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October 19, 2018

Your Royal Highness :

Warmest greetings and congratulations on your upcoming 70<sup>th</sup> birthday. At this noteworthy milestone in your life as you reflect on your many very significant achievements and contributions to the betterment of mankind, I wanted to share with you how your Accounting for Sustainability project has helped inspire and guide many of my activities in recent years. Perhaps this is best captured in the passage below from my memoirs, which were first published in 2013 by the American Institute of Certified Public Accountants in the book titled *Accounting Changes: Chronicles of Convergence, Crisis, and Complexity in Financial Reporting* and as a second, expanded edition in the book *More Accounting Changes: Financial Reporting Through the Age of Crisis and Globalization* which was published in 2016 by Emerald Group Publishing. In the final chapter of both books, which I titled *Looking Back and Moving Forward*, I quote from your powerful and inspiring remarks at the A4S Forum which I had the honor to attend on December 15, 2010 at St. James Palace:

“Experts tell me that though over a billion people have no ready access to drinkable water and live on less than a dollar a day, we are still consuming, every year, 50 percent more of the planet’s natural resources than it can renew. In other words, we are living way beyond the Earth’s means. My Accounting for Sustainability project was established to address this issue – to ensure that we are counting everything that counts and measuring everything that matters.... It is clearly a daunting task to value and price natural capital and to broaden our accounting information and reports to include environmental, social and governance factors, while at the same time making accounts simpler and more comprehensible. But is a task which cannot be ignored or shirked... Ladies and gentlemen, if I may say so, if governments, businesses, the accounting profession, regulators and standard-setters do not address present limitations in our accounting information and reports, then it will be the greatest accounting failure that the world has ever seen.... If we don’t take the right decisions now, we will effectively lock our children and grandchildren into a very grim future and throw away the key.... Many people think that accounts and accountancy aren’t important, but information is power. And it is the responsibility of accountants to provide the best systems and information

so that acting with the long-term in mind, and serving the best interests of communities and the environment, can also be seen to be the right financial approach.”

In my books I then go on to say “As one who has devoted a good bit of my career ( as a long-time partner at PwC, original member of the International Accounting Standards Board, and Chairman of the Financial Accounting Standards Board from 2002-2010 ) to better accounting and reporting and to an abiding belief in the power of transparency and that what you measure matters, the Prince’s words ring true and his call to action demand attention. I am not a “tree hugger” or an environmental activist, just a citizen of this planet concerned with the welfare of future generations. So, as someone with a passion for helping bring about positive changes in accounting and reporting, the realm of integrated reporting and accounting for sustainability represent a new frontier of accounting changes.”

Sir, your words and the efforts of your A4S project inspired me and led me to become involved in the formation of the International Integrated Reporting Council in 2010 and to continue to be involved now as an Ambassador for integrated reporting, in serving on the Board of Directors of the Sustainability Accounting Standards Board Foundation whose standard-setting board has developed industry-specific reporting metrics and disclosures covering 77 industries, to serving on the Advisory Board of AccountAbility, a leading consulting firm on sustainability and whose AA1000 series of sustainability standards are used by a broad spectrum of organizations around the world, and in advocating for better reporting on material ESG and sustainability issues and performance in my speeches, writings, and other professional activities.

So, on the occasion of your 70<sup>th</sup> birthday, as a father, grandfather, and citizen of this planet, I offer my profound appreciation and heartfelt thanks for your very impactful leadership in this vital area.

Very truly yours,

A handwritten signature in cursive script that reads "Robert H. Herz". The signature is written in dark ink and is positioned below the typed name.

Robert H. Herz