

## CFO perspectives on ESG strategy and reporting practice

Investors, policymakers, regulators, and customers are increasingly basing decisions on companies' actions around environmental, social, and governance (ESG) matters. ESG has become both a critical risk and a source of opportunity for large European firms, and decision makers demand reliable, quantified data in corporate disclosures. The proposed Corporate Sustainability Reporting Directive, if approved, will make sustainability reporting a requirement for all large EU companies, EU subsidiaries, and companies listed on EU markets.

ESG disclosures are therefore being aligned and integrated with other corporate disclosures and subjected to more rigorous controls. And with stakeholders' increased interest in performance on nonfinancial objectives, many companies are incorporating ESG in their business strategies and tasking their finance teams with tracking nonfinancial key performance indicators (KPIs) as well as the financial indicators that they have managed for many years. Some have asked their finance functions to help structure and implement nonfinancial reporting systems, as finance professionals can better translate greenhouse gas emissions, social metrics, and other ESG data into monetary terms, and they are often skilled at regulatory compliance. A commentator observed that "the expertise of the CFO team is well suited to lead the design, operation, and maintenance of internal controls and governance over sustainability performance information."<sup>1</sup>

On November 30, members of the European Audit Committee Leadership Network (EACLN) met virtually to discuss ESG reporting practices and processes with Murray Auchincloss, chief financial officer of bp plc, Julie Brown, chief financial officer of Burberry; Luka Mucic, chief financial officer of SAP; and Paul Penepent, head of group financial reporting and accounting at Novartis.<sup>2</sup>

*For biographies of the meeting guests, see Appendix 1, on page 10, and for a list of participants, see Appendix 2, on page 12.*

### Executive summary

- **ESG reporting brings unique challenges and risks.** Some participants observed that ESG strategy and reporting are often siloed in separate sustainability, ESG, or corporate social responsibility organizations. The data can thus be spread across different systems, making it difficult to trace and to ensure its integrity. Audit chairs worried that ESG data and processes are not subjected to levels of controls used with financial data and that the metrics followed by groups responsible for ESG are too numerous and not always material to the company. They were concerned about risks such as allegations of greenwashing and the possibility of divestment if ESG goals are not met.

- **Good practices: Finance teams respond to ESG reporting challenges**
  - **Embedding ESG across the organization.** Mr. Mucic and Ms. Brown said that ESG is embedded in the overarching corporate strategy at their organizations and is the responsibility of management functions across the company. Ms. Brown noted that Burberry has designated sustainability responsibility champions across the company's operations, in its retail store network, and in its executive leadership, including in the finance organization.
  - **Creating an integrated ESG reporting platform.** Mr. Penepent is leading an effort at Novartis focused on building an integrated ESG reporting platform. This includes looking at data sources, defining metrics and methodology, documenting everything in standard operating procedures, and then putting processes in place locally to ensure data integrity, reliability, and control. The company intends to increase local ownership and review of ESG data, with local CFOs managing the process.
  - **Prioritizing metrics, focusing on what is material for the company.** One member noted that her company follows 84 ESG metrics, in addition to its financial objectives. She said that *"trying to run a company with all of these will be difficult"* and added that *"measures should be chosen selectively and have accountability attached to them, a bit like doing a risk analysis to work out what level of risk is tolerable and what measures there are to mitigate."* Mr. Auchincloss noted that he, too, has seen a variety of ESG metrics that sustainability teams track, which often *"are not particularly meaningful for shareholders."* He said, *"Part of my job is to challenge the metrics the teams track and/or produce to ensure that we're focusing on those that will have an impact and are measurable."*
  - **Using finance as a second line of defense.** Mr. Auchincloss said that the majority of bp's nonfinancial measures are taken by engineers or human resources staff, noting that finance does not have the expertise to calculate or measure emissions. While these groups are accountable for getting data into bp's systems, finance is a second line of defense in setting up processes, reviewing their governance, and ensuring a tight system of internal controls. Internal audit, he added, acts as the third line of defense.

