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Energy EOs In Depth: Infrastructure EO Section 5 More Bluster than Substance?

By Hana V. Vizcarra, Staff Attorney, HLS Environmental and Energy Law Program
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President Trump signed two executive orders on April 10, 2019 in Crosby, Texas, outside of Houston: EO 13868, titled "Executive Order on Promoting Energy Infrastructure and Energy Growth", and EO 13867 on permits for cross-border facilities. EO 13868 included a section about the use of Environmental, Social, and Governance (ESG) factors in investment in the energy sector. The language of this section hints at a more expansive agenda but is limited in impact – more bluster than substance. It's an effort to swim against the tide in the investment and energy industries. Below I provide context on the state of energy industry disclosures and investor interest in ESG issues. I then explain Section 5 of the new EO and its effort to buck the trends of ESG integration.

This is part of a series of pieces analyzing the April 10th executive orders on energy infrastructure. [1]

The Backdrop

Leaders in the energy sector are making efforts to more completely consider environmental, social, and governance (ESG) concerns and incorporate them into risk management processes, performance targets, strategy and planning, and board level decision-making. These efforts coincide with increasing interest from investors, including institutional investors and large mainstream asset managers, in approaches that properly integrate ESG issues into corporate and investor decision-making.[2] While ESG encompasses a range of issues beyond environmental and climate, climate disclosure trends are emblematic of investors' and corporate actors' current focus on ESG integration.[3]

Stakeholders and shareholders are urging companies to disclose more detailed and complete information about their strategies for assessing and responding to climate change.[4] In 2015, the G-20's Financial Stability Board (FSB) established the Task Force on Climate-Related Financial Disclosures

[1] For more information on EELP and to see related pieces on other aspects of Trump's energy infrastructure EOs, visit www.eelp.law.harvard.edu. Visit EELP's Regulatory Rollback Tracker pages for EO 13867 and EO 13868.

[2] *Cf.* GAO, *Retirement Plan Investing: Clearer Information on Consideration of Environmental Social and Governance Factors Would Be Helpful*, GAO-18-398 (May 22, 2018); *see also* Khan, Mozaffar, George Serafeim, and Aaron Yoon. "Corporate Sustainability: First Evidence on Materiality." *Accounting Review* 91, no. 6, at 1 (November 2016) ("A large number of firms identify sustainability issues as strategically important, and an increasing number of investors have committed to the integration of environmental, social, and governance (ESG) data in their capital allocation process.").

[3] Because climate is one of the most prominent ESG factors in the energy sector (and climate disclosure is currently a primary focus of my work), I use the trends in corporate and investor responses to climate issues to illustrate the ESG trends in the energy sector.

[4] The United Nation's Principles of Responsible Investment organization, started in 2006 to help incorporate ESG factors into investment and ownership decisions, has grown from 63 signatories to over 1900, covering $80 trillion in assets under management. Barbara Novick, BlackRock, Remarks at the World Economic Forum, "Building Sustainable Markets: What Is Needed For A Transformation To A Sustainable Market Place?" (Sept. 24, 2018).

(the TCFD) and Mark Carney, Governor of the Bank of England, spoke of "Breaking the Tragedy of the Horizon" to Lloyd's of London. In June 2016, BlackRock called for "a consistent global framework" that "enables stakeholders and market participants to develop detailed ESG standards and best practice guidelines." In June 2017, the industry-led TCFD released recommendations for climate-related disclosure. The TCFD encouraged companies to incorporate as much information as possible into mandatory financial reporting, acknowledging they should do so in line with materiality thresholds in their home jurisdiction.

Mainstream investors and voluntary reporting and rating organizations have signaled support for the TCFD recommendations. No longer satisfied with general sustainability reports, they seek detailed information and metrics. The TCFD's framework has shifted the conversation among the largest players from whether to integrate climate risks and opportunities into disclosure and planning to how to do so. The Sustainable Accountability Standards Board (SASB) has been working alongside the international Climate Disclosure Standards Board (CDSB) to provide technical guidance for individual industries on how to determine when such issues become financially material. Numerous organizations focused on sustainability are aligning their questionnaires and guidance with the TCFD framework.

