CPA CHARTERED PROFESSIONAL ACCOUNTANTS CANADA

Integrating ESG to Create Long-Term Value: Five Steps to Developing an ESG Strategy

By Sarah Keyes, CPA, CA

What is the issue?
Stakeholders (employees, customers, communities) and global capital markets (investors, insurers, lenders, rating agencies and regulators) are giving heightened attention to the environmental, social and governance (ESG) impacts of organizations.

Why is the issue important?
The COVID-19 pandemic has further highlighted the interconnections between the economy, society and the environment. Companies need to develop ESG strategies to address the concerns of all stakeholders. This will allow organizations to remain competitive and create long-term value. Adopting an integrated ESG mindset and enabling a cultural shift towards multistakeholder capitalism is critical to ensuring success today and in the future. Organizations that are proactive stand to achieve a competitive advantage, while those that ignore ESG may do so at their future peril.

What can be done?
Organizations need to incorporate the most material ESG factors into existing strategy, risk management, financial and operational planning and budgeting, capital planning, governance and oversight processes. This is true for all organizations: publicly traded, privately held, not-for-profit and public sector.

Who is this guideline for and how can it be applied?
This guideline is intended for CPAs working in industry (i.e., operational, management accounting and reporting roles), at not-for-profits and in the public sector, as well as those in leadership roles. This guideline provides practical guidance for CPAs to integrate ESG factors into existing business strategy, risk and performance management within their organizations and to respond to stakeholders' ESG expectations.

MANAGEMENT ACCOUNTING GUIDELINE | GUIDELINE

Overview

Links to other CPA Canada Management Accounting Guidelines (MAGs)

This guideline can be used in conjunction with other CPA Canada guidelines that provide further information on related topics, such as:

- MAG on rethinking organizational strategy
- MAG on strategy mapping
- MAG on scenario planning
- MAG on future value drivers

Introduction to the topic

A move towards multistakeholder capitalism

The term sustainable development was coined by the Brundtland Commission in 1987. It is defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." It provides a long-term view of sustainable value creation for all stakeholders, not just the organization or its shareholders. This is an important shift that has gained momentum in recent years.

In 2019, the *Canadian Business Corporations Act* (CBCA) was amended to state that when acting with a view to the best interests of the corporation, directors and officers may consider, but are not limited to, the following:

- the interests of shareholders, employees, retirees and pensioners, creditors, consumers and governments
- the environment
- the long-term interests of the corporation

Also in 2019, the Business Roundtable, consisting of the CEOs of the world's largest companies, redefined the purpose of a corporation to create value for all stakeholders – including customers, employees, suppliers, communities and shareholders. This was seen as a significant shift from the traditional shareholder-centric model that has dominated capitalism since Milton Friedman.

The 2030 Agenda for Sustainable Development was adopted by all United Nations Member States in 2015. It provides a shared global blueprint for peace and prosperity for people and the planet – using the 17 Sustainable Development Goals (SDGs). As a UN Member State, Canada has committed to doing its part to support the accomplishment of the SDGs. Increasingly, companies and investors are using the SDGs to report on their impacts toward achievement of these global goals.

Today, companies are increasingly under pressure to explain how they create shared value for all stakeholders – not only shareholders. Canadian and global societal views shifted significantly during the COVID-19 pandemic, which put a spotlight on social issues (e.g., health, inequality) and environmental issues (e.g., climate change). In a 2021 survey of Canadians on federal budget priorities, the top two issues were public health and action on climate change and the transition to a greener economy.

To remain globally competitive, organizations of all types (public, private and not-for-profits) will need to demonstrate how they are creating shared value for all stakeholders to survive and thrive in the long-term.

What is ESG?

Many terms have been used over the decades to describe sustainable development concepts, including corporate social responsibility (CSR), sustainability and the latest, ESG or environmental, social and governance. A key distinction between ESG and CSR / sustainability is that ESG focuses on the subset of CSR / sustainability factors that are financially material to an organization. Given the potential effects on operational and financial performance, ESG factors are of interest to capital market participants, including shareholders, bondholders, lenders, insurers, proxy advisors, rating agencies and financial regulators. In this guideline, they are collectively referred to as “investors and other financial stakeholders.