*For a list of reflection questions, see Appendix 3, on page 13.*

## ESG reporting brings unique challenges and risks

Members and some of the guests observed that ESG strategy and reporting can be siloed in sustainability, ESG, or corporate social responsibility organizations; these groups produce separate ESG reports that track metrics ranging from greenhouse gas emissions to employee safety. Directors said that ESG data is spread across different systems and it can be difficult to trace and to ensure integrity. ESG reporting often follows a different schedule and frequency, and this too can contribute to ESG being siloed from the company's strategy and overall activities.<sup>3</sup>

One member was concerned that leaving ESG to the *"experts"* could make ESG a *"sidekick"* that is discussed once or twice a year at board meetings, mainly *"to tick the ESG box."* Another member, observing that her company's sustainability report still mainly reflects *"the ambition"*

of the company, said, *“We are not there yet as far as the goals. It is good to have a vision, but you have to show year by year how you walk your talk.”*

Audit chairs also worried that ESG data and processes might not be subjected to a similar level of controls as financial data and that the metrics followed by groups responsible for ESG are too numerous and not always material. For example, one member said that her company’s ESG group followed 1,000 separate KPIs. She was concerned that *“policy committees may not understand what it takes to have those KPIs reported on a consistent request basis and with consistent controls.”* Another member agreed, noting that his company’s ESG metrics often originate in the human resources or public relations department, which *“do not approach it with the mindset of consistency over time.”* He uses internal audit *“to instill the same rigor that we would apply with financial reporting.”*

Members noted that rigor around subjective targets is becoming increasingly important to outside constituents, but they pointed out that different investors and NGOs assess companies’ reports differently. In response to this challenge, one director’s company published a thousand-page sustainability report that attempts to speak to different audiences and to address their various views and information needs; the director worried that the report was too extensive to properly oversee. Another director cautioned that the accuracy of ESG reporting is of great importance because *“in the world of investors, if you’ve said something once, then it becomes a fact, so you have to be really careful that what you’re saying is right and accurate.”*

Members pointed to the lack of widely accepted standards as a significant challenge for consistent and accurate ESG reporting. A member described the current situation as *“businesses playing catch-up as to what needs to be done against a moving picture.”* Another commented, *“Standards for ESG information are changing in real time, and the challenge is to know that whatever information you’re gathering now might have to evolve very quickly.”* Set against increasing demands for reliable ESG information, the variety of standards has left many members concerned about the risk of divestment if ESG goals are not met, along with allegations of greenwashing or of class and regulatory actions.

## Good practices: Finance teams respond to ESG reporting challenges

In a recent EY survey of more than 800 CFOs, 70% said that the “growing focus” on ESG concerns was having a major impact on their roles, and 77% agreed that over the next five years “finance will be responsible for, and deeply involved in, nonfinancial reporting or ESG reporting.”<sup>4</sup> In addition, 74% said that “measuring and reporting the organization’s societal impact and its contributions to preventing climate change” will be a reporting priority for their teams in the next three years.

Members and guests talked about the increasing involvement of their finance organizations in ESG reporting and shared examples of good practices.

## Embedding ESG across the organization

Mr. Mucic noted that sustainability has been “a cornerstone of SAP’s strategy” since 2009, when SAP created a central sustainability organization. “We have strived to define our role by being exemplar in our own operations for sustainable business practices by marrying social, environmental, and economic performance and enabling others to become more sustainable through the use of intelligent digital solutions,” he said. Mr. Mucic believes that sustainability should be a key part of companies’ strategies and deeply integrated into their business processes. “Globally, business leaders are recognizing that a separate sustainability strategy will no longer suffice. Instead, companies must ensure their entire business strategy is sustainable,” he wrote in a post on the SAP website.<sup>5</sup> Incorporating ESG considerations into a company’s strategy, Mr. Mucic added, can drive down company costs and enhance profitability.<sup>6</sup>

