

Janine Guillot
Chief Executive Officer
Value Reporting Foundation

11 June 2021

Dear Chair Gensler,

On June 9, 2021, the International Integrated Reporting Council (IIRC) and Sustainability Accounting Standards Board (SASB) announced our merger into the Value Reporting Foundation, an independent non-profit organization registered as a 501(c)(3) in the United States. The convergence of our organizations is a direct response to increasing demand among businesses and investors for enhanced clarity and simplicity in the corporate reporting landscape. There is significant momentum among key institutions around the world, including the International Financial Reporting Standards (IFRS) Foundation, the International Organization of Securities Commissions (IOSCO), the G7, the European Commission – and, indeed, the Securities and Exchange Commission (SEC) – towards increased alignment of financial and material sustainability disclosure by businesses. Through this merger, we intend to answer the call for simplification, and we believe the combination of our resources better positions us to support these important efforts.

Before the Value Reporting Foundation merger became official, I responded to the SEC's call for public input on climate-related disclosure in my role as chief executive of SASB. Today, as CEO of our merged organization, I write to affirm our continued support for the positions set forth in my prior response, dated May 19, 2021. Those positions include, but are not limited to, the following:

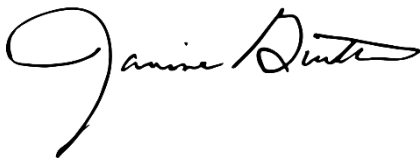
- Sustainability information is market infrastructure essential to making informed investment and voting decisions;
- The SEC should consider the full range of sustainability factors that investors analyze in their assessments of enterprise value, in addition to climate change;
- Industry-specific disclosure is critical to investment decision making, including with respect to climate risk;
- Strong governance and a robust, transparent due process are essential to ensure sustainability standards can evolve along with the market;
- Existing standards and frameworks – including the SASB Standards and the recommendations of the Task Force on Climate-related Financial Disclosures – can help the SEC establish a common structure for sustainability-related financial disclosure that includes an appropriate mix of qualitative and quantitative information, as well as cross-industry and industry specific metrics;
- The use of third-party standards that meet specified criteria (e.g. SASB Standards) can have a range of benefits, including the provision of investor-focused disclosure on the sustainability issues reasonably likely to be financially material for the typical company in an industry; and

- The SEC should continue to engage in the efforts of the IFRS Foundation to ensure international coherence.

With respect to the latter point, we would like to reiterate that the SEC can play a crucial role in advancing the coherence that both investors and businesses have called for in the area of sustainability disclosure. To that end, we strongly encourage the SEC to consider how any new requirements for sustainability disclosure can provide a basis for mutual recognition with an international solution like that of the IFRS Foundation's International Sustainability Standards Board (ISSB). The SEC's role as a member of IOSCO and as co-chair of the Technical Expert Group under IOSCO's Sustainable Finance Task Force presents a unique opportunity to ensure interoperability between US regulation and global initiatives. As outlined in my earlier response a "building blocks" approach can establish a global baseline for investor-focused sustainability disclosure that balances international consistency with jurisdictional specificity.

Although the legal structures and names associated with our organization have changed, I want to make clear that the SASB Standards will continue to be set according to the principles, processes, and practices outlined in the SASB *Conceptual Framework* and *Rules of Procedure*. The SASB Standards Board — an independent board that is accountable for the due process, outcomes and ratification of the SASB Standards — will continue to play the same role in our merged organization. The Value Reporting Foundation remains committed to the idea that decision-useful information about sustainability risks that influence a company's long-term value creation prospects are essential to market efficiency and price discovery. We welcome the SEC's continued engagement on this important topic.

Sincerely,



Janine Guillot
Chief Executive Officer,
Value Reporting Foundation