



David Post  
Director of Research  
Sustainability Accounting Standards Board  
1045 Sansome St. Suite 450  
San Francisco, CA 94111

January 31, 2018

Re: SASB Public Comment Period

Dear Mr. Post,

Domini Impact Investments (“Domini”) appreciates this opportunity to participate in the 2017 Public Comment Period for the Sustainability Accounting Standards Board (“SASB”) Standards. We have been eagerly anticipating the release of SASB’s standards and are proud to write this letter in support of SASB and its standards during this public comment period. Our point of view is informed by having participated in SASB’s standards setting process since the beginning. Domini personnel have served as a founding SASB board member (Steve Lydenberg, *Partner*), provided industry level and conceptual feedback (Shin Furuya, *Vice President*, Adam Kanzer, *Managing Director*, and Hillary Marshall, *Analyst*), and I currently serve on SASB’s Investor Advisory Group. Through broad industry participation, SASB has derived key performance indicators (“KPIs”) for 79 industries that will provide public market investors with industry-specific, decision-useful sustainability information.

On the eve of the publication of SASB’s standards, I think it useful to reflect on how far we have come. Back in 2010, in a report for The Initiative for Responsible Investment, Jean Rogers along with David Wood and Steve Lydenberg penned a note explaining their motivations for proposing a method for identifying KPIs on sustainability saying:

“...we were convinced that improved disclosure of sustainability in the U.S. is both necessary and urgently needed...[and] we believed that better guidance could enable companies to be in a stronger position to rise to the challenge of sustainability reporting and see benefits rather than burdens.”<sup>1</sup>

These views were the seeds of what would become SASB. Today, improved disclosure remains both necessary and urgently needed. We also believe that industry-accepted standards for disclosure can be the basis for seeking solutions to sustainability issues that benefit corporations and society. This is all easy to say, but putting it into practice is akin to moving a mountain. We believe SASB has taken the right steps to push forward the movement for measurable, comparable, and decision-useful sustainability disclosures.

Domini’s own investment process utilizes a wide range of proprietary KPIs designed to gauge each company’s response to the most significant sustainability issues presented by its business model. We believe that our approach helps us to identify and manage long-term risks by integrating system-level and forward-looking indicators. As a result, we strongly support SASB’s work to produce sustainability KPIs that are material. Adoption of SASB’s standards

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<sup>1</sup> [https://www.sasb.org/wp-content/uploads/2012/03/IRI\\_Transparency-to-Performance.pdf](https://www.sasb.org/wp-content/uploads/2012/03/IRI_Transparency-to-Performance.pdf)



will not only provide investors with decision-useful information on individual public companies and how they compare to one another, but will also provide the language and metrics with which to engage and communicate with corporations on their environmental and social impacts at scale.

We are also pleased with the process SASB used to derive its standards, which was extensive and broad-based. SASB has provided a wide variety of opportunities for interested parties to participate. Some were broad-based and canvassed a wide swath of participants, including numerous investors and corporate representatives. Others were more in-depth, including a smaller group of technical participants who labored over each industry's standards to ensure cohesion and alignment among KPIs across different industries. Our own Steve Lydenberg participated in one of these intensive 3-day charrettes. Having participated in these multi-stakeholder groups, we have witnessed the power of having diverse opinions at the table in the service of the common goal of providing material, decision-useful, and cost-effective information. SASB has proved itself an effective listener and mediator where necessary.

With that in mind, we would like to take this opportunity to urge SASB to consider further strengthening its standards as they relate to climate change. For example, we welcome SASB's efforts to converge with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.<sup>2</sup> This will particularly aid in analysis of companies in industries for which climate risk is particularly relevant, including Resource Transformation, Infrastructure, Financials, and Transportation. While there is already some alignment between SASB's and TCFD's respective approaches, we would urge even further harmonization between the two given the systemic risks and opportunities of climate change.

Finally, we look forward to continuing as an active participant in the positive evolution of SASB's standards. We have seen SASB's openness to engaging on emerging issues and making changes as necessary. The adoption of SASB's standards would be a significant step forward in helping investors make informed decisions. Indeed, SASB's standards can serve as the foundation for a productive relationship between investors and corporations, as well as a springboard to more in-depth reporting to help investors evaluate impact.

We appreciate the opportunity to respond to SASB's request for public comment, and welcome any opportunity to be part of the ongoing development and refinement of the standards and KPIs. If you have any questions concerning these comments, or would like to discuss these comments further, please do not hesitate to contact the undersigned at [claible@domini.com](mailto:claible@domini.com).

Sincerely,

Carole M. Laible  
*CEO, Domini Impact Investments*

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<sup>2</sup> [https://www.cdsb.net/sites/default/files/sasb\\_cdsb-tcf-convergingonclimaterisk-091317-web.pdf](https://www.cdsb.net/sites/default/files/sasb_cdsb-tcf-convergingonclimaterisk-091317-web.pdf)