Investors are making clear they consider how a company handles the physical and transitional risks of climate change integral to their investment and voting decisions. For example:

- BlackRock, State Street, and Vanguard have all stated they consider climate and ESG issues in their decision-making process and have acted on these statements through corporate engagement and voting stances.[5]
- Over 2018, "six in 10 institutional investors … changed their approach to voting or have incorporated environmental, social and governance criteria."
- New York State's pension fund has created a "Decarbonization Advisory Panel" to develop plans to protect the fund from climate change risks.

[5] In December 2017, BlackRock sent letters to corporate-governance teams urging them to report in accordance with the TCFD recommendations, arguing it will help achieve "the comparability and consistency of reporting" important to investors. Emily Chasan, "BlackRock Wields Its $6 Trillion Club to Combat Climate Risks," BLOOMBERG, Dec. 8, 2017. BlackRock voted in support of shareholder proposals asking companies to disclose more on climate in 2017 and released a document outlining how it engages on climate risk. Larry Fink, *How BlackRock Investment Stewardship engages on climate risk* (March 2017). State Street's January 2017 letter to company boards noted it would be "increasingly focused on board oversight of environmental and social sustainability in areas such as climate change…" and highlighted 2016 votes in support of shareholder climate resolutions. Ronald O'Hanley, State Street letter to board members (Jan. 26, 2017). Vanguard announced in September 2017 its willingness to take public positions on climate disclosures even if it requires voting against management. Madeleine Cuff, "Vanguard names climate risk as defining investment theme," GREENBIZ (Sept. 7, 2017). BlackRock's Investment Stewardship Engagement Priorities for 2018 highlighted climate risk disclosure as a top five priority, specifically identifying the TCFD recommendations as the "relevant roadmap". BlackRock Investment Stewardship Engagement Priorities (March 2018). BlackRock has also published two documents on climate issues in investing – "The Price of Climate Change – Global Warming's Impact on Portfolios" in 2015 and "Adapting Portfolios to Climate Change" in 2016. BlackRock CEO Larry Fink's 2019 letter to companies emphasizes corporate "purpose" and he notes "[c]ompanies that fulfill their purpose and responsibilities to stakeholders reap rewards over the long-term." In a January 2019 post on the Harvard Law School Forum on Corporate Governance and Financial Regulation, Michelle Edkins, BlackRock's managing director and global head of investment stewardship, also emphasized the protection of long-term value as the guiding force of their priorities.

- English and French central bank leaders warned in April of the financial risks of climate change.
- Investors are announcing partnerships with researchers to assess risks of climate change.

Of course, all this interest and activity does not mean ESG factors are already well-integrated into mainstream investment management;[6] this is an evolving process but one that is now garnering the attention among investors needed to encourage more widespread integration.

In the face of such pressure, energy companies have made changes to their disclosure practices. The TCFD's September 2018 Status Report announced that over 500 firms (across all industries) had committed to supporting them. Top oil and gas companies have released special climate reports in addition to their Annual and Sustainability reports, many designed to align with TCFD's disclosure recommendations. BP, Shell, and Exxon have all voiced support for federal regulation of methane emissions from oil and gas operations (although there is more they can do). Equinor issued a joint statement with investors of the Climate Action 100+ coalition in April reaffirming its commitment to the TCFD disclosure framework, promising to assess its portfolio to align it with the goals of the 2015 Paris climate accord and report on the carbon intensity of its products and services, and to "strengthen the link between its climate-related targets and remuneration for senior executives and employees."[7] It will also review its corporate lobbying policy and the positions of the trade associations in which it holds memberships.

Trump's EO

President Trump claimed his "Executive Order on Promoting Energy Infrastructure and Energy Growth" would "cut through destructive permitting delays and denials" for energy infrastructure. Yet, Section 5 of the order – titled "Environment, Social, and Governance Issues; Proxy Firms; and Financing Energy Projects Through the United States Capital Markets" – has little to do with shortening permitting delays. Rather, it attempts to stall the wave of stakeholder-responsive corporate governance that takes long-term considerations into account. But try as he might, Trump can't swim against this tide.

Section 5(a) – The Bluster

Sec. 5(a) doesn't include any direct instructions to agencies. Rather, it uses securities and financial law buzzwords without providing much explanation as to how it relates to the actions of the EO. Sec. 5(a) speaks of "sound regulation grounded in disclosure" of "material" information to investors, citing the Supreme Court case that defined when information is material to investors. It also speaks of basic corporate principles such as companies owing "a fiduciary duty to their shareholders to strive to maximize shareholder return, consistent with the long-term growth of a company."

