SASB Revolutionizes Corporate Reporting

New Nonprofit Organization will establish Industry-Specific Standards for the Disclosure of Material Non-Financial Information

San Francisco, California, October 4, 2012 – The Sustainability Accounting Standards Board™ (SASB)™ has been founded to fill a current void in corporate reporting by quantifying the value of corporate non-financial information. SASB will develop and publicly distribute comprehensive, industry-specific sustainability accounting standards for the benefit of companies, investors, and the public.

As markets have evolved, so too have the needs for standards and accountability. The creation of the Securities and Exchange Commission (SEC) in 1934 and the adoption of the Financial Accounting Standards Board (FASB) in 1973 have been instrumental to financial reporting. Today, SASB has been formed to continue that evolution by incorporating sustainability metrics into standardized reporting, providing investors more reliable information.

“SASB will be the U.S. voice for material non-financial issues and how to recognize and account for them as part of corporate reporting,” said Dr. Jean Rogers, SASB Executive Director. “The standards we develop will promote sustainable value creation and ultimately enhance the competitiveness of all U.S. industries on the most pressing challenges facing industry and society today.”

As its first initiative, SASB is producing a Materiality Map™ that weights the priority of sustainability issues by industry across 10 sectors, which is useful for asset allocation strategies and understanding exposure to certain kinds of environmental, social, and governance (ESG) risk. For issues deemed most material in each industry through an evidence-based approach, SASB will develop key performance indicators unique to each of 89 industries suitable for disclosure in the Form 10-K, thereby facilitating comparable corporate reporting. Bloomberg, an early supporter of SASB, will also collaborate in developing the Materiality Map™.

“The impact that financial reporting standards have had on the capital markets is obviously profound. We wouldn’t have the capital markets that we have today in terms of scope, depth and liquidity if investors didn’t have credible information for financial reporting,” said Harvard Business School Professor Robert Eccles, founding chairman of SASB. “Transparency is equally important for non-financial reporting, and that is at the core of SASB’s mission.”

“Good information is essential for creating trust in the capital markets. We have financial fundamentals - now we need sustainability fundamentals,” said Dan Doctoroff, CEO, Bloomberg L.P. “SASB will create the standards that will enable investors to have a more complete view of risks and opportunities in a form that can be compared and benchmarked and have valuable analytics built on them.”

“Since 1973, the Financial Accounting Standards Board (FASB) has developed and improved standards for financial accounting and reporting. Now, nearly 40 years later, I am delighted to see SASB being established, which will complement FASB’s work by specifying the language and accounting mechanisms for material nonfinancial impacts,” said Aulana Peters, former SEC Commissioner.
Who Benefits from SASB?
Various stakeholders will gain from SASB’s sustainability accounting standards.

**COMPANIES** will be better able to communicate their ESG performance on the issues most material to their sector and strategy, will develop a better understanding of the relationship between financial and nonfinancial performance, will be better able to manage ESG risks and opportunities and will save time and expense on ESG reporting.

**INVESTORS** will enjoy a complete view of risks and opportunities of issuers, and be able to weight portfolios according to sustainability risks. Investors will finally be able to compare peer performance on material ESG issues, and understand the relative positioning of companies with respect to future challenges.

**ANALYSTS** will be better able to integrate ESG issues in determining their positive and negative impact on future cash flows, and thus company valuations.

**INFORMATION BROKERS** will be able to provide more complete data sets for their customers who want this information for analysis.

**ACCOUNTING FIRMS** will be able to provide more complete assurance of companies’ reporting on ESG performance.

**STOCK EXCHANGES** can consider new minimum listing requirements and creation of sector-based ESG indices.

**NGOs** will be able to use this additional information to engage with companies in a more meaningful way.

**THE SEC** will strengthen its mission of protecting investors and be able to provide guidance on disclosure of material issues by industry.

**THE PUBLIC** will benefit as companies compete to improve sustainability performance, creating a race to the top.

About SASB
The Sustainability Accounting Standards Board (SASB) is an independent 501(c)3 organization that will establish and maintain industry tailored key performance indicators for use in disclosing material sustainability issues for the benefit of investors, corporations, and the public. SASB was founded by Jean Rogers, Ph.D.; Steve Lydenberg, Partner, Strategic Vision of Domini Social Investments and founding director of the Initiative for Responsible Investment at Harvard University; and Robert Eccles, Ph.D., of Harvard Business School. For more information about SASB, visit www.sasb.org, or follow us on YouTube, Twitter or LinkedIn.

Media Contacts
Sarah Leiseca
202-354-8284
Sarah.Leiseca@hkstrategies.com

Jennifer Mitchell
650-868-2616
Jennifer.Mitchell@sasb.org