In 2014, Mr. Mucic was asked to become a board sponsor for sustainability strategy and reporting. Today, he chairs a management sustainability committee that has representation from many other internal groups. Mr. Mucic described three beliefs at the core of his sustainability agenda. The first is “making sure that we are not pursuing a separate sustainability strategy but that we embed sustainability in all aspects of our overarching corporate strategy.” The SAP executive board is a sponsor and has oversight over the sustainability strategy. Monthly ESG performance meetings take place across all operational areas that discuss strategies to embed sustainability capabilities across the entire solution portfolio of the company.

The second core belief is that “sustainability needs to be the responsibility of all of the management functions across the company and needs to be addressed as such.” He said that he has a relatively small central team responsible for sustainability because the targets are the responsibility of management across the company. The third belief is that “we cannot only have a focus on sustainability reporting, but we actually have to have a focus on sustainability-oriented management and steering across the company.”

“Finance has a critical role to play” in companies’ ESG journeys, Mr. Mucic said. It is well equipped to establish ways to measure sustainability performance and to apply this as a “common currency” across all groups that focus on ESG steering and reporting. He pointed to SAP’s integrated reporting since 2012 and the finance team’s efforts to marry financial and nonfinancial reporting through regression and correlation analyses and to bring together economic performance with performance against key nonfinancial indicators. SAP is in the process of “embedding these into steering objectives and priorities across the company.”

As the CFO of Burberry, Ms. Brown leads on sustainability strategy and reporting. She said that the company had “deliberately set out to lead the industry [on ESG] and we believe the luxury sector can have a big impact on the fashion industry as a whole.” ESG is a central element of Burberry’s strategy today, but it has deep roots in the company since founder Thomas Burberry (1835–1926) was an enthusiast for the natural environment. Ms. Brown noted that her organization has run sustainability programs for more than 20 years and that ESG is an integrated part of Burberry’s annual report.

Ms. Brown said finance's role on ESG has evolved in the past three years, and today it supports *"the diagnosis, the road map to becoming climate positive by 2040, and the reporting."* She noted that the company is embedding ESG metrics and targets into budgets and its five-year plan. To meet its goal of becoming climate positive by 2040, the company will need to cut supply-chain emissions by 46%. Ms. Brown explained that the work toward this goal involves every function of the company, noting that the company's ESG steering group, led by its CEO, is cross-functional.

Ms. Brown added, *"We have established responsibility champions for the targets that we're setting out to achieve, and we get people in the operational side of the business, as well as at the top of the business, driving that agenda."* She said that supply chain, finance, responsibility, and the audit committee look at the risks and opportunities. Since Ms. Brown took over Burberry's sustainability agenda, *"we've managed to get finance, IT, and responsibility all much more closely connected than they were just 12 months ago."* Reporting is also done in collaboration: climate experts, the responsibility team, finance, internal audit, and external assurance ensure that the reports are accurate and consistent.

Some members said that ESG is part of their companies' overall strategy, although none reported that their CFO or finance function currently leads the effort. Members described the strategic challenges of embedding ESG in a company's business strategy and systems. For example, one noted that while net-zero emissions might be the goal, specific targets are often based on a reduction from a certain level, which could be difficult to pin down. Companies, he worried, might subsequently find that they have used an inaccurate baseline for the reduction; getting the base level right should thus be an area of focus for boards and finance teams. Others viewed the extended time horizons of net-zero goals as a strategic challenge, noting the average tenure of a chief executive. Ms. Brown and other members suggested an approach of breaking the work up into shorter, easier-to-manage periods, with actionable steps that could be included in three- or five-year plans.

