Sustainability in the Mainstream
Why Investors Care and What It Means for Corporate Boards

By Virginia Harper Ho

Many corporate boards know that a clear focus on sustainability and other "environmental, social, and governance" (ESG) issues can drive integrated thinking and set them apart from their peers, but shareholder activism around ESG issues is less well-understood. As institutional investors deepen their engagement with companies on ESG concerns, directors need to understand what is driving these trends and what new competencies shareholders demand from corporate boards.
In the 2017 proxy season, shareholders at ExxonMobil, Occidental Petroleum, and PPL Corp. voted by overwhelming majorities in favor of proposals urging these boards to assess and report on the financial risks their companies face as a result of climate-related regulation.\(^1\) These proposals passed with the support of BlackRock, State Street Global Advisors, and Vanguard, all of whom have voting and investment policies that include environmental, social, and governance (ESG) considerations and risk assessment. In 2017, Fidelity followed suit and revised its proxy voting guidelines to state that it “may support shareholder proposals calling for reports on sustainability, renewable energy and environmental impact issues” as well as proposals on board and workplace diversity.\(^2\)

Many companies already understand how a clear focus on sustainability issues affects their bottom line, but they are often less familiar with the business case for their major shareholders to do the same. As a result, shareholder engagement around sustainability issues may be viewed as a distraction or a drain on corporate resources. Companies may also resist shareholder pressure for greater transparency around how ESG risks are managed if they see those issues as the focus of “special interests” or niche investors. However, as the votes on climate-related risk at Exxon and its peers show, sustainability is already entering mainstream investment practice, and institutional investors who integrate ESG indicators into investment decision-making and engagement with public companies are now a dominant force in U.S. and global capital markets. Mainstream institutional investors are also increasingly engaging companies around ESG issues because of the fundamental financial impact of ESG factors on portfolio risk and return, and in response to growing regulatory and market pressures.

This issue of *Director Notes* explains these trends and their implications for next-generation risk management, investor relations, and financial reporting practices. It draws on the following publications by Professor Harper Ho: “‘Comply or Explain’ and the Future of Nonfinancial Reporting,” 21 *Lewis & Clark L. Rev.* 318 (2017); “Risk-Related Activism: The Business Case for Monitoring Nonfinancial Risk,” 41 *J. Corp. L.* 648 (2016).
ESG in the Mainstream

Evidence that attention to companies’ ESG performance has entered the mainstream comes from several sources. One clear indicator is the rising level of assets under management held by investors who are signatories to the United Nations Principles for Responsible Investment (UNPRI); this figure now exceeds half of all publicly traded debt and equity worldwide. Asset owners and managers who endorse the UNPRI commit to actively engage with the companies they invest in, consistent with their fiduciary duties, and to integrate ESG performance indicators into investment and voting practice. U.S. investors who have endorsed the UNPRI are now nearly 20 percent of UNPRI signatories globally and include not only traditional backers of environmental and social proposals, such as Trillium Asset Management, Pax, and other asset managers specializing in responsible investment services, but also mainstream investment companies that incidentally include BlackRock, Fidelity, State Street, and Vanguard. These investors’ market share is in addition to the more than 20 percent of all assets under management in the United States that are invested based on sustainable, responsible, or impact investing (SRI) strategies.

Figure 1

Surveys of institutional investors by PwC and EY since at least 2014 find, on average, that 70 to 80 percent see ESG information as important or essential to investment analysis. The Chartered Financial Analysts Institute also notes a “growing realization that . . . ESG issues are relevant for all long-term investors. . . . For investment professionals, a key idea in the discussion of ESG issues is that systematically considering ESG issues will likely lead to more complete analyses and better-informed investment decisions.” For most investors who use ESG information, these indicators typically complement standard measures of financial performance. Many investors have moved beyond strategies that screen out certain companies or sectors, instead assessing company ESG metrics to select companies that are “best in class” relative to their sector or to peers with similar financial performance. ESG factors may reveal additional drivers of risk and return that may be overlooked in traditional financial analysis. Many of these strategies can be readily incorporated into automated or other passive investment strategies and across asset classes.