ESG factors vary by industry, geography and organization type. They are often intangible and interconnected to one another, with the potential to amplify existing risks and opportunities. Some examples of ESG factors include:

- **environmental** – climate change, biodiversity, water management
- **social** – health and safety, diversity and inclusion, human capital management
- **governance** – business ethics and transparency, anti-corruption

ESG strategies enable long-term value for stakeholders

If organizations maintain the status quo of a shareholder-centric, profit-driven business model, they risk losing social licence to operate and may find themselves at a competitive disadvantage. Addressing an organization's most material ESG factors results in financial and operational outperformance, including lower cost of capital, reduced risk, lower operating costs and reputational benefits.

ESG strategies are an important tool for an organization to begin to address the shift toward multistakeholder capitalism. Organizations need to adapt their definitions of "long-term value" to consider a broader range of stakeholders. A robust ESG strategy can build long-term value for shareholders and stakeholders by:

- reducing or transferring risks
- creating more motivated and engaged employees
- building more loyal customer relationships
- establishing stronger business partnerships
- improving social licence to operate

Traditionally, CSR and sustainability teams have been siloed in organizations as their own departments. However, when it comes to addressing ESG factors, it is important to include ESG throughout the organization's existing strategy, enterprise risk management and financial and operational reporting processes. ESG factors should be treated no differently than other material risks and opportunities.

How does RAISE apply to ESG?

Resilience, adaptability and innovation are the essential components of sustainable enterprises (RAISE) in today's world, where business as usual is no longer possible. ESG strategies must embody these same components.

ESG strategies require:

- **resilience** in operations and supply chains, given ESG-related risks can have direct and indirect impacts on organizations' financial and operational performance.
- **adaptability** in their design. Organizations must craft flexible ESG strategies that can evolve alongside the ESG priorities of stakeholders.
- **innovation** to approach ESG-related challenges and capitalize on new ESG-related opportunities with creative ideas and perspectives.

How CPAs add value

CPAs have the skills and competencies to help their organizations move toward a multistakeholder business model and integrate ESG factors into strategy, risk and performance measurement and management, and reporting. The table below outlines enabling competencies from the CPA competency map and explains how they relate to the development of an organization's ESG strategy.

CPA enabling competency	Link with developing an ESG strategy
Acting ethically and demonstrating professional values	A multistakeholder mindset aligns with CPAs' protection of the public interest and highest standards of ethics and professionalism.
Leading	CPAs have an opportunity to lead ESG strategy discussions within their organizations and establish performance management systems to oversee ESG factors.
Collaborating	CPAs are respected and trusted, enabling them to partner with individuals and teams throughout an organization to develop a multifaceted approach to addressing ESG risks and opportunities.
Adding value	CPAs can encourage a culture of mindful co-operation, innovation and sustainability by working effectively across organizational functions to develop an ESG strategy.
Solving problems and making decisions	CPAs can help their organizations navigate the complex ESG landscape by leveraging their analytical skills and integrative thought processes to identify important ESG issues. They can use evidence and analytics to evaluate alternatives, apply appropriate decision criteria and develop implementation and change-management plans.
Communicating	CPAs can help their organizations tell their ESG story and explain how they are creating value for all stakeholders in their ESG reporting.

Link to Competency Map 2.0

The CPA profession is transforming to meet the needs of the future. The CPA Competency Map lays the foundation for the CPA certification program. The goals of Competency Map 2.0 are to be relevant, reflect workplace expectations and requirements and set a reasonable expectation on the volume of knowledge, skills, attributes and competencies that can be learned and assessed.

The ability to integrate ESG issues into existing strategy, risk management and reporting processes are a core part of a CPAs value proposition now and in the future. The following competencies included in the Competency Map 2.0 that relate to this MAG are:

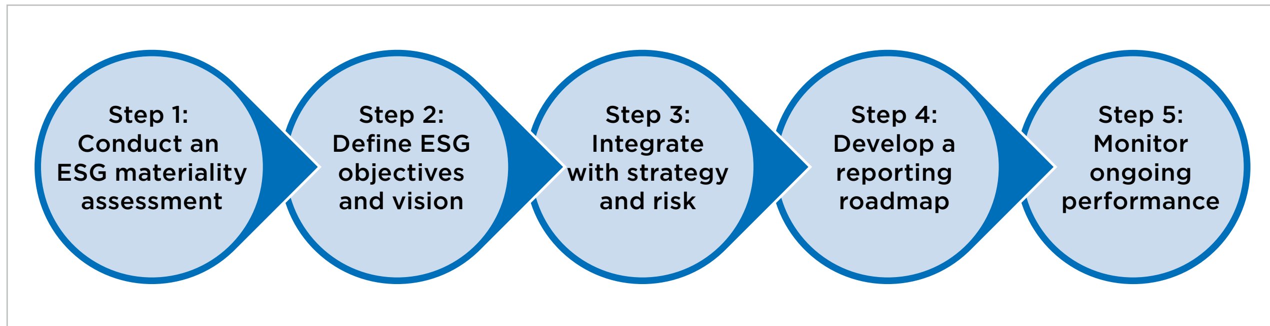
- **CPA ethical mindset –** reflects who we are, what we do and where we do it. It encompasses both human skills and values (e.g., curiosity, creativity and resilience) as well as professional competencies (e.g., acting in and protecting the public interest and being technologically savvy).
- **foundational common core competencies –** these competencies include several ESG topic areas that are highlighted in this MAG including:
  - equity, diversity and inclusion
  - Indigenous views / Indigeneity
  - systems thinking and complexity theory
  - emerging and transformative technologies
  - sustainability (including ESG)

While Competency Map 2.0 is still in progress, it remains important to understand how the evolution of the CPA Competency Map aligns with the concepts presented in this guideline.

Process

There are five steps to develop an effective ESG strategy, as shown in Figure 1.

FIGURE 1: FIVE STEPS TO DEVELOP AN EFFECTIVE ESG STRATEGY



Applying the topic to your organization

Step 1

Conduct an ESG materiality assessment

An ESG materiality assessment identifies and assesses relevant ESG factors for the organization. It is based on the ESG factors of interest to investors and other stakeholders, as well as those already identified as important by the organization. The process of conducting an ESG materiality assessment includes four sub-steps.

1a: Identify a long list of potentially relevant ESG factors

Sources of potentially relevant ESG factors may include, but are not limited to:

- results of stakeholder interviews, surveys and/or workshops to gather input on the organization's most important ESG factors
- benchmarking of ESG disclosures made by industry peers, investors and insurers
- investor requests for ESG-related information
- results of proxy voting on ESG-related issues (if applicable)
- regulations, reports and guidance issued on ESG concerns by financial regulators (e.g., securities regulators, sector regulators)
- current and prospective legal and regulatory requirements related to ESG issues
- sector-specific guidance on ESG topics, including from industry associations

Key considerations for NFP and public sector

- While these entities will not have to contend with ESG expectations of financial stakeholders, the focus of the ESG materiality assessment should be on key stakeholders and constituents. The impact and likelihood assessment still applies.
- In the case of NFPs, these key stakeholders may include donors, partners, beneficiaries and communities.
- In the case of public sector entities, these key stakeholders may include taxpayers, other levels of government and the general public.

1b: Assess the potential impact of each ESG factor in terms of its impact and likelihood

The organization should define the criteria for assessing the impact and likelihood of each potentially relevant ESG factor. Impact is usually defined as the potential operational, financial, reputational or legal implications. Likelihood is usually defined based on the probability of the ESG risk or event occurring across multiple time horizons.

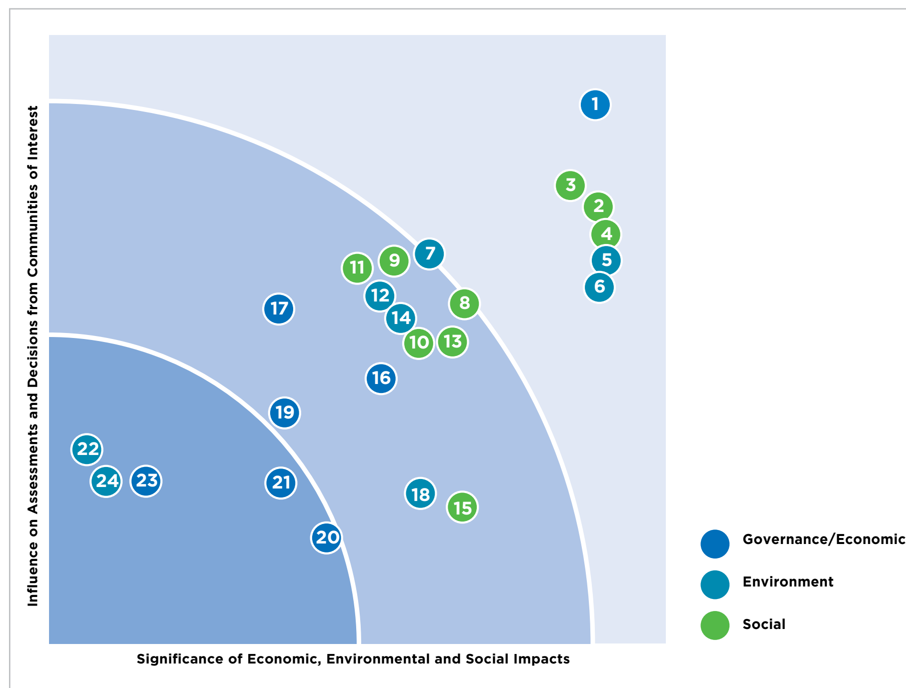
Many organizations align their ESG materiality assessments with their enterprise risk management (ERM) risk definitions and assessment criteria. Typically, risk registers use a similar impact and likelihood terminology and rating scale. Where feasible, the impact and likelihood assessment criteria should be aligned with existing processes. This allows for better

