
Что такое "ответственное
инвестирование" для
инвесторов и как факторы
ESG влияют на наш процесс
принятия инвестиционных
решений

EAST CAPITAL

Celebrating 20 years

1997

Founded in Stockholm

Active Investor

On the ground research,
company meetings

Investment process integrating
ESG risks and opportunities

Quality and Growth

Focus on high quality companies
benefiting from structural
growth

Opportunities outside of energy
and commodity space

Responsible

Active shareholder and
ownership
PRI signatory

USD 2.9bn

in assets under management

Public equities and real estate

International client base including
first-tier financial institutions

Strong team

30 investment professionals in
5 research offices

130 years+ of combined
experience in emerging and
frontier markets

Strategies

Eastern Europe including Russia,
Turkey, Balkan and Baltics

Emerging Asia including China A-
Shares and China Environmental

Global Frontier Markets

Real Estate Baltics

Two decades of successful investments...



What is responsible investment?

“An approach to investing that aims to incorporate environmental, social and governance (ESG) factors into investment decisions, to better manage risk and **generate sustainable, long-term returns**”



Relevant & Material

Which company would you invest in?

КПЭ Программы долгосрочной мотивации (ПДМ)

- 1 TSR, % (*TSR > Индекса ММВБ*)
- 2 Свободный денежный поток (FCF), млн руб.
- 3 Интегральный инновационный КПЭ, %

OR

?

Which company would you invest in?

Leverage Ratio³	Dividends, % of Attributable Free Cash Flow²
Less than 1.0x	Not less than 50%
From 1.0x to 2.0x	Not less than 30%
2.0x or higher	0% or more

OR

?

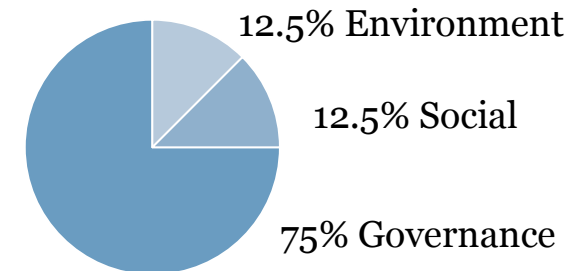
Our proprietary ESG scorecard

Red Flags

- 10 critical ESG areas to focus on when initiating the coverage of a name:
 - Production of a “Red Flag” score
 - No more than 3 out of 10 for regular holdings
 - No more than 2 out of 10 for *Key Active Positions*
 - More than 3 flags, further research typically not warranted

ESG Score

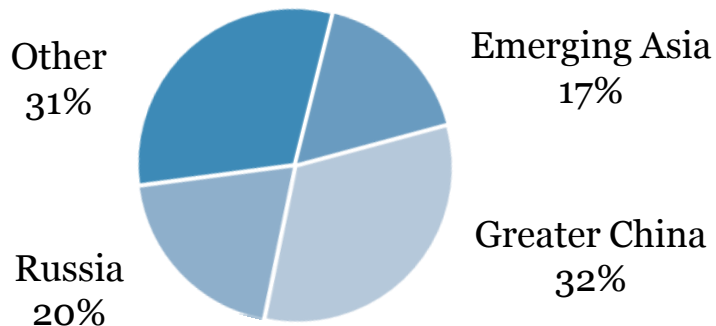
- Detailed ESG analysis from EM and FM perspective
 - Production of “ESG Score”
 - Focus our ESG analysis and make sure we are asking the right questions



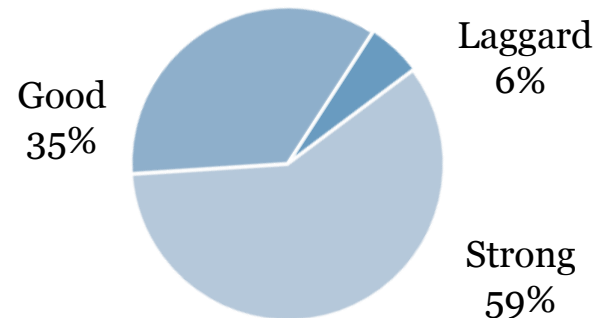
How are the ESG scores used?

Score	Conviction	Engagement
Strong , >80%	High, comfortable with Key Active Position	Feedback on positive results, highlight any areas for improvement
Good , >60%	Medium, careful consideration of risks	Engagement on specific issues raised by scorecard
Laggard , <60%	Highly case specific, i.e. liquidity reasons	Highlighting realistic areas of improvement

Scorecards completed to date



Scores by classification



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Disclaimer

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