### Creating an integrated ESG reporting platform

Mr. Penepent said that he is leading a new team at Novartis, called ESG Reporting Platform and Accounting, tasked with building an integrated platform for ESG data. He explained that the platform is designed to deliver *"reliable, high-quality, compliant, and auditable ESG data"* and that it will help management better monitor and respond to actual achievement of ESG metrics against targets. The intent, he added, *"is to build an agile ESG reporting system platform and a governance model with defined data management, policies, procedures, and controls for compliance."*

Previously, Mr. Penepent said, *"finance did not have much of a role in ESG reporting other than validating a few select ESG KPIs. A lot of the data was coming out of manufacturing, HR, and operations, and then you had an ESG report that was produced from various systems and Excel spreadsheets."* The company, however, recognized that *"there were no systematic approaches to this process—how it was managed, governed, or how to reasonably ensure consistency and reliability of ESG data, without significant efforts."* He added that the company

intends to increase local ownership and review of ESG data, with local CFOs managing the process.

Mr. Penepent said that building a platform for ESG data is both *“an exciting and a challenging endeavor.”* He said that the main challenge comes from the fact that *“it is not like trying to build a single tower, like in financial reporting”* but rather *“this requires penetrating the organization in a way that is not natural from a traditional financial reporting perspective.”*

Mr. Penepent pointed to the *“ever-evolving standards”* as a challenge for Novartis’s ESG Reporting Platform and Accounting group. *“You may be thinking that you are building something, but what are you building, will it meet the future reporting standards?”* he said, adding that in this uncertain environment *“you need flexibility and agility; you need to be able to adapt.”*

At SAP, Mr. Mucic hoped to *“fully implement and operationalize the methodology for the establishment of an integrated balance sheet.”*

### **Prioritizing metrics, focusing on what is material for the company**

A member said that she was struggling with the kind of key ESG indicators that had been selected at her company, and she wondered about the role of finance and CFOs in choosing the metrics. Mr. Auchincloss said that he shared this concern, noting that he, too, had seen a variety of ESG metrics that sustainability teams track at his organization. Often, he said, the metrics *“are not particularly meaningful for shareholders,”* and *“part of my job is to challenge the metrics the teams track and/or produce to ensure that we’re focusing on those that will have an impact and are measurable.”* He noted that the company prioritizes environmental reporting because *“70% to 80% of shareholders rate ‘E’ as important, and we are responding to how we are being measured by shareholders.”* A director said that at his organization, treasury has the overall responsibility for all metrics, including ESG, and that this brings *“objectivity and challenge”* to ESG metrics and reporting.

Another member said that, as a CFO, she had pushed back on the involvement of finance in the selection of nonfinancial KPIs and in reporting on ESG. Her reservations at the time were that *“CFOs are used to working with exact numbers and these are also moving targets in a way.”* But then, she observed, *“it became impossible for the CFO not to get involved”*; her view on the role of finance in ESG reporting had changed, and she partnered with the organization’s sustainability officer *“because content cannot be owned by CFOs, but it cannot be owned below the executive team.”* She now believes that *“the CFO is a good door to actually make sure that it’s put on the table of the executive management.”*

Another audit chair, whose company tracks 84 nonfinancial measures in addition to its financial objectives, asked: *“How many objectives do you really want to have to run a company?”* and said, *“Trying to run a company with all of these will be difficult. Measures should be chosen selectively and have accountability attached to them, a bit like doing a risk analysis to work out what level of risk is tolerable and what measures there are to mitigate.”* She said that she would take this selective approach to looking at the ESG metrics and identifying priorities.

A member noted, *“It’s not about standard setting; it’s about relevance to me. Choosing the relevant measures—and less of them, hopefully—is important.”* A couple of members, however, said that prioritizing is not easy because sometimes environmental measures can have an impact on social measures. These correlations and *“unforeseen consequences”* are not always easy to predict and calculate.