Table 1

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<th>Leading U.S. UNPRI Signatories (2017)</th>
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<td>U.S. Asset Owners (selected) (10% of 362)</td>
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<td>----------------------------------------</td>
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<tr>
<td>Bloomberg LP Retirement Plans</td>
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<td>California State Teachers’ Retirement and Pension System (CalSTRS)</td>
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<td>California Public Employees’ Retirement System (CalPERS)</td>
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<td>Harvard University Endowment</td>
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<td>International Finance Corporation (IFC)</td>
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<td>Nathan Cummings Foundation</td>
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<td>New York City Employees Retirement System (NYCERS)</td>
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<td>Northwestern University</td>
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<td>Rockefeller Brothers Fund</td>
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Another key indicator is the growing percentage of shareholder proposals that relate to companies’ environmental and social practices. Consistent with past years, environmental and social proposals in 2017 accounted for nearly half of all voted proposals. Since most proxy season analysis tends to report trends in environmental and social shareholder proposals separately from governance proposals, these statistics may actually underrepresent the level of investor attention to ESG issues when governance proposals are motivated by investor attention to company environmental and social performance.

For example, the shareholder campaign that ultimately led to the widespread adoption of proxy access bylaws by most public companies was initiated by the New York City pension funds, which stated that their goal was to enable shareholders to nominate directors who would address climate change risk and better align management incentives with long-term performance. New York City Comptroller Scott Stringer recently launched “Version 2.0” of its Boardroom Accountability Project to push for greater board focus on “diversity, independence, and climate expertise.”

Other ESG proposals that cannot be neatly divided along governance and “non-governance” lines include proposals urging the board to task a committee with ESG risk oversight or to report on board oversight of how specific ESG risks are managed. In these cases, the distinction between governance and environmental or social matters is quite arbitrary and is out of step with investors’ growing use of non-governance ESG indicators in financial analysis.

The voting guidelines of proxy advisors ISS and Glass Lewis also signal their willingness to support ESG-related proposals. In the 2017 proxy season, ISS supported 82 percent of all environmental proposals submitted to a vote. Depending on the particular issue, mainstream investors’ votes may align with those who advocate changes in corporate ESG transparency and practice as part of their ethical or policy commitments, creating synergies that could continue to drive higher levels of investor engagement around ESG issues.
2017 ISS U.S. Voting Guidelines

- Generally vote against proposals seeking a company’s endorsement of social/environmental issue principles that support a particular public policy position.
- Generally vote for resolutions requesting that a company disclose information on the risks related to climate change on its operations and investments, such as financial, physical, or regulatory risks.
- Vote case-by-case on proposals that call for the adoption of GHG reduction goals from products and operations.
- Generally vote for proposals requesting that a company report on its policies, initiatives, and oversight mechanisms related to social, economic, and environmental sustainability.
- Support proposals seeking reports of company’s efforts to respond on a range of ESG issues, including climate impact mitigation, board and workplace diversity.


The Business Case for ESG Activism: Spotlight on Company and Portfolio Risk

ESG activism, like the expanding use of such information in investment analysis, rests on growing recognition of the financial materiality of ESG information to investment returns, voting, and engagement. Investor surveys confirm that most investors who actively engage companies around ESG issues are particularly interested in obtaining more information on how portfolio companies manage ESG risk and in influencing how corporations identify and manage such material risks. Managing ESG-related investment risk also aligns with investors’ fiduciary duties to their beneficiaries, and some institutional investors are responding to pressure from their own shareholders to better align investment and voting strategies with regard to ESG risk. Regulators outside the United States are also introducing investor stewardship guidelines or mandates that support these trends. All of these factors are part of the business case for shareholder activism around ESG risk.
**ESG Materiality**

At an aggregate level, the general claim that information on environmental and social impact is material to investors has been accepted by the Organization for Economic Co-Operation and Development (OECD), as well as by stock exchanges and financial regulators in over 35 countries, including the U.K., Australia, South Africa, the European Union, and many emerging markets. Companies that are listed or have significant operations in these markets are already encouraged or required to provide some form of specific ESG disclosure, often within their annual reports. In the U.S. as well, the SEC’s 2010 Guidance on Disclosure Related to Climate Change has emphasized that companies should evaluate whether climate-related risk is material to the company and should disclose material risks in their annual reports under existing public reporting requirements. The same logic extends equally to other ESG risks.

