





Setting the Pace for IPO Success: 5 Key Steps for Documenting Your ESG-Readiness



Companies with robust ESG programs and policies have been shown to raise more capital and do so at a lower cost than comparable companies.¹ So, as your company prepares to list on a stock exchange, it is important to undergo a third-party IPO ESG assessment to evaluate your company's ability to manage ESG issues.

To get started, you'll need to provide **supporting evidence** for the research phase of the IPO ESG assessment process. That supporting evidence and documentation should be:

 <p>Authentic: The company name and logo should be included, along with a date stamp and review date.</p>	 <p>Credible: Documentation should include details of corporate programs, policies, initiatives, or practices that are fully implemented, and corporate governance policies and practices that will be implemented close to or post-IPO.</p>
 <p>Final: The content provided in the documents for the assessment should be considered formally complete and finalized.</p>	 <p>Public, publicly available or publicly disclosable: This applies solely to corporate governance data and means that all information on the topic accessed by the research team must be accessible by any person at the time of the IPO.</p>

This checklist provides companies with five steps to get their documentation organized for their IPO ESG assessment.

Step 1: Determine How Ready You Are for an IPO ESG Assessment

Key Considerations	What to Do
<p>The sum of all documents and resources your company provides forms the basis for an assessment of your company's exposure to ESG risks. Since most data is not available until later stages of the IPO filing, it is recommended that you begin the assessment process about two months in advance of the date of final filing.</p>	<p>Prepare a revenue breakdown that outlines in detail the products and services your company offers, the proportions of your revenue streams that they make up, and their performance over time.</p> <p>Provide your company's post-IPO legal entity name (if different from the name used before the IPO).</p> <p>Appoint a team member to manage the research process with the external, third-party analysts performing the assessment.</p>



Step 2: Gather Your Corporate Reports

Key Considerations	Documents You May Need
<p>Annual reports provide a good foundation for understanding your company's current phase of growth and position in the market. You'll want to provide the ESG researchers with a broad overview of your business through some of your standard annual corporate reports.</p>	<ul style="list-style-type: none"> Annual Report Integrated Annual Report Prospectus Draft for IPO Corporate Social Responsibility (CSR) Report Sustainability Report SEC Form S-1 (for U.S. companies)



Step 3: Organize Your Corporate Governance Documentation

Key Considerations	Documents You May Need
<p>This documentation demonstrates the extent to which your company's governance practices detract from, or add to, your ability to execute your stated business strategy. Submit a complete breakdown of your corporate governance structures, practices and behaviors to your ESG assessment provider.</p>	<ul style="list-style-type: none"> Code of Conduct Code of Ethics Supplier Code of Conduct Sustainability Policy Human Rights Policy Green Procurement Policy Other relevant policies on your company website or as a stand-alone document



Step 4: Take Stock of Your CSR Initiatives

Key Considerations	Documents You May Need
<p>Corporate social responsibility (CSR) initiatives signal your company's internal commitment to strong corporate values and showcase your approach to a wide range of ESG issues. Memberships with programs like the UN Global Compact or the Equator Principles Association demonstrate that your company's CSR programs are aligned with global goals and benchmarks.</p>	<ul style="list-style-type: none"> CSR-Focused Page on Corporate Website Global Reporting Initiative (GRI) and Index Membership EU Transparency Register Membership UN Global Compact Membership UN Principles of Responsible Investment (PRI) Membership Equator Principles Membership United Nations Environment Program Finance Initiative (UNEP FI) Membership



Step 5: Prepare ISO Certification and Disclosure

Key Considerations	Certifications You May Need
<p>ISO certifications pique investor interest by demonstrating that you have adopted a standards-based approach to ESG management. Obtaining certification ensures that your policies and procedures will meet internationally-recognized standards for quality, safety, transparency, and accountability. Where possible, share your ISO certifications with the research team for consideration in your IPO ESG assessment.</p>	<p>Environmental Management System Standard and/or Environmental Management System Manual and any health and safety management system standard</p> <p>OHSAS 18001 or other associated certifications and the company Health and Safety Management System Manual</p> <p>CDP (formerly Carbon Disclosure Project) reports including Climate Change Response and Water Security reports</p> <p>ISO 27001 and ISO37001 or any international system certifications related to environmental or social performance, or governance performance certification specifically for bribery and corruption</p> <p>ISO 9001 Quality Management Standards or industry equivalent product and safety standards or certifications</p>

Read our new ebook, [ESG for IPOs: Becoming ESG-Ready for Your Initial Public Offering](#), for more insight on how incorporating ESG into your IPO can pique the interest of investors and make your company more competitive.

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Connect With Our Team of Experts to Learn More About Getting Your Company ESG-Ready for Your Initial Public Offering

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¹ Deloitte. "A foundation for sustainable growth | Deloitte ECM update | Winter 2021/22." June 20, 2022. <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/corporate-finance/deloitte-uk-deloitte-ecm-update-v1-winter-2021.pdf>.