This language bears little to no relationship to the actions ordered by the EO in Sec. 5(b) and includes odd contradictions and misdirection.

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[6] Kotsantonis, Sakis, Christopher Pinney, and George Serafeim. "ESG Integration in Investment Management: Myths and Realities." *Journal of Applied Corporate Finance* 28, no. 2, at 12 (Spring 2016): 10–16 (highlighting the gap between investors who have committed to behaving in accordance with a set of responsible investment principles and those who make up the global sustainable investment market and the fact that the largest share of the sustainable investment market practices negative screening, which is also "a relatively minimal level of integration of ESG factors into investment decision-making").
[7] *See also,* Kelly Gilblom, *Norwegian Oil Giant Bends to Investor Pressure on Climate*, BLOOMBERG (April 24, 2019).

Maximizing shareholder value and long-term growth.

The concept of maximizing shareholder value began to dominate corporate governance relatively recently, born of agency theory by the likes of Milton Friedman in the 1970s. But this change in corporate thought was not reflective of any change in the law. Harvard Business School Professors Joseph L. Bower and Lynn S. Paine explain in a 2017 article in Harvard Business Review that while corporate boards owe fiduciary duties to shareholders their duty is also to the company itself, of which shareholders are one important constituency. Shareholders don't directly own the company, they own shares and the rights and privileges attached to those shares (such as the right to vote on the board). The directors they elect and the management those directors hire are fiduciaries for the company and the shareholder, not agents of the shareholders exclusively.

Management and directors may make independent judgments about what is in the best interest of the company even if it is at odds with the desires of a particular set of shareholders—so say the business judgment rule and courts asked to consider such shareholder concerns. Governance approaches and incentives have shifted over the years to place more power in the hands of shareholders and align director and manager incentives with those of shareholders (often focused on shorter-term returns over longer-term considerations); a change resulting from shifting shareholder attitudes, shareholder relationships with companies, and business theory.[8]

Shareholder primacy or shareholder value maximization approaches to corporate governance can be at odds with the long-term health and growth of the company. Such governance approaches can result in decisions that may provide immediate returns to shareholders but hobble the company's ability to compete in the long run. Profs. Bower and Paine instead argue for a company-centered model of governance that wouldn't ignore the need for healthy shareholder returns but would rebalance the currently skewed incentives resulting from the business community buy-in to the agency theory/shareholder primacy approach. This new direction is increasingly gaining traction, particularly in light of calls for companies to more directly address concerns around issues such as climate change.

In fact, climate change is the perfect example of how Trump's assertion that shareholders must "strive to maximize shareholder return, consistent with the long-term growth of a company" is likely a contradictory statement. Or, if not contradictory, a management approach "consistent with long-term growth" would at the least de-emphasize the focus on short-term shareholder return maximization in favor of longer-term considerations such as preparing for and responding to a changing climate, the transitional risks that accompany that change (such as a new fuel mix or carbon pricing), and the physical risks likely to be felt.

And what about materiality?

Trump's order name-checks materiality and the *TSC Industries* case but upon closer review of the law, the President may find it favors the consideration of ESG factors and their material impact on companies. The administration cannot unilaterally change the definition of materiality. The word is used

[8] "In other words, it is activist hedge funds and modern executive compensation practices — not corporate law — that drive so many of today's public companies to myopically focus on short-term earnings; cut back on investment and innovation; mistreat their employees, customers and communities; and indulge in reckless, irresponsible and environmentally destructive behaviors." Lynn Stout, *Corporations Don't Have to Maximize Profits*, NEW YORK TIMES (Opinion) (April 16, 2015).

in the securities statutes that set up corporate disclosure framework governing what information companies share with investors and regulators. The Supreme Court has interpreted it, providing a more detailed explanation to companies assessing materiality. Agency regulations can provide additional guidance but only within the confines of the law.

As the EO indicates, the Supreme Court defined material information as that which there is "a substantial likelihood" that its disclosure would be "viewed by the reasonable investor as having significantly altered the 'total mix' of information made available" to the investor.[9] Thus the law on materiality closely associates the definition of material information with the view of the "reasonable investor." Materiality is tricky to define in the aggregate, as it requires a fact-based, individualized determination by courts when challenged. But it has included environmental issues, and the changing view of mainstream investors on the importance of ESG factors and, in particular, climate, leans in favor of the increasing importance of such factors in materiality considerations.