**Company Fundamentals.** Decades of research in finance, accounting, and management grounds these regulatory policies and the business case for ESG activism. Upwards of 80 percent of empirical studies to date find that although not all company sustainability efforts translate into higher returns for investors, responsible business conduct has a positive or neutral effect on risk-adjusted returns, profitability, and other standard measures of financial performance. Because investors benefit from transparency, studies also find correlations between higher quality risk disclosures and a lower cost of equity capital. By the same token, negative ESG practices that increase potential legal liability, reduce product demand, heighten reputational risk, or increase the likelihood that costly regulatory changes will be imposed all increase cash flow and earnings volatility. Some studies have also shown that improvements in ESG policies in response to institutional investor engagement can drive above-market returns to investors.

A core finding of many of these studies is that companies with strong monitoring and management of environmental, employee, or product-related ESG risks enjoy a lower cost of equity and cheaper debt financing, and proposed changes that will incorporate ESG factors in credit rating methodologies can be expected to strengthen the payoff to companies who manage ESG risk. For example, Standard & Poor’s is revising the governance indicators that affect credit ratings to include measures of ESG-related financial and business risk, impacts on companies’ “natural and social environments,” and companies’ capacity to monitor these risks and impacts.

The methodologies used in empirical studies do not allow investors or companies themselves to identify which specific ESG risks are material to a given company, but their conclusions point to the need for boards to assess ESG risks as part of their core governance obligations to engage in risk oversight. The Sustainability Accounting Standards Board (SASB), the G20’s Task Force on Climate-Related Disclosure (TCFD), and others are working to identify which specific ESG indicators are material for particular industry sectors.
ESG Resources

**Climate Disclosure**

**CDP Benchmark Report** Peer benchmarking based on CDP climate disclosure data

**ESG Reporting**

**Integrated Reporting Recognized Reports** Examples of integrated reports recognized by the International Integrated Reporting Council through a peer benchmarking process

**PwC Integrated Reporting Guide** A “how-to” guide for companies seeing a move by their regulators towards more holistic reporting, e.g. in the form of the EU directive on non-financial disclosure, the Strategic Report (UK) as well as the International Integrated Reporting Framework issued by the IIRC

**SASB Materiality Map** Investor tool for identifying material ESG issues across industries and sectors based on SASB’s materiality indicators

**ESG Performance**

**Broadridge** DirectorInsight benchmarking across a range of corporate governance indicators

**Enablon Publisher** Peer benchmarking using CSRHub sustainability ratings

**Environmental Sustainability Performance** Environmental performance benchmarking tool by Benchmarking Success & Bluestone Energy

**Governance & Accountability Institute Sustainability Peer Benchmarking** Peer benchmarking of sustainability reporting against self-identified peers and reporting frameworks

**GRI Benchmarking Service** Peer benchmarking of sustainability reporting against self-identified peer reports in the GRI Sustainability Disclosure Database
Figure 2 illustrates some of the ways in which ESG risk connects to core fundamentals. It is part of the 2017 recommendations of the G20 Task Force on Climate-Related Financial Disclosure and highlights how climate-related risk affects financial performance.

Figure 2

Financial Impacts of Climate-Related Risk (TCFD)

Source: TCFD, Recommendations of the Task Force on Climate-related Financial Disclosures (June 2017), p. 8 & fig. 1. Used by permission.

**Enterprise Risk Management (ERM), Good Governance, and Insurance Effects.**

Institutional investors also care about ESG issues because they see ESG risk monitoring and mitigation as an essential part of effective enterprise risk management. As a previous report by The Conference Board explains, ESG risks include compliance, regulatory, environmental and other operational risks, as well as strategic risks. ESG risk management is therefore integral to the board’s risk oversight function and its role in setting company strategy. A company’s level of transparency around ESG risk management is also a good indicator of the quality of its governance practices.

Research also shows that ESG risk management has insurance-like effects that can help preserve value when the company or the entire market experiences an external shock. For example, during the financial crisis, financial institutions with superior risk management practices were less exposed to downside risk and related losses. Companies that consider how corporate operations affect the company’s customers, employees, suppliers, and the environment may benefit from the same type of insurance-like effects when a company experiences potential liability or enforcement action, perhaps because negative events are less likely to affect financial performance if the company can maintain the loyalty of its key stakeholders. Short-term stock returns tend to fall less sharply in response to news of environmental disasters or potential corporate liability than for companies with better ESG practices.
**Portfolio Risk & Universal Owners.** A focus on ESG indicators can also give investors an edge in managing portfolio risk. Research shows that companies with poor ESG risk management have higher market risk than those with relatively better ESG practices, even when controlling for standard indicators of profitability. Similar results emerge from studies analyzing the volatility of mutual funds incorporating ESG factors. These studies find lower volatility for these funds than for traditional funds in the same risk class. Because these studies isolate risk effects, they suggest that investors whose portfolios include companies with relatively lower ESG risk may be able to achieve above-market returns relative to investments with similar market risk. They also imply that company ESG practices have a direct effect in the aggregate on the market portfolio itself.

