



Stewardship In Action

Integrating ESG for Asset Managers

Tailored for:

Medium-sized asset managers, including DFI-supported private equity firms

What we offer

Valoris Stewardship Catalysts provides expertise and support to institutional investors and financial institutions to design and execute strategies for evaluating environmental, social and corporate governance (ESG) factors in investment decision-making. We also directly engage with prospects and portfolio companies on behalf of asset managers. Our *Integrating ESG* solutions take stewardship from concept to practice. This journey, illustrated by our spirit animal, the Ibx, typically follows this path:



Step 1 Review and Revision of High-Level Policies

Inputs:

- Marketing materials
- Communications with investors
- Internal statements of operational and investment policies related to ESG
- DDQs and responses
- Discussions with CIO, portfolio managers and analysts

Deliverables:

- Agreed articulation of high-level policies
- Initial revisions to marketing materials and DDQ responses
- Tentative identification of public commitments / signatory organizations (eg, PRI)

Step 2 Review of ESG Data Collection and Analysis

Inputs:

- Map of client's investment process and information gathered at each stage (identification to exit)
- Inventory of ESG data sources and how they are used
- Relevant policies, tools, questionnaires, etc.
- Representative examples of investment decision memos and portfolio monitoring documents
- Discussions with portfolio managers and investment analysts

Deliverables:

- Gap analysis and recommendations

Step 3 Development of Tailored ESG Methodology and Tools

Inputs:

- Outputs of steps 1 & 2
- Existing policy; model/example methodologies and tools

Deliverables:

- Selection of standards to be reflected in the methodology and tools for portfolios
- Draft methodology and guide to implementation in investment process
- Pilot tools
- Training / capacity building for portfolio team

Step 4 Roll Out of ESG Methodology and Tools; Continuous Support

Inputs:

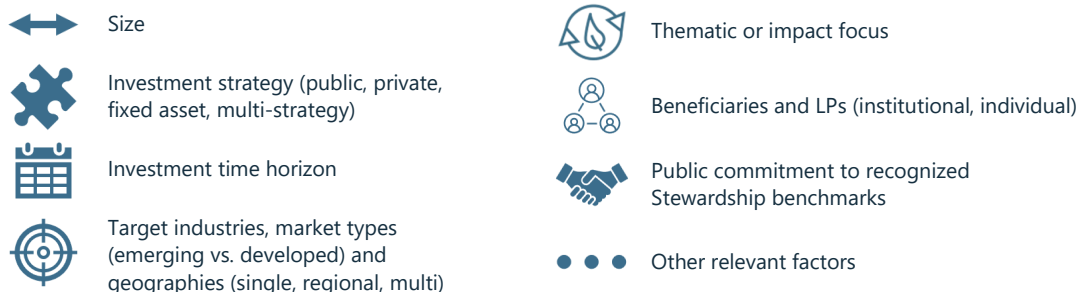
- Outputs of steps 1, 2 & 3
- Feedback from investment analysts based on testing the methodology and tools
- Transaction-specific ESG data gathering for investment prospect ESG analysis and/or portfolio company ESG engagement support

Deliverables:

- Finalizing of methodology and tools
- First round of compliance with public commitments / signatory organizations (e.g., PRI reporting)
- Prospect company ESG analysis
- Portfolio company ESG engagement strategy, action plan and implementation

Customizing solutions

A variety of factors motivate asset managers to integrate ESG considerations into their investment and portfolio operations. Valoris's **Integrating ESG** solutions are tailored to each investor's unique character and objectives:



Recent Valoris experience

- **Designing an ESG integration strategy and supporting investee engagements for a US-based activist asset manager.**
- **Supporting investee engagement for an Emerging Markets public equities fund based in the US.**
- **Implementing the Operating Principles for Impact Management for a VC fund manager in Mexico.**
- **Developing Anti-Bribery and Corruption policies and tools for investee companies of a European asset manager.**
- **Designing and implementing a Corporate Governance methodology and toolkit for a private equity fund manager in Nigeria.**

Our expertise

Mike Lubrano – Managing Director



Over the past two decades, Mike has worked with scores of investors to integrate the consideration of ESG factors into their investment process, and with company boards to improve corporate governance, sustainability practices and transparency.

From 2007 to 2019, Mike was co-founder and Managing Director, Corporate Governance and Sustainability, at Cartica Management, LLC, an Emerging Markets fund manager with a concentrated, long-only portfolio of equity securities of publicly-traded companies. He is co-author of ICGN's [Governance, Stewardship and Sustainability](#), published in June 2021.

Mike also designed and delivered the Corporate Governance, Stewardship and Sustainability Programme of the International Corporate Governance Network (ICGN). Mike speaks English and Spanish.

Davit Karapetyan – Managing Director



Davit has more than 20 years experience designing ESG methodologies, tools and internal policies and procedures for institutional investors to apply in their investment and portfolio operations. He helped develop International Finance Corporation's (IFC) corporate governance methodology, which is today widely used by many other development finance institutions (DFI) as well as private asset managers and private equity funds that are DFI investees. Davit's work includes crafting tailored ESG policies and procedures for a variety of investors to integrate corporate governance and governance of sustainability analysis in investment and portfolio operations, sharevoting and nominee directorships. Davit has a Ph.D. in Law and is fluent in English and Russian.

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