BOSTON COLLEGE
CENTER FOR CORPORATE CITIZENSHIP
CARROLL SCHOOL of MANAGEMENT

October 14, 2014

Dr. Jean Rogers
Sustainability Accounting Standards Board
75 Broadway, Suite 202
San Francisco, CA 94111

Dear Dr. Rogers,

We may look back at this period as the infancy of reporting—as corporations of all types and sizes wrestle with providing all their stakeholders with understandable and useful information on which to make decisions. The intent and effort of SASB to create quantitative sustainability standards that are applicable, comparable, and relevant across corporations is greatly appreciated by the business community.

Thank you for allowing us to be included in the public comment process for the development of the SASB Sustainability Accounting Standard-Professional Services (SV0102). We are forwarding collective feedback for your consideration that we have received from the members of the Professional Services Sustainability Roundtable of the Boston College Center for Corporate Citizenship. The views expressed herein are reflective of the majority, and are not necessarily those of each of the companies or individuals in the Roundtable. Our intent is to reflect what we hear in our business community in such a way that you may find it useful in creating the Professional Services Sustainability Accounting Standard and build broader participation among business.

In critiquing the proposed standards and accounting metrics, we appreciate the importance of the inherent constraints SASB confronts in respect to the legal and regulatory concept of *materiality* as it applies to public company disclosures for the benefit of investors. Furthermore, we recognize that materiality must be identified at the company level and in compliance with applicable regulatory requirements; each of which complicates the endeavor to achieve agreement on standards, and to a greater extent, metrics. Given that context, we share these specific comments regarding the SASB Professional Services Sustainability Accounting Standard:

- Professional Services Standard
- Activity Level Metrics
- SV0102—B
- Some professional service corporations are uncomfortable disclosing what may be information on competitive differentiation.

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- Professional Services Standard
- Data Privacy & Security
- SV0102-01
- .02
- Given that .01 references only customer information, we need clarity that .02 only applies to client data as well.

- Professional Services Standard
- Data Privacy & Security
- SV0102-01
- .04
- This metric is likely to be irrelevant for many professional services companies. In addition, the specificity to the Children's Online Privacy Protection Act makes this inherently duplicative. Either eliminate the metric or add a qualifier relative to the degree a professional services company's business activity engages with children under the age of thirteen.

- Professional Services Standard
- Data Privacy & Security
- SV0102-02
- An absolute number of data breaches is not comparable, directional, or complete. Issues such as the magnitude of a breach (e.g. size of population affected; financial implication; length of time breach was unresolved etc.) and the frequency of breaches must be appreciated. While these issues are being debated in the larger business and regulatory community, this metric could be changed to disclosure of breaches that have been required to be reported to a regulatory body.

- Professional Services Standard
- Employee Diversity and Inclusion
- SV0102-03
- .11
- Consider specifying the definition of employee so it is consistent with the GRI (e.g. contractors, etc.)
- We suggest another standard should be added regarding discussion and analysis of the company's diversity and inclusion policies and practices.

- Professional Services Standard
- Employee Diversity and Inclusion
- SV0102-03
- .14
- We suggest that the table include any protected class which a company is legally required to report.

- Professional Services Standard
- Employee Diversity and Inclusion
- SV0102-03
- .15
- To address the nuances of diversity across geographically regions, we recommend that SASB provide more explicit boundary-setting guidelines (e.g. non-US offices). This will lead to more useful, comparable data for investors.

- Professional Services Standard
- Employee Diversity and Inclusion
- SV0102-04
- .16
- We do not understand why turnover rates exclude managers and executives.

- Professional Services Standard
- Employee Diversity and Inclusion
- SV0102-04
- .19
- The concept of “top performer” is too subjective to be considered an accounting metric. Also there is some concern, that there may be legal ramifications as a result of interpretation of such data, in particular for a small-size professional services company. If the intent is to try to provide insight into institutional knowledge and/or succession planning, then perhaps data on employee tenure will suffice.