This points to another key explanation for why institutional investors may engage in activism around ESG issues — most institutional investors are “universal owners,” highly diversified investors who are effectively invested across the entire market. As a result, if most companies in a given sector or across the entire economy fail to adequately identify and manage ESG risk, then these investors are exposed to ESG-related risk across their portfolios. Because of the size or reach of their holdings, they may be unable to liquidate a position without affecting market prices, which gives them direct financial incentives to engage with companies in order to move market leaders to better manage and mitigate ESG risks.

**Market & Regulatory Drivers of ESG Activism**

Beyond the economic incentives that investors have to engage with companies around ESG concerns, new pressures from regulators and from their own shareholders are also pushing institutional investors to initiate or support ESG-related activism.

**Shareholder Expectations of Institutional Investors.** This year’s shareholder votes on climate-related disclosure at Exxon and other oil and gas giants have a backstory that points to the higher expectations institutional investors’ own shareholders have when it comes to ESG voting and engagement. As it happens, one reason why BlackRock threw its weight behind shareholders rather than management was because it faced pressure from its shareholders to bring its voting policies on environmental and social proposals into line with the investment and engagement practices it adopted that already seek to shift how companies respond to environmental and social concerns. Prior to the Exxon shareholder meeting, Walden Asset Management and Trillium Asset Management had filed their own resolutions with Black Rock, JP Morgan, T. Rowe Price and two Vanguard funds seeking a review of their record on climate-related proxy voting and urging them to support environmental and social proposals in line with their fiduciary duties. The proposals were withdrawn after the funds responded to the company’s request.

**Fiduciary Duties.** Modern definitions of asset manager fiduciary duties are also driving many institutional investors to take a closer look at ESG indicators of portfolio company performance. The U.S. Department of Labor (DOL) guidelines interpreting the prudent investor standard for Employee Retirement Income Security Act (ERISA) fiduciaries have been extremely influential in defining fiduciary duty not only for ERISA fiduciaries, but also for public pension funds governed under state law. In 2015, the DOL revised its prior guidance from 2008 to affirm that although ERISA does not allow fiduciaries to sacrifice
the economic interests of their beneficiaries to promote public policy goals, fiduciary duties permit consideration of ESG factors in investment analysis and voting practices when necessary to advance beneficiaries’ economic interests. According to global surveys conducted in 2005 by the U.K.-based law firm Freshfields Bruckhaus Deringer and a 2015 update of that report by the United Nations Environment Programme Finance Initiative, the DOL’s current position aligns with those in a growing number of countries that directly endorse or encourage public pension funds and other investment fiduciaries’ incorporation of ESG considerations in investment analysis.

Governments outside the U.S. may be going farther. A 2017 report of the OECD on ESG investment and governance observes that restrictive interpretations of fiduciary duty are giving way in many jurisdictions to conceptions that permit or even impose a positive duty on investors to incorporate financially material ESG factors. Along these lines, a recent report from the European Union’s High Level Expert Group on Sustainable Finance has urged the European Commission to revise its statement of fiduciary duties that apply to investment intermediaries to clarify that they require investors to incorporate material ESG factors into investment decision-making. As fiduciary duty law evolves in different jurisdictions, institutional investors may come to see ESG issues as increasingly important to their obligations as prudent investors.

Figure 3

**Fiduciary Duties of Asset Managers — A Timeline**

Source: Virginia Harper Ho, professor, Co-Director, Polsinelli Transactional Law Center, University of Kansas School of Law.
Investor Stewardship

Investors are also under increased pressure to account for how they exercise shareholder rights, such as voting and engagement, and to use their influence to promote better oversight of ESG risk. In 2017, JP Morgan, Nuveen (formerly TIAA Investments), Black Rock, State Street, Vanguard, T. Rowe Price and 32 other institutional investors representing over $20 trillion in U.S. equity investments signed onto a voluntary Framework for U.S. Stewardship and Governance. This Framework encourages investors to continue to engage directly with companies and to make their proxy voting and engagement practices and policies more transparent as part of a balanced approach to corporate and shareholder accountability.36