ease of integration of ESG factors into enterprise risk registers and ensures that ESG factors are treated consistently with other risks and opportunities, which is considered best practice. See further discussion on this point in Step 3 below.

1c: Categorize the ESG factors based on their impact and likelihood

Establish a categorization based on the impact and likelihood scores assigned to each ESG factor. For example, some organizations might use a 1-5 rating scale to determine the relative impact and likelihood for each ESG factor. In this case organizations will commonly assign definitions for each rating, so it is clear how the risk has been assessed in a consistent and objective manner.

FIGURE 2: 2020 MATERIALITY MATRIX



Many organizations will use a materiality matrix to visually demonstrate the results of their ESG materiality assessments (see Figure 2: Materiality Matrix). This allows organizations to convey their criteria for assessing impact and likelihood to explain how they identified the priority ESG factors to form the basis of their ESG strategy and reporting to stakeholders.

1d: Validate the preliminary findings with senior management and the board of directors

Validation is often best achieved in a workshop format that enables group discussion to reach consensus and shared understanding. This is essential to ensuring buy-in from the organization's leadership.

As experts in assessing risk and determining financial materiality, CPAs can support their organizations in conducting ESG materiality assessments by providing the research and analysis to identify potentially material ESG factors. They can develop impact and assessment criteria to rate and prioritize ESG topics. Where possible, CPAs can also assist in quantifying potential financial impacts of ESG factors to assess their financial materiality to the organization.

Questions to ask in validating results of ESG materiality assessment

- Do you agree with the prioritization of the organization's ESG-related risks and opportunities?
- Do any changes need to be made to any of the impact and likelihood assessments?
- Are any relevant ESG factors missing from the assessment?

However, qualitative factors must also be considered in assessing ESG factors, particularly given the challenges in traditional risk approaches (see Step 3b).

Step 2 Define ESG objectives and vision

The organization's ESG objectives should be based on mitigating risks and capturing opportunities associated with the material ESG factors identified in Step 1. Obtain input from internal and external stakeholders. Some organizations opt to combine stakeholder interviews, surveys and/or workshops in Steps 1 and 2 to streamline the engagement process.

When defining ESG objectives, consider asking key stakeholders the following questions:

- What is our long-term mission and vision for the organization? How do ESG factors impact our ability to achieve our mission and vision?
- What is our level of ambition when it comes to ESG? How does our organization want to be positioned relative to peers on ESG?
- Are there any areas where our organization is already leading on ESG factors? What are the biggest opportunities to improve our ESG performance?

The findings of this stakeholder engagement should be used to inform the organization's ESG vision statement. The ESG vision is typically an internal document that guides the organization's ESG efforts. It is often also published on organizations' websites and referenced in ESG reports. An ESG vision should establish:

- the context for why ESG is relevant to the organization and its industry
- how ESG is aligned with the organization's mission, vision and values
- an approach to ESG and guiding principles
- ESG priorities for the organization, including ESG-related targets (if pursued)
- roles and responsibilities of key departments and senior leadership teams

Key considerations for NFP and public sector

- Defining the ESG vision for NFPs and public sector should link directly to the mission, vision and mandate of these entities.
- In the case of NFPs, this may include establishing a clear link between relevant ESG factors and the mission of the NFP. For example, if the NFP is focused on addressing homelessness, this should be linked to the relevant SDGs, such as Goal 1: No Poverty.
- In the case of public sector entities, this may include establishing a clear link between relevant ESG factors and the mandate of the entity. For example, the Ministry of Economic Development, Job Creation and Trade should link its ESG vision with relevant SDGs, such as Goal 8: Decent Work and Economic Growth.
- It is critical for NFPs and public sector entities to link their core mission and values to relevant ESG factors and the SDGs offer a useful framework for these entities.