- Professional Services Standard
- Employee Diversity and Inclusion
- SV0102-05
- .20-.25
- There is concern from some corporations that the cost of meeting this metric would be onerous. In addition, this is not a comparable metric. We suggest that the metric instead address voluntary turnover.

- Professional Services Standard
- Professional Integrity
- SV0102-06
- .26-.27
- Given the lack of standardization of required disclosures these metrics are not comparable across corporations.

- Professional Services Standard
- Professional Integrity
- SV0102-07
- This is not a useful metric to measure integrity and ethics. Lawsuits typically relate only to contractual and business performance. Damages awards, especially those that have not been sustained on appeal, often reflect numerous other factors apart from an alleged failure to meet the standard of care. In addition, corporations may be legally limited in their ability to fully disclose this information as settled lawsuits often have a non-disclosure clause or are in the form of discounted services rather than result in a distinct monetary reward. We suggest that this metric be removed.

General comments

- There remains a question around *how* analysts would normalize some of the data and link it to financial performance.
- Overall, the standards do not reflect the global nature of many professional services companies (e.g. Standard SV0102-03) and we suggest the standards should be neutral from a country perspective.
- Finally, many corporations believe there is a missed opportunity to recognize the importance of human capital to Professional Services corporations. Metrics could be developed around pro-bono and volunteer impact; employee learning and development; and health and wellness efforts.

On behalf of my colleagues at The Center and among our member companies, we look forward to continued engagement with SASB.

Sincerely,

Colleen M. Olphert

Colleen M. Olphert
Director of Membership and Member Services

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Date: October 14, 2014

Sustainable Accounting Standards Board (SASB)
75 Broadway, Suite 202
San Francisco, CA 94111

RE: Services Public Comment, Services Sustainability Accounting Standards 90-Day Period of Public Comment

Dear SASB:

As a Services Sector Working Group member, following are our comments to the Casinos & Gaming Industry Standard "Responsible Gaming" and "Management of the Legal & Regulatory Environment", and "Energy & Water Management" Disclosure Topics.

Comment:

While we agree that most of the standards used for the RG Check program are appropriate for this type of certification, it is important to remember that the RG Check is relevant to a Canadian responsible gaming and government owned model, which has significant differences from U.S. practices and regulations. RG Check should be used as a guide to inform the process, but it should not be used in its entirety as the SASB standard. Specifically, the items pertaining to access to money and venue and game features should be updated to reflect the U.S. environment, as well as existing best practices based on scientific research findings.

Comment:

We continue to question the notion that higher expenditures on lobbyists and campaigns is "worse" in terms of sustainability than lower expenditures. For example, companies in Massachusetts are helping fund a campaign associated with an initiative/referendum process that will outlaw their facilities. Should they not help support the opposition to this referendum? You can't have a sustainable business if you have no business at all.

We would also question the following: "Efforts to influence state laws and regulations may unfairly affect companies' reputations and social license to operate." Fighting laws

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that prevent us from hiring more employees, from having funds available to effectively market our facilities, and to invest capital in our facilities does nothing – assuming that these efforts are in full compliance with lobbying and campaign finance laws – to negatively affect companies reputations and social license to operate. Indeed, cultivating a political climate that is fair and predictable is a necessary component of our ability to drive positive economic and social change in the communities where we operate.

Comment:

In the total energy section, it is not clear as to what is meant by "renewable portion of electric grid outside of our control or influence…is excluded from disclosure". In some markets companies buy a very large percentage of renewable energy from the grid. That same company may also be involved in policy making and ultimately pay for the incremental costs of the clean energy, so the business should be able to include it in reporting.

Second, the definition of hydro is fine, but it is unlikely that companies will be able to know whether grid power coming from hydro sources that is labeled as "renewable" actually meets the criteria of low impact.

Thank you for the opportunity to provide public comment to the standards.