While not every ESG issue is material to companies in every industry, most industries have some standout issues that fall within the ESG spectrum and are material to their business. For the energy sector, environmental issues are often material and climate risks are increasingly viewed as such.

If the language in Section 5(a) is an indication that Trump is trying to push back against the increasing importance of ESG factors to investors and companies in the energy sector, he is swimming against the tide. These are not issues that are going away and the actions taken as a result of Section 5 of the EO are unlikely to significantly hinder the march towards more effective ESG integration.

The investor pressures and interests in integrating ESG considerations into their evaluations described at the outset of this piece are aligned with the concepts of financial materiality as defined in the law – they view issues such as climate as likely financially material in the energy sector and are pressuring companies to do a better job at evaluating the associated risks and properly reporting on the ones that are financially material. This precisely fits within the language of Section 5(a).

Sec. 5(b) – The Substance (such that it is): What does the EO actually do?

Section 5(b) of Trump's executive order issues two directives to the Department of Labor:

- It instructs the Department of Labor to review data in its possession for ERISA plans and "identify whether there are discernible trends with respect to such plans' investments in the energy sector." The Sec. of Labor must provide an update to the Assistant to the President for Economic Policy on such trends within 180 days. And,
- It instructs the Department of Labor to review its existing "guidance on the fiduciary responsibilities for proxy voting to determine whether any such guidance should be rescinded, replaced, or modified to ensure consistency with current law and policies that promote long-term growth and maximize return on ERISA plan assets."

Why are the only two action items directed at the Department of Labor? That is because the President has little control over the definition of materiality in federal securities law governing disclosure and the law defining fiduciary duties of companies, which is generally state business law. What he does have more control over is agency regulation and guidance under the Employee Retirement Income Security

[9] TSC Industries, Inc. v. Northway, Inc., 426 U.S. 438, 449 (1976).

Act of 1974 (ERISA), which outlines standards for fiduciaries of both defined benefit and defined contribution style private sector retirement plans.

As a 2018 GAO report explains, “Under ERISA, plan sponsors and other fiduciaries generally must (1) act solely in the interest of the plan participants and beneficiaries; and (2) invest with the care, skill, and diligence of a prudent person with knowledge of such matters; and (3) diversify plan investments to minimize the risk of large losses.” Breaching these duties can result in personal liability. The Department of Labor’s Employee Benefits Security Administration (EBSA) enforces these fiduciary responsibilities.

The instructions in Section 5 are not about a corporate board’s fiduciary responsibilities – they are about a retirement plan fiduciary’s responsibilities. However, requirements for plan fiduciaries can have a significant impact on the role that large investment managers (the BlackRocks, State Streets, and Vanguards of the world) play in engaging with companies on ESG issues and in exercising shareholder rights on behalf of their clients. As I described above, many of these asset managers are flexing more muscle when it comes to engagement and voting on ESG issues.

I’m not an ERISA lawyer, so I don’t dive too deeply into the statute. Instead, this section looks at the relevant guidance the agency is likely to review as a result of Trump’s EO.

First, some background.

What guidance already exists?

DOL’s EBSA issued an interpretive bulletin on proxy voting in 2016. This is likely the primary guidance the President has in mind for the agency to review. EBSA also issued a 2015 interpretive bulletin on fiduciary standards that addressed ESG issues. Finally, under Trump, EBSA issued a field assistance bulletin discussing ESG issues on April 23, 2018.

The 2015 Bulletin

The 2015 bulletin updated prior guidance addressing the legal standard for plan fiduciaries when considering investing plan assets in “economically targeted investments” (ETIs), described in the bulletin as “any investment that is selected, in part, for its collateral benefits, apart from the investment return to the employee benefit plan investor”.[10] It reiterated prior positions that ERISA does “not prevent plan fiduciaries from investing plan assets in ETIs if the ETI has an expected rate of return that is commensurate to rates of return of alternative investments with similar risk characteristics”.

EBSA’s 2015 guidance intended to counteract unnecessary reluctance to consider ESG factors “to evaluate the economic benefits of investments and identify economically superior investments” and to invest in ETIs where they are “economically equivalent” to other investments. While “the plan trustee or other investing fiduciary may not use plan assets to promote social, environmental, or other public policy causes *at the expense of* the financial interests of the plan's participants and beneficiaries” (emphasis added), that is “[f]iduciaries may not accept lower expected returns or take on greater risks in order to secure collateral benefits”, the bulletin was clear that fiduciaries can consider such ETIs as effective ways of managing long term risks and diversifying their portfolios.