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Step 3

Integrate ESG factors into existing strategy, risk management and governance

Use the ESG vision from Step 2 to guide the integration of material ESG factors into strategic planning and risk identification and mitigation processes.

3a: Link ESG factors with strategic planning

The table below outlines how ESG factors can be integrated into strategy.

Process	Guidance for integrating ESG factors
Strategic planning and target-setting	• Articulate the link between ESG factors and the mission, vision and values of the organization. • Assign formal responsibility to senior management teams to identify, assess and respond to ESG-related risks and opportunities. • Consider establishing an internal ESG committee or working group to lead the execution of the organization's ESG strategy, including reporting. • Explicitly include consideration of relevant ESG factors as part of annual strategic planning and target-setting activities.
Budgeting and financial analysis	• Analyze the costs and benefits of different actions to respond to ESG-related risks and opportunities to inform decision-making and resource allocation. • Calculate the return on investment and payback period for investments in ESG-related projects and initiatives.
Capital planning	• Integrate consideration of ESG factors in capital-planning decisions, particularly for assets with long lifecycles (e.g., infrastructure, heavy equipment). • Analyze the costs and benefits of new technologies and alternative solutions designed to enhance ESG performance (e.g., energy-efficient engines and vehicle fleets).
Compensation and incentives	• Consider including ESG-related KPIs in short-term compensation plans for senior management teams to drive ESG performance and achievement of ESG-related targets.

There is no one-size-fits-all approach to integrating ESG with existing organizational strategy. CPAs can help their organizations develop a response to ESG-related risks and opportunities that is tailored to their unique culture and values. Ensuring effective change management and employee engagement is essential to the success of any new organizational initiative. CPAs can leverage their cross-functional relationships and communication skills to build trust across departments and teams to develop an integrated ESG strategy.

3b: Integrate material ESG-related risks into enterprise risk management (ERM) processes

Review the organization's existing risk register to determine if there are any potential gaps to be addressed. If gaps are identified, consider incorporating additional ESG risk factors into the risk register.

The diagram below outlines three challenges to integrating ESG factors into ERM processes. It is important for CPAs to be aware of these challenges so they can help their organizations navigate them.

FIGURE 3: CHALLENGES TO INTEGRATING ESG FACTORS INTO ERM PROCESSES

Update any internal and external policies and process documentation related to the organization's risk management approach to include explicit mention of consideration of ESG factors. This is a best practice and demonstrates to investors and other financial stakeholders a consistent approach to identifying, assessing, monitoring and reporting on risks and mitigation strategies.

CPAs can assist their organizations in updating ERM processes and risk registers to include consideration of material ESG-related risks. It is important for CPAs to be adaptable when considering how ESG factors can be integrated into ERM processes and to apply a quantitative and qualitative lens to assessing ESG-related risks and developing mitigation plans.

Step 4 Develop a reporting roadmap

Organizations need to ensure they are telling their value-creation stories effectively to their stakeholders. This will allow them to meet stakeholder expectations, maintain their access to capital and brand reputation and gain competitive advantage.

4a: Select relevant reporting standard(s) and framework(s)

The ESG reporting landscape is complex. Multiple sets of voluntary standards and frameworks exist, including:

- Sustainability Accounting Standards Board (SASB) standards. This is a set of industry-specific ESG topics and metrics for disclosure based on evidence of

