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Report of the Chair of the SASB Standards Board

May 24, 2018 to September 21, 2018

Item I: Standards-Setting Activities

A. Leadership Update

- On July 11th, the SASB announced that Verity Chegar and Robert Hirth Jr. would serve as Co-Vice Chairs of the Standards Board (hereafter, the Board).

B. Technical Agenda Update

- From June 7th to July 5th, the Board sector committees reviewed the updated Bases for Conclusions, which comprised of the rationale of all the proposed revisions by the SASB staff. The Bases for Conclusions included an additional 181 new revisions that arose from the public comment earlier in the year.
- On August 21st, the Board held a call with the SASB Staff to hear an update on the codification timeline and discuss the approach to the final review before codification.
- The Board began review of the final standards on August 20th, with the 429 proposed revisions incorporated, and their accompanying Bases for Conclusions. The industries are being delivered to the Board on a rolling basis. The review will conclude on October 4th.

Item II. Interaction with Stakeholders and Advisory Groups

A. Public Board Meetings

- On July 11th, the Board convened for a public meeting at Fordham University in New York City to discuss the rationale – based on evidence and market feedback – for the proposed changes to the provisional standards prior to codifying later this year.
- On October 10th, the Board will convene in a public forum Board meeting to discuss the final revisions to the Standards and their supporting rationale with the SASB staff. Shortly thereafter the Board will vote on whether to approve the revisions as well as codify 77 industry standards.

B. Key Stakeholder Interactions

- On June 29th, the Director of Research submitted a comment letter to the World Business Council for Sustainable Development (WBCSD) and the Committee of Sponsoring Organizations of the Treadway Commission (COSO) on their Draft Guidance for applying Enterprise Risk Management (ERM) to Environmental, Social and Governance (ESG)-related risks.
- On September 11th, the Chair submitted a comment letter to the Securities Exchange Commission (SEC) on their Draft Strategic Plan, Fiscal Years 2018-2022.

- On September 17th the Director of Research submitted a comment letter to the Institute of Management Accountants (IMA) on their Management Accounting Competency Framework.

C. Sector Advisory Groups

- The Board has begun seating members of the Sector Advisory Group (SAG). In the initial round of vetting, the Board approved 88 experts from leading corporations, financial intuitions, and other organizations who hold a diverse set of leadership positions within their organizations and who will provide ongoing feedback to the Board and Research Team. To date, 233 individuals have applied to join the SAG. The approved members are currently being notified of their selection and represent the first wave of candidates to be approved. A second vote of approval will occur in October, as the objective to have the groups as close to fully formed as possible around codification, which is slated for early November. A list of the approved SAG members can be found on the www.sasb.org/SAG.

Item III: Stakeholder Education and Communications

A. Webinars and Videos

- On July 26, 2018, Members of the SASB Alliance and FSA credential holders participated in a webinar titled: *"SASB's FSA Credential: Master the Link Between Sustainability and Financial Performance"*.
- On June 28th, Janine Guillot, Director of Capital Markets Policy & Outreach, presented in a webinar titled: *"Bringing Materiality to Your Portfolio: A Discussion with SASB and State Street ESG Solutions"* hosted by State Street Global Advisors.
- On June 28th, Nicolai Lundy, Director of Education & Partnerships, presented in a webinar titled: *"The Index/Activist Convergence"* hosted by NIRI and sponsored by Nasdaq.

B. Speaking Engagements and Presentations (SASB Board and Staff)

- Baruch College Graduation Commencement Speech (May 30, Alan Beller, SASB Foundation Board)
- Society of Corporate Governance - Southern California Chapter Annual Meeting - Responding to Investor Interest in ESG Disclosure (May 31, Katie Schmitz Eulitt, SASB Staff)
- Responsible Investor Americas Annual Conference (June 4, Katie Schmitz Eulitt, SASB Staff)
- Sustainable Brands Annual Conference (June 4, Sonal Dalal, SASB Staff)
- Responsible Investor Europe (June 4, Janine Guillot, SASB Staff)
- CFA Society Toronto's Breakfast Seminar (June 6, Katie Schmitz Eulitt, SASB Staff)
- FEI Canada Briefing (June 6, Katie Schmitz Eulitt, SASB Staff; Jeff Hales, SASB Board)
- Canadian Coalition of Good Governance Briefing (June 6, Katie Schmitz Eulitt, SASB Staff; Jeff Hales, SASB Board)
- Institute for Corporate Directors Briefing (June 6, Katie Schmitz Eulitt, SASB Staff; Jeff Hales, SASB Board)
- NIRI Annual Conference (June 10, Janine Guillot, SASB Staff)
- Conference Board CSR Council (June 12, Katie Schmitz Eulitt, SASB Staff)
- Pensions & Investments ESG Investing Breakfast (June 12, Nicolai Lundy, SASB Staff)
- Society of Corporate Governance National Conference (June 21, David Post, SASB Staff)