Members and guests noted that identifying what is material for the company can be helpful as organizations try to balance the demands of multiple stakeholders against finite internal resources. Mr. Mucic said that deciding what is material for the organization can be helpful when meeting with investors: *“We do try to come in a proactive mode and not a reactive mode. We have done our own materiality assessments and have prioritized metrics to measure, and now we are working on the methodology.”* At SAP, employee engagement is critical because employees are *“the source of innovation,”* but workplace safety indicators, often of great concern to other firms, are less significant.

Another guest agreed, adding that his company performs materiality assessments on a regular basis. These assessments helped identify areas that are core to the business and the impact that the company may have on society. The guest said that external requests are *“a constant dialogue”* at which the company tries *“to stick to our core KPIs and to prevent the KPIs from exploding.”* The company also looks at the different rating agencies and tries to determine which ones are most relevant to their business and key priorities.

Mr. Auchincloss explained that at bp, investors and other stakeholders are steered toward publicly available information, since responding to outside requests can be a considerable strain on internal resources. Ultimately, he said, shareholders are seeking this information because they want to compare companies, and the process is *“equally frustrating to them”* as there are no common standards. *“We really try to drive toward standardization.”*

SAP is also taking a proactive approach to *“develop a standard for measuring, monetizing, and comparing the value of contributions made by businesses to the economy, society, and the environment.”*<sup>7</sup> A standard that puts monetary value to nonfinancial data can help leaders understand impacts and risks more holistically and can inform their planning. *“We are currently piloting a methodology and preparing to expose it more broadly to the public,”* Mr. Mucic said. *“At the end of the day, it’s a methodology to monetize impacts, to express them in a true, financial way. Unless you do that, the ‘E’ and the ‘S’ will be considered more esoteric.”*

## Using finance as a second line of defense

Mr. Auchincloss described the role of finance in ESG reporting as providing a strong second line of defense. Operations and bp’s engineering team, he added, are best equipped to do calculations on emissions: *“Finance people are not qualified to do engineering calculations; these are heavily detailed engineering calculations.”* Mr. Auchincloss explained that bp tracks carbon emissions but that they are not measured, rather based on estimates; the engineering team calculates the emissions based on average use, temperature, and speed. Mr. Auchincloss viewed this as problematic and noted that bp is striving to move from estimates to measurement by 2023, an example being working across the oil and gas sector to use X-ray and other wave technology to detect methane emissions.

Given the finance organization's expertise in control and assurance, however, it is increasingly providing second-line assurance to ensure that environmental data is consistent and verifiable. *"Finance makes sure that there are appropriate processes set up, effective governance, and reviews inside it, and that there's, overall, an effective system of internal control around the data and reporting,"* Mr. Auchincloss said. *"Since we don't have the technical expertise in finance and engineers don't have the controls expertise, we ended up with this hybrid model."*

Mr. Auchincloss explained that the finance organization's role in reporting on social issues is more limited. The internal communications department, he noted, leads that effort, including publishing bp's sustainability report. He added that the company's human resources team tracks data and control processes on gender, diversity, and ethnicity for inclusion in the sustainability report and that transparency in these areas has become very important to attract and retain talent.

## Conclusions

Members and guests demonstrated a variety of models around finance's involvement in ESG strategy and reporting. Despite differences among companies, it was agreed that the role of finance in ESG reporting will increase because of the strengthening of ESG disclosure regulations and interest and pressures from investors. The guests anticipated more work and challenges in the next year and some said that they will continue to influence the move toward standardization. Internally, they continue to work on setting ESG targets, measuring them more precisely, and creating robust assurance frameworks around ESG data. Some guests' companies are seeking to embed ESG in budgets, in local operations and day-to-day practices, and in the cultures of their organizations.





## About this document

The European Audit Committee Leadership Network is a group of audit committee chairs drawn from leading European companies committed to improving the performance of audit committees and enhancing trust in financial markets. The network is organized and led by Tapestry Networks with the support of EY as part of its continuing commitment to board effectiveness and good governance.