Regards,

Gwen Migita
Vice President Sustainability & Corporate Citizenship

Carnival Corporation & plc

Maritime Policy Department

Comments on SASB Sustainability Accounting Standard Cruise Lines (SV0205)

No.	Page; Section of SV0205	Carnival Corporation & plc Comments
1	1; Table 1, SV0205-03	• Due to the relatively small number (4-6) of available sources of shore power for cruise ships, measuring percentage of total energy consumed, percentage from heavy fuel oil in relation to percentage from on-shore power supply (OPS) is not material. • Since shore power facilities are developed by ports/ shore facility operators (and not by cruise lines), the percentage is largely out of the control of cruise shipowners. • A better indicator would be the percentage (or number) of ship that are equipped to be connected to shore power, when it is available (CarnCorp = 20%).
2	1; Table 1, SV0205-04	The unit of measure shown for EEOI, Grams of CO2 per ALB-Km is a CO2 emissions intensity metric (not energy). Median Fleet Energy Efficiency Operational Indicator (EEOI) should be measured in Grams Fuel/ALB-Km
3	1; Table 1, SV0205-05	We do not know of any cruise lines that measure this. What is more important is compliance with regulatory and voluntary limitations on discharges in such areas.
4	1; Table 1, SV0205-06	Since the International Convention for the Control and Management of Ships' Ballast Water and Sediments is a regulation, compliance with it is mandatory. Expect to always be 100%. Disclosure of non-compliance could invite regulatory sanctions (fines, detention, etc.).
5	1; Table 1, SV0205-010	• Measurement and disclosure of the "number of alleged crime incidents involving passengers or employees that are no longer under investigation…" is only a requirement of the US. There are no foreign equivalent disclosure requirements. For CarnCorp example see: http://phx.corporate-ir.net/phoenix.zhtml?c=140690&p=irol-VoluntaryReport. • There are already serious reputational/ public relations implications of disclosing these data. There are no other types of companies in the services sector of SICS™ that are subject to such disclosures.
6	2; Table 1, SV0205-012	Since the Maritime Labour Convention is a regulation, compliance with it is mandatory. Expect to always be 100%. Disclosure of non-compliance could invite regulatory sanctions (fines, detention, etc.).
7	3; Table 1, SV0205-014	• Without a better, clearer definition of "accidents and incidents", the raw number of accidents and incidents will extremely difficult to quantify and report.

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Comments on SASB Sustainability Accounting Standard Cruise Lines (SV0205)

No.	Page; Section of SV0205	Carnival Corporation & plc Comments
		• The number of accidents and incidents reported to the USCG could be reported by counting the number of USCG casualty forms (CG-2692) submitted. However, this may also be misleading, since CG-2692's are used for other purposes as well, and only apply when in US waters or if US passengers are affected. • CarnCorp has strict internal reporting standards for health, environmental, safety & security (HESS) accidents and incidents, but all of these are not all publicly disclosed. • Other companies in the cruise industry may not have equivalent incident reporting standards.
8	3; Table 1, SV0205-017	• The International Convention for the Safety of Life at Sea (SOLAS) is only a minimum statutory requirement applicable to all ships. • Management systems of major responsible cruise lines also address voluntary and regulatory standards covering policies, practices, and performance measurement and improvement in all health, environmental, safety & security disciplines. Such systems should be addressed in the Discussion and Analysis section.
9	4; SV0205-01	Submittal of the company's most recent CDP disclosure report should be permitted as one option for satisfying the requirements of this section.
10	4; SV0205-02.09	VOC emissions are not a material issue for cruise ship operations.
11	5; SV0205-03.17	• Since most of the cruise industry is not US-flagged and operates internationally, heavy fuel oil definitions should also refer to non-US standards and specifications. • Most cruise ship fuels are purchased to standard ISO 8217:2012, Petroleum products -- Fuels (class F) -- Specifications of marine fuels.
12	5; SV0205-03.18	See comment #1 above.
13	6; SV0205-03.20	See comment #2 above. Energy efficiency is the rate of fuel consumption. CO2 emissions intensity is the rate of CO2 emissions. They are related through emission factors, but they are not the same thing.