[10] Interpretive Bulletin 2015-01, 80 FR 65135.

A look at current investor and asset manager discussions on ESG issues shows they view consideration of ESG issues as paramount to long-term protection of assets and return. This is not a matter of giving up long term growth to make a social or political point (something ERISA prohibits as it does require that its fiduciaries "act solely in the interest of, and for the exclusive purpose of providing benefits to, participants and beneficiaries" and prohibits them "from subordinating the interests of participants and beneficiaries in their retirement income to unrelated objectives").

Rather, current interest in ESG by investment firms, plans, and asset managers is driven by a recognition that ESG issues must be considered to properly account for risk. Mainstream investors aren't considering "collateral benefits" and accepting "reduced returns or greater risks" to secure them; they are looking to reduce risks over the long term.

EBSA echoes the current mainstream investor view on ESG factors, noting "[e]nvironmental, social, and governance issues may have a direct relationship to the economic value of the plan's investment.... Fiduciaries need not treat commercially reasonable investments as inherently suspect or in need of special scrutiny merely because they take into consideration environmental, social, or other such factors."

EBSA also confirmed that plan fiduciaries can consider the collateral benefits and invest in ETIs on the basis of those benefits as long as the investment is "economically equivalent, with respect to return and risk to beneficiaries in the appropriate time horizon, to investments without such collateral benefits." EBSA "does not believe ERISA prohibits a fiduciary from addressing ETIs or incorporating ESG factors in investment policy statements or integrating ESG-related tools, metrics and analyses to evaluate an investment's risk or return or choose among otherwise equivalent investments. Nor do sections 403 and 404 prevent fiduciaries from considering whether and how potential investment managers consider ETIs or use ESG criteria in their investment practices."

The 2016 Bulletin

As the GAO explains, "[t]he 2016 bulletin goes on to clarify that ESG factors can be appropriate topics for proxy voting policies and engagement with corporations."[11] The bulletin emphasizes the "general principle that a fiduciary's obligation to manage plan assets prudently extends to proxy voting."[12]

The bulletin points to the "growing number of institutional investors … now engaging companies on ESG issues" as well as corporate interest as evidence of the financial benefit of such engagement. The 2016 Interpretive Bulletin withdrew a 2008 bulletin the agency found to be "out of step" with trends in investment management and reinstated an earlier Interpretive Bulletin 94-2 with some updates.

The 2016 Bulletin recognizes "the long-term financial benefits that, although difficult to quantify, can result from thoughtful shareholder engagement when voting proxies, establishing a proxy voting policy, or otherwise exercising rights as shareholders." It specifically lists among a string of matters appropriate for shareholder engagement efforts "the nature of long-term business plans including plans on climate change preparedness and sustainability" and "policies and practices to address environmental or social factors that have an impact on shareholder value".

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[11] GAO report 18-398 at 37.

[12] Interpretive Bulletin 2016-01, 81 FR 95881.

Both the 2015 and 2016 Interpretive Bulletins are likely to be considered for review as a result of Trump's instructions in Sec. 5 of this EO.

What has the Trump administration's EBSA said on these issues so far?

EBSA issued a Field Assistance Bulletin (FAB) on ESG issues on April 23, 2018. Its stated purpose was to assist offices in addressing questions from plan fiduciaries and stakeholders about the 2015 and 2016 Interpretive Bulletins. The underlying legal principles did not change in the interim.

Once again, EBSA confirms that it does not preclude consideration of ESG factors in investment choices. The FAB reiterates what was stated in prior bulletins about ERISA prohibiting fiduciaries from "sacrifice[ing] investment returns or assume greater investment risks as a means of promoting collateral social policy goals." It also goes on to recognize the potential for ESG issues to "present material business risk or opportunities to companies that company officers and directors need to manage" and that would be treated as "economic considerations" by investment professionals.

The FAB notes that IB 2016-01 allows for the inclusion of policies on the use of ESG factors in investment policy statements and clarifies that a "well managed, and properly diversified ESG-themed investment alternative" can be included in 401(k) plan investment options. EBSA acknowledges there may be circumstances when ESG issues "present significant operational risks and costs to business, and that are clearly connected to long-term value creation for shareholders" such that they warrant expenditures to "more actively engage with company management" above and beyond the typical shareholder engagement commonplace among asset managers.