*ViewPoints* is produced by Tapestry Networks to stimulate timely, substantive board discussions about the choices confronting audit committee members, management, and their advisors as they endeavor to fulfill their respective responsibilities to the investing public. The ultimate value of *ViewPoints* lies in its power to help all constituencies develop their own informed points of view on these important issues. Those who receive *ViewPoints* are encouraged to share it with others in their own networks. The more board members, management, and advisors who become systematically engaged in this dialogue, the more value will be created for all.

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## Appendix 1: Guest biographies

**Murray Auchincloss** was appointed to chief financial officer (CFO) at bp plc with effect from 1 July 2020. Murray has worked in both the US and UK, in a range of roles including chief financial officer, Upstream; chief financial officer, North Sea; and chief financial officer for the Canadian and Western US Gas businesses. From 2010 to 2013 he served as chief of staff for the CEO.

As chief financial officer Murray heads finance, tax, treasury, planning & performance management, mergers & acquisitions, investor relations, audit, global business services, and procurement.

With 29 years of experience, Murray's financial expertise, experience, and knowledge make him a trusted advisor and leader. He is driving the modernization agenda for bp's financial teams, controlling costs and delivering financial accuracy to investors and markets. Most recently, Murray introduced a new financial framework and a new investor proposition as bp delivers on its new purpose to reimagine energy for people and our planet.

Murray is a member of the board of directors for Aker BP ASA, Norway and he is an executive member of BP's board of directors.

He has a degree in commerce from the University of Calgary, Canada, and qualified as a chartered financial analyst at the University of West Virginia, USA.

**Julie Brown** is the chief operating and financial officer at Burberry.

At KPMG, Julie qualified and became a fellow of the Institute of Chartered Accountancy and the Institute of Tax. She then spent 25 years with AstraZeneca, undertaking 11 roles in four countries and three continents, covering all aspects of finance in the value chain, together with fulfilling commercial and strategic roles, including head of corporate strategy, marketing company president, regional vice president and interim group CFO. Julie also has extensive M&A experience, being part of the AstraZeneca merger team, together with leading multibillion-dollar change programs. She joined Smith & Nephew in 2013 as group CFO, during which time 21 acquisitions were completed and the value of the company doubled. Julie then joined Burberry as chief operating and financial officer in 2017, where her responsibilities include the finance function, investor relations, IT, procurement, risk, audit and business continuity, and Burberry Business Services. She was also responsible for the transformation office at the time of the Burberry transformation.

Julie is passionate about sustainability and supporting the next generation of female leaders. She is patron of Oxford University Women in Business, ambassador for the Prince's Trust Women Supporting Women initiative, co-chair of the Prince's Accounting for Sustainability Project's CFO Leadership Network, and an advisory board member to the Mayor of London.

**Luka Mucic** is a member of the executive board and chief financial officer (CFO) of SAP SE. His responsibilities include the areas of finance and administration and he has served in this function since July 2014. Besides his role as CFO, Mucic oversees SAP's sustainability efforts. He is also responsible for the business process intelligence unit, bringing together the



company's long-standing experience in understanding our customers' business processes with data and intelligence.

In July 2013, Mucic assumed the role of head of global finance. In this capacity, he took on the responsibility for global finance infrastructure, global governance, risk & compliance, global tax, global treasury, global field finance, and cloud finance. Prior to that, he served as CFO for global customer operations and head of global field finance at SAP. In this role, he was responsible for all finance, controlling, and commercial functions in SAP's worldwide field organization.

From 2008 to 2012, Mucic served as the CFO of SAP's DACH region (Germany, Austria, and Switzerland) and SAP Deutschland AG & Co. KG. Prior to that, he served in various executive roles within the global finance and administration board area, overseeing merger and acquisition activities, heading SAP's global risk management organization, and leading the legal function of SAP markets Europe GmbH. He began his career at SAP in 1996 as a member of SAP's corporate legal department, where he focused on corporate and commercial law.

