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## **ESG-AUDIT OF CORPORATE REPORTING OF AGRIBUSINESS ENTERPRISES**

One of the problems of attracting ESG investments in Ukrainian agribusiness is the lack of investor confidence in the sustainable development of agribusiness and suspicion that companies are making attempts to present themselves as more efficient than they are. In Ukraine, the use of ESG audits is still not widely used, as:

– *First*, corporate reporting has for a long time served only as a basis for maintaining and developing partnerships between investors and managers, and its content is directly dependent on the extent to which it meets the information needs of investors as the target audience of users. Users began to see financial information mainly as relevant to support investors' decisions, while determining the impact of the company's activities on the environment, the welfare of employees and the territory was perceived as a secondary "external" addition. Thus, the interests and risks of other stakeholders were pushed aside within the "manager-investor" tandem, with the parallel assignment of the status of externalities to them. Financial reporting, thanks to the standardization of its preparation, has virtually monopolized the information content of the public reporting system of companies. The growth of investors with an active civic position and a responsible attitude to consumption has shown the low social utility of such reporting and has become a new source of requirements for agribusiness [1, p. 69];

– *Secondly*, a variety of corporate reporting standards, inconsistent and diverse metrics and frameworks for determining ESG indicators, underestimation of the importance of corporate reporting in attracting ESG investments, weak understanding of the impact of ESG investments on the capitalization, revenues and financial performance of agribusinesses. The content analysis of the websites of the largest companies in Ukraine's agricultural sector convincingly shows that they prefer GRI, SASB, CDP standards and the requirements of the UN Global Compact when preparing corporate reporting;

– *Thirdly*, a variety of ESG audit algorithms and techniques. In particular, Charnes, Cooper, and Rhodes proposed the use of a non-parametric method of Data Envelopment Analysis (DEA) to assess the compliance of business activities with ESG principles, which uses environmental and social indicators such as carbon dioxide emissions, water use, employee turnover, etc. as inputs, and financial and non-financial indicators such as revenue, profit, and social impact as outputs. [2, p. 28].

While positively evaluating the DEA methodology, M. Martín-Gamboa and D. Iribarren proposed their own data analysis stage, which includes the following steps: 1. Identification of input and output data of DMU units. 2. Development of the DEA matrix. 3. Selecting the appropriate DEA model and its characteristics. 4. Formation of the model using software. 5. Identifying the solution of the DEA model. 6. Evaluation and benchmarking of performance for each DMU. The efficiency score is the ratio of the weighted sum of outputs to the weighted sum of inputs for each DMU. 7. Ranking of DMUs based on their performance indicators. DMUs with higher scores are considered more efficient than those with lower scores [3, p. 28].

T. Saati, when auditing corporate reporting, emphasized the expediency of using the Analytic Hierarchy Process (AHP) method, the essence of which is to build a hierarchical model of criteria. The advantage of this method is its non-dimensionality and obtaining “hard” estimates by the following sequence of actions: defining and organizing decision-making goals, criteria, constraints and alternatives in the hierarchy; evaluating pairwise comparisons between relevant elements at each level of the hierarchy; synthesizing the results of pairwise comparisons at all levels using a decision algorithm [4, p. 28].

The number of existing methods for assessing the compliance of business activities with ESG criteria can be extended to include numerous methods for rating companies according to sustainable development criteria.

Thus, the introduction of ESG audit of corporate reporting of agrarians in domestic practice will allow attracting sustainable investments in agribusiness, which are necessary both for the post-war reconstruction of the country and for ensuring Ukraine’s international competitive advantages.

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