However, EBSA does appear less supportive of aggressive consideration of ESG factors than it was when drafting the 2015 and 2016 bulletins. For example, EBSA cautions that "[f]iduciaries must not too readily treat ESG factors as economically relevant to the particular investment choices". It counsels giving ESG weight proportional to the level of risk and return, saying "[t]o the extent ESG factors, in fact, involve business risks or opportunities that are properly treated as economic considerations themselves in evaluating alternative investments, the weight given to those factors should also be appropriate to the relative level of risk and return involved compared to other relevant economic factors."

The FAB does not definitively state whether an ESG-themed investment fund could be designated the default fund for users who have not chosen a specific alternative. It notes that "favor[ing] the fiduciary's own policy preferences in selecting an ESG-themed investment option for a 401(k)-type plan without regard to possibly different or competing views of plan participants and beneficiaries would raise questions" about ERISA compliance and that selection of an ESG-themed target date fund as the default fund "would not be prudent if the fund would provide a lower expected rate of return . . . or if the fund would be riskier". But the FAB does not go so far as to say that ERISA prohibits designating an ESG-themed fund as the default.

What should we expect from the Sec. 5(b) reviews?

Sec. 5(b) of Trump's EO orders a review of guidance to ensure it "promotes consistency with current law and policies that promote long-term growth and maximize return on ERISA plan assets." His own administration has already reviewed the 2015 and 2016 IBs and provided guidance to staff on how to implement them in accordance with the law. In doing so, they have acknowledged the consideration of ESG factors as consistent with the law. Likewise, they have acknowledged the usefulness of ESG factors in long-term risk assessment. As the GAO points out, "DOL's earlier guidance, as well as asset managers and representatives from public sector plans … indicate that the use of ESG factors can help plans assess risks relevant to the plan's financial performance that may otherwise not be assessed."[13]

Mainstream and institutional investors and energy sector companies have recognized the importance of ESG factors in long-term performance. Academic research backs them up. The GAO reviewed academic research on the performance of investments that incorporate ESG factors and found the "vast majority (88 percent) of the scenarios in studies we reviewed . . . reported finding a neutral or positive relationship between the use of ESG information in investment management and financial returns in comparison to otherwise similar investments."[14] Harvard Business School Professor George Serafeim and co-authors Sakis Kotsantonis and Chris Pinney have found similar results, writing in the Journal of Applied Corporate Finance in 2016 that "according to the findings of a large and growing body of studies conducted in the past ten years, companies with above-average ESG scores have actually outperformed their competitors, both in terms of standard measures of operating performance and stock market returns."[15] In fact, Prof. Serafeim along with Profs. Mozaffar Khan and Aaron Yoon studied the value implications of sustainability investments, finding firms with good ratings on material sustainability issues (materiality being defined according to the Sustainability Accounting Standards Board's designation) significantly outperform firms with poor ratings.[16]

As I mentioned at the beginning of this piece, Trump's EO also instructs DOL to review data filed by ERISA plans and "identify whether there are discernible trends with respect to such plans' investments in the energy sector." I'll leave it to EBSA experts to opine on whether the agency holds sufficient data to provide a basis for discerning trends specific to investments in the energy sector. However, such a review has no automatic impact on investment practices. Given current investor interaction with the energy sector, I would expect a proper analysis to reveal increased interest in ESG factors.

President Trump's EO may indicate his desire to stem the tide of ESG integration into investment practices, but he's limited in his ability to do so. Investors and companies are focused on integration, and the consideration of ESG factors is becoming part of the financial materiality assessment process. Should EBSA's review take a sharp turn away from its 2018 field bulletin, the agency will likely face questions and challenges on this new direction. Regardless of any slight tweaks to EBSA guidance documents, the energy sector will have to continue to respond to increased investor pressures, and regulatory changes abroad that mandate a closer focus on ESG considerations.

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[13] GAO report 18-398 at 45.
[14] Id. at 7-8.
[15] Kotsantonis, Sakis, Christopher Pinney, and George Serafeim. "ESG Integration in Investment Management: Myths and Realities." *Journal of Applied Corporate Finance* 28, no. 2 (Spring 2016): 10–16.
[16] Khan, Mozaffar, George Serafeim, and Aaron Yoon. "Corporate Sustainability: First Evidence on Materiality." *Accounting Review* 91, no. 6 (November 2016).