Mucic holds a joint executive MBA from ESSEC, France, and Mannheim Business School, Germany, and a master's degree in law from the University of Heidelberg, Germany. He has completed the second legal state examination in Germany.

**Paul Penepent** is the head of group financial reporting and accounting at Novartis, Switzerland. Paul has been responsible for financial reporting and accounting for Novartis Group since 2015. During his 16 years at Novartis, he has led the financial reporting and accounting teams within the Group's pharmaceuticals business, and prior to his current role was responsible for leading the group-wide financial transformation program.

Paul has extensive experience in financial processes, systems, financial compliance, and leading global teams. Paul is a New York State, USA, Certified Public Accountant.

## Appendix 2: Participants

The following members of the EACLN participated in all or part of the meeting:

- Horst Baier, Bayer
- Julie Brown, Roche
- Aldo Cardoso, Imerys
- Ana de Pro Gonzalo, STMicroelectronics
- Laurence Debroux, Novo Nordisk
- Carolyn Dittmeier, Generali Insurance
- Eric Elzvik, Ericsson
- Margarete Haase, OSRAM Licht
- Liz Hewitt, National Grid
- Dagmar Kollmann, Deutsche Telekom
- Benoit Maes, Bouygues
- John Maltby, Nordea
- Rene Medori, Vinci
- Marie Jose Nadeau, ENGIE
- Mariella Röhm-Kottmann, Zalando
- Guylaine Saucier, Wendel
- Alan Stewart, Diageo
- Gunnar Wiedenfels, SAP
- Maria van der Hoeven, Total

The EY organization was represented in all or part of the meeting by the following:

- Marie-Laure Delarue, EY Global Vice Chair, Assurance
- Jean-Yves Jégourel, EY Country Managing Partner Germany

### Appendix 3: Reflection questions for audit committees

- ? What is your company's strategy for responding to the escalating demand for ESG reporting?
- ? What elements of financial and ESG reporting are being aligned or integrated? What elements are appearing in separate reports?
- ? How is your CFO helping to implement the company's ESG strategy? What role is the finance function playing?
- ? What kind of controls environment is being established for ESG at your company?
- ? What kinds of organizational and process changes are being made within the finance function and across finance, operations, and other functions?
- ? What staff or skill sets are being added to the finance organization to support ESG reporting?
- ? What are the most significant challenges your company and your CFO have faced in ramping up ESG reporting? What challenges do you anticipate in the future?
- ? How is your company thinking about assurance of sustainability reports?
- ? What sorts of internal attestation and external assurance are you putting in place?
- ? Who do you think is best equipped to audit sustainability reports?
- ? How is your audit committee thinking about targets and forward-looking metrics?

## Endnotes

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<sup>1</sup> Shari Littan, "[The COSO Internal Control Framework and Sustainability Reporting: The Benefits of Good Governance and Internal Controls.](#)" *CPA Journal*, July 2019.

<sup>2</sup> *ViewPoints* reflects the network's use of a modified version of the Chatham House Rule whereby names of members and their company affiliations are a matter of public record, but comments are not attributed to individuals or corporations. Italicized quotations reflect comments made in connection with the meeting by network members and other meeting participants.

<sup>3</sup> Malia Politzer, "[Sustainability Accountants: What Do They Do?](#)" *Financial Management*, September 1, 2021.

<sup>4</sup> Myles Corson and Tony Climas, "[How the CFO Can Balance Competing Demands and Drive Future Growth.](#)" EY, November 3, 2020.

<sup>5</sup> Luka Mucic, "[CFOs Turn on Sustainability Reporting and ESG Metrics in Enterprise Software Suites.](#)" SAP, July 27, 2021.

<sup>6</sup> Mucic, "[CFOs Turn on Sustainability Reporting and ESG Metrics in Enterprise Software Suites.](#)"

<sup>7</sup> Mucic, "[CFOs Turn on Sustainability Reporting and ESG Metrics in Enterprise Software Suites.](#)"