

Maxine Waters, Chairwoman
U.S. House Committee on Financial Services Democrats
2129 Rayburn House Office Building
Washington, DC 20515

1 March 2019

Financial Services Committee – March Hearings

Dear Committee,

We would like to contribute our breakthrough work to your considerations – on accountability for consumer protections, and in your Subcommittee’s work on building a sustainable and competitive economy (improved ESG et al).

Our work identifies a new approach for assuring “the long-term sustainable success of the company, generating value for shareholders and contributing to wider society”¹ in a context where “boards are increasingly being called upon to address new or emerging issues including around culture, conduct risk, digital disruption, cyber-security, sustainability and climate change”².

We have developed models and preliminary evidence of a link between governance and performance.

- ‘Governance of Value Creation’ demonstrates material links to organisations’ sustained value-creation performance³, and
- ‘Value Creation Maturity Assessment’ provides a pathway to a globally scalable, auditable, costing of future-risk, for use by long-term investors⁴

Our approach

- Enlivens directors’ ‘Future Fiduciary’ capacity to assure that their organisation is ‘optimally invested in its own future’.
- Enables the assurable assessment of the certainty of future prospects (costing of future-risk) in organisations, and across public networks.
- Improves the capital market’s ability to influence accountability by transparently assigning cost to future risk.
- Has been described by some Chief Investment Officers as a next generation approach to ESG, integrating and reframing prior global initiatives.
- Enhances the existing ecosystem of boards, auditors, capital and regulators – enabling them to engage with the complex context of emerging risks, rising public expectations, and future prospects.

Please direct us on the most appropriate way to engage with your committee and your forthcoming hearings.

¹ FRC’s UK Corporate Governance Code, 2018

² ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations, 4th ed, 2019

³ The leading practitioner identified in our research performs 500% ahead of the index sustained over 10 years.

⁴ As a cross-sector, knowledge economy, societal-value, intangible-value-creation equivalent to the JORC / SAMREC / SME standardised reporting on the certainty of extracting value from Mining and Resource assets

We believe that assurable 'accounting for future value' practices will serve to engage long-term capital with sustained high-performance (financial and non-financial) value-creation - inside companies, across capital markets, and across government and community networks.

Further development of this new thinking has potential to enhance economy-wide value creation and enhance the sustainability of economic, market, social and even political systems.

We would like to present the Committee with options on actions that could be taken to develop this further.

We look forward to identifying the most appropriate way to work with the Committee and its stakeholders, to contribute our knowledge, our perspectives and our new pathways for action.

Many thanks, yours,

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