. ▪ Ensure stakeholder consultation is sufficient and remains unbiased.
3	ESG Framework	▪ Assess reasonableness and applicability of framework adopted (or to be adopted) for alignment ▪ Ensure framework meets industry requirements, regulatory expectations, and comparability with like entities. ▪ Where more than one framework is selected ensure appropriate mapping between each.
4	Impact Assessment	▪ Reassess management's approach to and conclusions regarding both positive and negative ESG impacts resultant from operations and in line with ESG framework requirements. ▪ Identify key metrics to be used to measure success in pursuit of sustainability strategies. ▪ Evaluate sufficiency of approach to emerging ESG factors and/or risk issues.
5	Data Management	▪ Identify the data necessary to report on ESG strategy (i.e. source, workflow, calculation and storage). ▪ Assess the control environment designed to ensure data is complete and accurate for decisions and reporting across the management system.

Source: MNP

Key Considerations for the CAE of ESG

6	Target Setting	▪ Evaluate whether targets have been identified by management, are SMART, and stretch the organization for achieving meaningful change. ▪ Assess whether targets are prioritized based on significance from impact assessment.
7	Progress Monitoring	▪ Evaluate linkage of ESG targets to strategic priorities and ensure management is sufficiently monitoring/tracking performance. ▪ Identify risk(s) of missing targets and implications to strategy and operations.
8	Policies and Procedures	▪ Assess policies and procedures to ensure expected ESG actions and behaviors are embedded. ▪ Review policies and procedures routinely to ensure relevant and timely reflection of changes from internal and external factors.
9	Reporting	▪ Evaluate disclosure controls and procedures for integrated reporting, standalone sustainability reporting, or online provision. ▪ Assess management's opinion of target(s) achievement. ▪ Obtain third-party SME to calculate and validate metrics where appropriate (i.e. GhG).
10	Governance	▪ Evaluate board training/conduct board training on ESG. ▪ Evaluate board reporting whether includes necessary information for required board oversight. ▪ Provide IA opinion on testing conducted to validate ESG disclosures.

Source: MNP