The Stewardship and Governance Framework is similar in many respects to the voluntary (and in the case of Japan, mandatory) investor stewardship codes that have been introduced by governments in a growing number of capital markets outside the United States, including the United Kingdom, Japan, Hong Kong, and Taiwan.37 As in the U.S., industry and investor organizations in Canada, South Africa, and the Netherlands have also adopted stewardship codes.38 Investor stewardship codes encourage or require institutional investors as asset owners or managers to disclose how their investment strategy contributes to the medium and long-term performance of the investor’s assets. These commitments to actively monitor the risk management and other governance practices of the portfolio companies are part of investor obligations to generate and preserve value for their beneficiaries. Under these codes, investors should also publicly report on how their investment and engagement policies affect management incentives and risk management across various time horizons.39

Figure 4
Investor Stewardship Codes

- Jurisdictions with stewardship codes or similar initiative
- Jurisdictions considering adopting stewardship codes or similar initiative

The International Corporate Governance Network’s (ICGN) Global Governance Principles, its 2012 Model Mandate, and its 2013 Statement of Principles for Institutional Investor Responsibilities, as well as the OECD Principles of Corporate Governance encourage investors to actively monitor and engage with portfolio companies. The ICGN’s Model Mandate, in particular, provides contract terms institutional investors can use in hiring fund managers that obligate them to integrate ESG factors into investment decisions and to disclose how these practices support market integrity or contribute to systemic risk.40

Proposed changes to the European Union’s Shareholder Rights Directive would similarly require institutional investors and other asset managers to disclose how their investment strategy contributes to the long-term performance of the invested assets and to develop polices to monitor portfolio company ESG risks.41 All of these measures are designed to motivate investors to more actively engage companies on issues like ESG that align with the long-term investment goals of fund beneficiaries.

The ESG disclosure obligations of investors are also front and center in the 2017 report and recommendations released by the G20’s Task Force on Climate-Related Financial Disclosure. It creates a framework for voluntary disclosure of climate-related risk that includes specific disclosure guidance for institutional investors as asset owners or managers. The recommendations task institutional investors with publicly reporting in their annual reports on how they measure climate-related risks and also on how they are engaging portfolio companies around these issues.42

**Implications for Corporate Boards**

The market and regulatory drivers of investor activism around ESG issues and investors’ growing demand for investment-grade ESG information is changing the landscape of how public companies approach ESG issues. Many public companies already embrace sustainability and responsible business practice as an integral part of corporate strategy that can create “shared value” for the company, its shareholders and other key corporate stakeholders.43 ESG-oriented investors are aligned with these goals and represent sources of “patient capital” that can support a long-term perspective on value creation. Whether companies have already developed clear strategies for ESG risk management or are skeptical of its value, directors need to consider how these trends affect current approaches to corporate governance, investor engagement, compliance and disclosure practice.

**Demand for New Board Competencies.** One of the key implications of current trends in ESG activism and investment is that investors’ attention to a broader range of risks requires new capacities from corporate boards. Many nonfinancial companies have already formed sustainability committees, risk committees, or other specialized committees in addition to the audit or executive compensation committees, but most companies still rely heavily on audit committees for oversight of ESG risk.44 Boards should carefully evaluate whether the audit committee or other committees are best suited to effectively oversee ESG risks, which often require the expertise of corporate insiders. Boards should also ensure that they have access to ESG risk management experts, and that the full board and senior management are familiar with these issues.
Executive Compensation. As investors begin to use ESG indicators to assess corporate performance, companies should consider how to better integrate ESG performance metrics and long-term benchmarks into executive compensation. Tying executive compensation more closely to long-term performance through the use of ESG targets may reduce incentives for excessive risk-taking and short-termism and can help companies identify risk blindspots earlier. Some companies have already adopted long-term financial and nonfinancial performance targets, but the primary metrics used in executive compensation plans for most companies still give little, if any, weight to ESG indicators and remain skewed toward relatively short-term time horizons.45