Key considerations for NFP and public sector

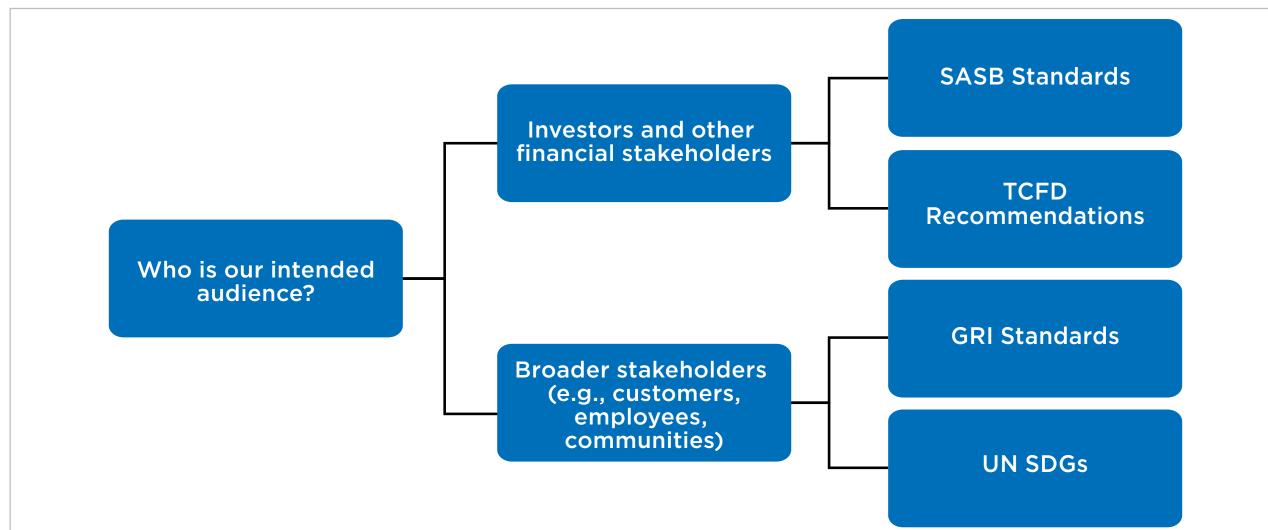
- The reporting requirements for NFPs and public sector entities differ significantly from corporations.
- Transparency and communication to key stakeholders is critical for NFPs and public sector entities given they are accountable to their constituencies.
- Given their missions, NFPs and public sector entities should consider using the SDGs as a framework for reporting on their impacts to specific goals.
- The SASB standards, TCFD recommendations and GRI standards can also be leveraged and adapted by NFPs and public sector entities to report on ESG performance.
- Given that all of these frameworks are currently voluntary in Canada, NFPs and public sector entities should adapt their use of these reporting frameworks and standards to ensure they are fit for purpose for these types of organizations.

investor interest and financial materiality. These topics and metrics are intended to be a starting point for organizations operating in a particular industry. They are not exhaustive and are often used in conjunction with other reporting frameworks.

- Task Force on Climate-related Financial Disclosure (TCFD) recommendations. Developed at the request of the Financial Stability Board, these disclosure recommendations focus specifically on climate change risks and opportunities. The TCFD framework applies a financial materiality lens (consistent with the SASB standards) and they are an investor-preferred framework for disclosure of climate-related financial risks to organizations. The TCFD issued guidance on climate-related metrics, targets and transition plans for use in identifying relevant KPIs related to climate change.
- Global Reporting Initiative (GRI) standards. These are the most used sustainability reporting standards by organizations for reporting to a broad range of external stakeholders, including customers, communities, employees and non-government organizations. Many of the metrics included in the GRI standards focus on the organization's impacts on the environment and society, rather than the impacts of these issues on the organization.
- United Nations (UN) Sustainable Development Goals (SDGs). A growing number of organizations are using the 169 targets that underpin the 17 SDGs to report on how they are helping to achieve these global goals.

