

The Role of Sustainability Accounting Standards in Making Investment Decisions

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Founder of SASB, joined by panelists from AllianceBernstein, BlackRock, UBS and PwC

The FWA's Impact Investing and Not-for-Profit Committees were delighted to host a timely panel on The Role of Sustainability Accounting Standards in Making Investment Decisions, featuring Environmental, Social and Governance (ESG) leaders from the investment community. The discussion was lively, and many in attendance actively participated in the Q&A, illustrating the growing interest in this evolving space.

The panel included: **Chad Spitler**, Managing Director, Corporate Governance & Responsible Investment, BlackRock; **Linda Giuliano**, CAO-Equities, AllianceBernstein; **Eva Zlotnicka**, Research Analyst, Global Sustainability & ESG, UBS Investment Bank; and moderator **Kayla Gillan**, Leader of the PwC Investor Resource Institute.



Jean Rogers, Ph.D. and founder and CEO of the Sustainability Accounting Standards Board (SASB), provided opening remarks, noting the evolution of SASB and the recent additions to SASB's Board of Directors—**Michael Bloomberg**, founder of Bloomberg LP and former Mayor of New York City, and **Mary Schapiro**, former SEC Chairperson, were appointed to the SASB board as chair and vice-chair, respectively. Dr. Rogers highlighted that both have endorsed market transparency and disclosure of material information to enable more efficient markets for the benefit of all



stakeholders. (See recent press release – www.csrwire.com/press_releases/37017-Michael-R-Bloomberg-and-Mary-Schapiro-Appointed-to-SASB-s-Board-Leadership)

With the goal of increasing transparency and an eye toward consistent and comparable disclosure of material information, Dr. Rogers introduced the Sustainability Accounting Standards Board's (SASB) new accounting standards for non-financial data designed to help investors discern which companies are better positioned to create and protect shareholder value. She further stated that more than 1,600 individuals affiliated with organizations representing \$17 trillion in assets under management and \$8 trillion in market capitalization have participated in SASB's multi-stakeholder industry working groups informing standards development for seven sectors to date.



Jean Rogers, Ph.D. and founder and CEO of SASB engages in a lively discussion with an FWA guest

During the keynote panel, participants discussed the current state of disclosure as well as the type of public disclosure of qualitative and non-financial information that will better enable accurate assessment and comparison of ESG risks, and the role of institutional investors in advocating for improved disclosure. They each commented that many research analysts agree the numbers rarely tell the entire story, and a more holistic approach is warranted.



Q&A followed the discussion

Because managing ESG factors can impact a corporation's bottom line and its investment performance, stakeholders often seek increased transparency to analyze and compare ESG data, such as the ways in which companies are adapting to climate change impacts and natural resource depletion.

AllianceBernstein has considered ESG factors in the investment process well before they became a signatory to the United Nations – supported Principals for Responsible Investment (PRI) in November 2011. A July 2013 research report provided by UBS noted: “As so, one of the megatrends building across the financial landscape is focused on how investors can express their values in their financial decisions and have a positive impact on the world around them.”

BlackRock actively seeks “to integrate environmental, social and corporate governance issues into our investment process.” Further, BlackRock believes that “ESG factors may be a signal of management quality, particularly over the long term.”

Ms. Gillan of PwC also cited a recent research study from the firm, and shared a few key findings of PwC’s research on integrated reporting. This research noted that of 400 companies surveyed, 68% incorporate at least some non-financial priorities in their core strategies, and that 74% of global CEOs say that measuring and reporting total non-financial impacts contributes to long—term success. (Click here for the PwC Executive Summary www.pwc.com/en_US/us/10minutes/assets/pwc-10minutes-integrated-reporting.pdf).

Special thanks to our panelists and generous host, President’s Circle Member UBS; FWA co-chairs: **Pat Addeo**, **Nelun de S. Wijeyeratne**, **Andrea Kantor** and **Fran Smyth**, and SASB’s **Deb Martin** and **Stephanie Glazer**, for making this event possible.

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Guests network with FWA President Kimberly Weinrick and Impact Investing Committee Co-chair Nelun deS. Wijeyeratne