Common Ground on Investor Engagement. Directors should ensure that investor engagement encourages dialogue and learning, recognizing that investor demand for better ESG transparency and risk management is potentially aligned with the company’s own risk management goals. Directors should also confirm that their investor relations personnel and senior management are aware of the increasing overlap between corporate governance and environmental and social concerns, and of the important role investor engagement around ESG issues plays in identifying potential sources of long-term risk and return. Even though investors are required under Rule 14a-8 of the proxy rules to justify ESG shareholder proposals related to the company’s operations in terms of their connection to a significant policy matter,46 shareholder support for ESG proposals is actually likely to be based on concerns about hidden ESG risk or the opportunities for generating value that investors see as financially material. As ESG enters mainstream investment practice, corporate boards should therefore be wary of any categorical approach to investor ESG concerns. While not all proposals may be value-enhancing, viewing ESG proposals as just driven by “special interests” ignores the weight of the evidence on ESG materiality and investor behavior.

ESG Disclosure & Financial Reporting. Demand for ESG information from U.S. investors is rising as more investors recognize the material impacts of ESG risk on portfolio value. At the same time, investor surveys report rising levels of dissatisfaction with the level of ESG information companies provide in their annual reports.47 Companies should ensure that they are taking a close look at ESG materiality for purposes of financial reporting and not simply relegating ESG disclosure to stand-alone sustainability reports that are designed primarily for customers rather than for investors. Because their quality and format vary widely, sustainability reports are not adequate sources of investment-grade ESG information. The International Integrated Reporting Council (IIRC) and the SASB have developed materiality guidelines that offer a starting point for considering how to identify and disclose material ESG issues in financial reporting.

In the absence of more comprehensive guidance from the SEC on ESG materiality, companies with strong track records of ESG risk management should consider how to move industry peers toward more consistent reporting standards and practices so that investors can more readily identify ESG market leaders and laggards. Companies with significant operations in the European Union or who are cross-listed in capital markets outside the United States may already be required to provide expanded ESG disclosures to investors in their annual reports. Companies may not wish to provide expansive ESG disclosures in annual reports filed in the U.S., but if companies’ determinations on what ESG information is material to investors were more aligned with demand from investors...
themselves, investors would not need to rely so heavily on direct engagement, which is costly to companies and investors and does not reach all companies equally, to obtain ESG information.

A recent report from The Conference Board sheds light on the low levels of board engagement on sustainability issues. In a survey of sustainability executives, 55 percent said their boards meet only once per year or never on sustainability issues, and 69 percent said their boards spend four hours or less per year on sustainability issues.

Benefits for Corporate Boards

Responding to investors’ growing demand for ESG information and better ESG practices may offer other direct benefits to corporate boards. First, the evidence discussed earlier shows that better company performance on ESG indicators can boost financial and operational performance. Better management of ESG risks can also reinforce companies’ current ERM practices and help boards develop an integrated approach to strategy-setting and oversight. Second, positive responses to ESG activism could drive changes in company practice and help refocus company management on drivers of long-term risk and return. Prioritizing strong ESG risk management and performance can also help the company attract “patient capital,” investors that are less fixated on quarterly earnings and more supportive of R&D and other investments in the company’s future. By taking institutional investors’ ESG expectations seriously, boards might also unlock new sources of value for the company and keep ahead of emerging risks and opportunities.
Conclusion

As ESG issues enter mainstream investment practice and global regulators adopt new standards for investor accountability and public company disclosure, shareholder demand for ESG information and effective ESG risk management can only be expected to rise. Adopting a wholistic approach toward corporate performance and embracing investor perspectives on ESG materiality is essential to effective corporate governance as boards begin to navigate this new landscape.

Endnotes

7 CFA Institute, note 6, pp. 17-28.
8 PwC, note 5, pp. 6-9.
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15 Wm. Bartels et al., KPMG Int’l et al., Carrots & Sticks: Global Trends in Sustainability Reporting Regulation and Policy pp. 10, 14 (2016). The 35 jurisdictions were compiled from the list of measures reported by the Sustainable Stock Exchange Initiative (SSE) as of 2014 from all countries with some form of ESG disclosure requirement, http://www.sseinitiative.org/data/sustainabilityreporting/.
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27 Harper Ho, note 19, p. 122 surveys these studies.
28 Harper Ho, note 19, p. 121 surveys these studies.
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48 This idea has been suggested by Andrew Knauer and George Serafeim, in Attracting Long-Term Investors Through Integrated Thinking and Reporting: A Clinical Study of a Biopharmaceutical Company, p. 26 (2) J. Applied Corp. Fin. (2014), 26:47.
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