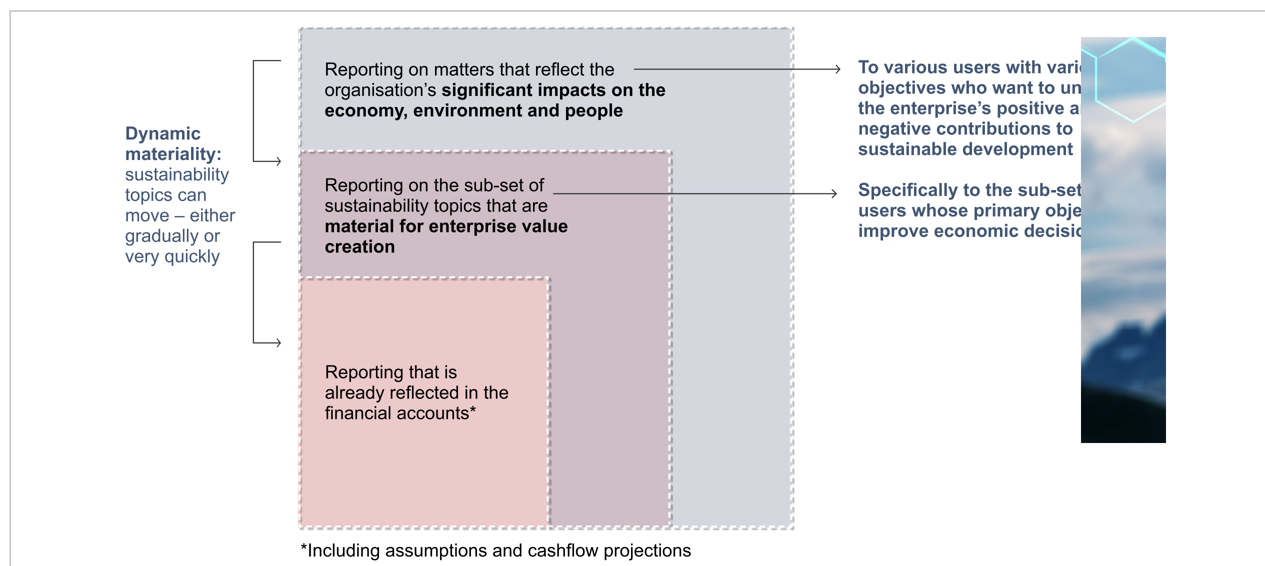
Use the decision tree below to determine the most appropriate reporting standard(s) or framework(s) based on the intended audience.

FIGURE 4: DECISION TREE



The decision tree logic is based on the fundamental concept of materiality (i.e., organizations should report on the information that is of greatest interest to the target audience). However, CPAs should pay attention to the concept of "dynamic materiality," which reflects the reality that ESG topics can evolve slowly or rapidly and their importance to different groups of stakeholders can shift in response. The figure below from the Statement of Intent to Work Together Towards Comprehensive Corporate Reporting illustrates this concept.

FIGURE 5: DYNAMIC MATERIALITY



The U.S. Securities Exchange Commission and the Canadian Standards Administrators have both issued guidance and conducted public consultations on ESG and climate-related financial disclosure. In addition, the IFRS Foundation established a new International Sustainability Standards Board (ISSB) to set IFRS sustainability standards, beginning with developing a standard for reporting on climate-related financial risk. CPAs should continue to monitor this evolving reporting landscape to ensure their organizations are prepared for future mandatory ESG reporting requirements.

4b: Identify KPIs to measure, monitor and report progress

Depending on the resources available for ESG reporting, organizations will typically need to take a staged approach to ESG data collection. In some cases, ESG-related KPIs such as health and safety data will be readily available. In other cases, organizations will need to collect new types of data for ESG-related KPIs, such as greenhouse gas (GHG) emissions. Using the results of the ESG materiality assessment in Step 1, organizations should map their existing internal data collection and KPIs against the metrics recommended in the reporting standards and frameworks discussed in Step 4. Completing a KPI mapping exercise will identify gaps in existing data-collection processes. The organization can then review its existing data collection systems and processes and plan to collect required data or determine if an estimate is more appropriate. Over time, organizations should strive to report in full alignment with the reporting standard or frameworks selected.

Preparing a three-year roadmap to ESG reporting is emerging as a best practice. The roadmap should include the following elements:

- reporting standard(s) and framework(s), including any under consideration for the future
- integration of ESG disclosure into regulatory filings, including MD&A, AIF and MIC
- KPIs and targets to be gathered and reported in a phased approach
- qualitative disclosure topics to be included (e.g., company policies, governance structures)

CPAs can use their understanding of internal systems for data collection and reporting to ensure accurate, reliable, consistent and comparable information can be gathered for internal monitoring (see Step 5) and external reporting to stakeholders. CPAs can also leverage their management accounting and financial reporting technical competencies to assist in preparing ESG reports for management, the board of directors, investors and other stakeholders.

Step 5 Monitor ongoing performance

It is essential to develop a monitoring plan for ongoing ESG performance. Use internal reporting to measure progress toward ESG targets and identify trends in ESG-related KPIs. Proactive monitoring of ESG factors enables management teams to adjust actions to improve ESG-focused outcomes throughout the execution of the ESG strategy. Boards of directors should be overseeing the execution of ESG strategy and monitoring progress toward targets over time. The table below outlines best practices for management monitoring and board oversight of ESG performance.

