SUSTAINABLE INSIGHTS

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FINANCIAL FIRMS REQESTED TO REPORT ESG DATA FOR THE FIRST TIME

The new SASB standards will make targeted entities' investment decisions more transparent; however, implementation remains outstanding.

The Sustainability Accounting Standards Board (SASB) requested that banks and financial firms publish quantitative ESG data under its new accounting standards.

Drafts of the standards, yet to be finalized, include reporting of measures such as the carbon emissions of companies in which the banks have invested.

The standards are backed by large investors such as CalSTRS.

No bank has currently committed to using the new standards as many are cautious about making extensive new disclosures.

In Sustainable Insights – Edition 6, we identified how reported emissions of banks such as RBS (RBS LN) would drastically increase if they were to also disclose the emissions of fossil fuel companies to which they lend.

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JAPANESE GOV'T ADVISORS RECOMMEND RESPONSIBLE INVESTMENT FIVE-FOLD INCREASE TO JPY5TRN

Government appointed committee recommends increasing responsible investment from JPY1trn (€7.1bn) to JPY5trn (€35.5bn) by 2020.

The advisory committee, which included several prominent private sector leaders, found that market demand is increasing for medium and long-term funds investing in socially responsible areas, such as human resources and education.

The committee recommended that Japan should lead the global community by setting guidelines for its pension funds for socially responsible investing.

It noted that Japan also has an opportunity to lead the world in the development of integrated financial and non-financial reporting.

Japan is going through a process of reform in several areas including corporate governance and reporting, long-term finance, and sustainability.

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