- Bloomberg Event: Disclosing the 'S' in ESG (June 21, Sonal Dalal, SASB Staff)
- OECD Advisory Group on Measuring Business Impacts on People's Well-being and Sustainability (July 3, Katie Schmitz Eulitt, SASB Staff)
- Findhorn Foundation SDG Programme (July 2-5, Jeff Hales, SASB Board)
- Skytop Strategies: Future of Corporate Reporting (July 10, Sonal Dalal, SASB Staff)
- Addressing Systematic Risk: The Sustainable Development Goals, Hosted by UNPRI (July 11, Janine Guillot, SASB Staff)
- Business Roundtable Briefing (July 13, Tom Riesenber, Sonal Dalal, SASB Staff)
- SACRS Trustees Presentation (July 18, David Post, SASB Staff)
- American Accounting Association Conference (August 6, Jeff Hales, SASB Board)
- Center for Audit Quality Briefing (August 6, Jeff Hales, SASB Board)
- Institute of Internal Auditors St. Louis Chapter Meeting (August 8, Robert Hirth, SASB Board)
- Oregon State Treasury Sustainability Forum (September 6, Katie Schmitz Eulitt, SASB Staff)
- Council on Foundations' Endowments & Finance Summit (September 7, Janine Guillot, SASB Staff)
- UNPRI-TPG Tech Workshop (September 10, David Parham, SASB Staff)
- UNPRI Board Presentation (September 10, Matthew Welch, Janine Guillot, SASB Staff)
- SASB PRI in Person Affiliate Event (September 11, Janine Guillot, David Post, SASB Staff)
- Human Capital Management Coalition Workshop (September 11, Janine Guillot, Sonal Dalal, Bryan Esterly, SASB Staff)
- United States Chamber of Commerce Briefing (September 11, David Post, Matthew Welch, Tom Riesenber, Marvin Smith, SASB Staff)
- GRI & SASB Global Climate Action Summit Affiliate Event (September 12, Matthew Welch, SASB Staff)
- World Economic Forum ESG Steering Committee (September 12, David Post, SASB Staff)
- American Accounting Association Blockchain Conference (September 13, Robert Hirth, SASB Board)
- PRI in Person Panel: Using Disclosure Frameworks to Push the Boundaries of ESG Integration (September 14, Janine Guillot, SASB Staff)
- Investor Relations Magazine Think Tank (September 17, Anton Gorodniuk, SASB Staff)
- EEI ESG Meeting (September 17, Bryan Esterly, SASB Staff)
- NIRI Minneapolis Chapter Meeting (September 18, David Post, SASB Staff)

C. Press Releases:

- [Former Yahoo! CFO to Join SASB Foundation Board of Directors](#) (July 17, 2018)

D. Select Media Coverage:

- [ESG: What Institutional Investors Are Saying About Sustainable Investing](#) (Seeking Alpha, May 25)
- [What Buffett and Dimon get right and wrong on short-sighted finance](#) (The Hill, June 13, 2018)
- [The 20 Most Influential People In ESG Investing](#) (Barron's, June 23, 2018)
- [How ESG Investing Increases Risk-Adjusted Returns](#) (US News & World Report, June 28, 2018)

- [The Importance Of The Healthcare Sector To The Sustainable Development Goals](#) (Forbes, July 1, 2018)
- [The Future of Accounting Is Now: Financial Performance Is Linked to Sustainable Growth](#) (CPA Journal, July 2018)
- [SASB and Fordham University Collaboration](#) (CPA Journal, July 2018)
- [The State of COSO and SASB](#) (CPA Journal, July 2018)
- [The Current State of Sustainability Reporting](#) (CPA Journal, July 2018)
- [The Importance Of The Food And Beverage Sector For The Sustainable Development Goals](#) (Forbes, July 29, 2018)
- [SASB: What Boards Need to Know](#) (Boardroom Resources, July 10, 2018)
- ["The Corporate Reporting Dialogue Is Looking for Alignment, Not for One Common Framework"](#) (Sustainable Brands, August 2, 2018)
- [The Importance Of The Consumption Sector To The Sustainable Development Goals](#) (Forbes, August 17, 2018)
- [Standardizing Criteria Key Challenge for Booming ESG Market](#) (Chief Investment Officer, August 21, 2018)
- [IMA offers online course on sustainability reporting](#) (August 24, 2018)
- [Do You Know Your ESG Score?](#) (Corporate Board Member, August 2018)
- [Keynote Address: The Future of Sustainability Reporting Standards](#) (CPA Journal, August 2018)
- [Busting the RI performance myth](#) (Investment Executive, September 10, 2018)
- [Glass Lewis to Integrate SASB's Industry-Specific Materiality Guidance Across Research and Vote Management Products](#) (Press Release, September 12, 2018)

Item IV: SASB Foundation and Standards Board Interaction

A. Meetings

- On June 12th, the Chair of the Board attended the Standards Oversight Committee and Nomination & Governance Foundation Board committee meetings.
- On June 13th, the Chair of the Board briefed the Foundation Board on the activities and progress of the Standards Board.
- On July 10th, The Chairs of the Nominating & Governance and Standards Oversight committee joined the closed Board meeting of the Standards Board to discuss matters of strategy and due process.
- On September 20th, the Chair of the Board attended the Standards Oversight Committee to provide an update on codification.