Role of management	Role of the board of directors
• annual process for identification and assessment of material ESG factors	• review annual updates on material ESG factors (i.e., changes in ESG materiality assessment)
• quarterly monitoring of progress toward ESG targets and trends in ESG-related KPIs	• review annual reporting from management on progress toward ESG targets
• annual reporting to the board of directors on progress toward ESG targets	• review and approval of external disclosures of material ESG factors
• reporting of exceptions or deviations from stated policies and/or standard practices to the board	• annual update on trends (e.g., investor engagement and ESG priorities, proxy voting guidelines, new regulations)

The information required for internal monitoring of ESG performance is often more detailed than the information disclosed to external stakeholders in ESG reports. A detailed internal reporting framework on ESG factors enables management to proactively monitor ESG factors not currently assessed as material for evidence of changing materiality over time. A robust internal ESG monitoring and reporting approach allows management teams to address the issue of dynamic materiality explained above. The board should understand and oversee management's internal monitoring process and receive regular updates of any changes to the company's ESG materiality assessment.

CPAs can assist in establishing effective governance policies and processes to manage and oversee ESG factors within their organizations. They can also assist in preparing templates for internal monitoring of ESG factors by management. CPAs in leadership roles, such as those working as chief financial officers, are often accountable for the ongoing data collection and reporting of ESG-related KPIs and targets. By employing their communication skills, CPAs can help their organizations proactively monitor ESG performance to ensure the long-term success of ESG strategies.

Key learnings

For organizations to thrive over time and remain globally competitive, they need to develop robust ESG strategies that address the ESG risks and opportunities with the greatest potential to impact value. In a post-pandemic society, stakeholders' ESG expectations are high and growing. Organizations can establish trust with stakeholders by being transparent about their ESG journey and committing to continuous improvement.

An effective ESG strategy considers the interconnections between a broad range of stakeholders, as depicted in the diagram below.

FIGURE 6: KEY ELEMENTS OF AN ESG STRATEGY

For an ESG strategy to result in real-world outcomes and meaningfully contribute to value creation for all stakeholders, it must be integrated with existing organizational strategy, risk management and reporting.

CPAs have an opportunity to support their organizations in developing comprehensive approaches to addressing ESG issues by acting as the link between cross-functional teams to facilitate teamwork and collaboration. Organizations that can harness ESG opportunities and mitigate ESG risks will be well-positioned to gain competitive advantage in an ever-interconnected world.

Resources

CPA Canada publications:

- On the Radar – Business impact of environmental and social issues
- Environmental and social issues briefing for directors
- Primer on environmental and social disclosure

CPA Canada MAGs:

- MAG on rethinking organizational strategy
- MAG on strategy mapping
- MAG on scenario planning
- MAG on future value drivers

Other accounting body publications:

- 2030 agenda on the UN sustainable development goals (SDGs)
- CPAs and the new social contract

ESG reporting publications and guidance:

- Statement of intent to work together towards comprehensive corporate reporting
- SASB standards
- TCFD recommendations
- GRI standards
- UN SDGs
- CSA guidance on reporting of climate change-related risks [PDF]
- IFRS Foundation. *Proposed targeted amendments to the IFRS foundation constitution to accommodate an international sustainability standards board to set IFRS sustainability standards* [PDF]

About the author

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Sarah Keyes is a climate change expert and the CEO of ESG Global Advisors. She has more than a decade of experience as a thought leader, consultant and auditor. Sarah conducts ESG materiality assessments, climate change scenario analysis and develops ESG implementation roadmaps. She works with her clients to set ambitious and achievable ESG and climate change goals and targets. She regularly presents to boards of directors on climate change, ESG factors and implications for corporate governance and oversight, as well as the links to financial and operational performance and long-term value.

Prior to joining ESG Global Advisors, Sarah was a principal at CPA Canada where she produced research, thought leadership and guidance for companies to integrate climate change considerations into business strategy, risk management, governance and reporting. Prior to CPA Canada, Sarah held senior roles at PwC and MNP working with the energy and mining sectors.

She is a member of the Institute for Corporate Directors Climate Strategy Advisory Board for the Canadian Chapter of the WEF Climate Governance Initiative. She is also the National Academic Director for the ICD's Climate Governance Program and a facilitator for the ESG and Sustainable Finance module of the Rotman / ICD Directors Education Program. Sarah sits on the Board of Directors of Leading Change and Sustainable Buildings Canada. She has a Bachelor of Commerce from McGill University, ISO 14064-3 Certification for Greenhouse Gas Verifications and received the 2018 Emerging Leader Award from CPA Ontario.

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