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Maritime Policy Department

Comments on SASB Sustainability Accounting Standard Cruise Lines (SV0205)

No.	Page; Section of SV0205	Carnival Corporation & plc Comments
14	7; SV0205-05.22 & .23	See comment #3 above. Wouldn't it be better to require disclosure of routing measure employed and discharge restrictions that the ships observe while traveling in such areas?
15	7; Footnote	URL is wrong; it should be: http://www.imo.org/OurWork/Environment/PollutionPrevention/PSSAs/Pages/Default.aspx
16	8; SV0205-06	See comment #4 above.
17	10; SV0205-09.37	• This metric should be clarified and limited to accidental customer (passenger/ guest) fatalities and injuries. It is not unusual for a passenger/ guest to be injured or to die of other/ natural causes while on board. These should not be included in this metric. • The IMO Safety Code applies to death or serious injuries to a person that is caused by, or in connection with, the operations of a ship; or the loss of a person from a ship that is caused by, or in connection with, the operations of a ship. The key here is "caused by, or in connection with, the operations of a ship". • For the aforementioned reasons, deaths or serious injuries from other causes can and sometimes do occur. Reporting "…by any cause…", or NOT caused by, or in connection with, the operations of a ship, makes this metric far too broad and not indicative of what is within the control or influence of cruise line management. • There could be serious reputational/ public relations implications of disclosing these data. There are no other types of companies in the services sector of SICS™ that are subject to such disclosures.
18	10; SV0205-10	See comment #5 above.
19	12; SV0205-12	See comment #6 above.
20	13; SV0205-14	See comment #7 above.

Carnival Corporation & plc

Maritime Policy Department

Comments on SASB Sustainability Accounting Standard Cruise Lines (SV0205)

No.	Page; Section of SV0205	Carnival Corporation & plc Comments
21	14; SV0205-17	See comment #8 above.

ITP STAKEHOLDER DIALOGUE 2014

BRIEFING NOTE - LABOUR STANDARDS

7 October 2014

Does the hotel industry have an image problem? Some stakeholders feel hotel work is characterised by poor conditions, low pay and low aspiration and that staff are just a cost to be minimised. Others passionately challenge this perception, citing the industry's commitment to offer training, apprenticeships and career development. The strong belief that this is an industry where, if you have enthusiasm and skills, you can rise is expressed by many. Few industries after all offer the real potential to rise from an entry level position to General Manager, or even CEO. Just look at the many good examples on the Green Hotelier **Workplace** theme. So what is the real balance between 'image' and 'problem'?

Some report that though there are great policies and practices, monitoring and managing these at the property level in a global portfolio can be challenging. The increasing trend to outsourcing certain job functions to agency staff, whilst a great opportunity for many, can lessen a hotel's understanding and control over the workers' rights. Zero hours, seasonal work, long hours may look bad on paper but could be good ways of working for some, disastrous for others.

Labour rights issues - decent hours, contracts and pay - are global human rights issues. Where the law is insufficient to protect workers' rights, the United Nations Guiding Principles put the onus on the business to protect them. We strongly believe that this is an industry which is passionate about its people, but are the rights of some workers slipping through the net?

"We need to raise, not lower, the bar on working conditions"

This document summarises and collates the feedback from stakeholder interviews to date. Organisations consulted are listed at the end of the document.

KEY THEMES RAISED IN STAKEHOLDER INTERVIEWS

Agency terms and contracts

"The hotel industry has outsourced responsibility for workers' rights. It isn't more efficient, it's just lower wages"

- Outsourcing per se is not wrong; it can mean more flexible working which suits many workers, and covering the last 20% or so of staffing for variations of occupancy is preferable to keeping direct staff on zero hours contracts. It's just a matter of ensuring some minimum standards.

- The rights of agency workers vary from country to country and rights of directly employed staff can be different to those of agency staff. Many stakeholders feel that a hotel should give the same protection and rights to all workers, regardless of the law or their contractual status.
- Given the legal obligation to pay the minimum wage in many countries, agencies are competing on what they will provide, often leading to workers being given unreasonable workloads e.g. a total of rooms to clean. Expectation of what can be achieved on a shift needs to take into account the type & location of the room, check-outs etc.
- There is a lack of clarity regarding who is taking responsibility for workers' rights and labour conditions. The agency? The brand? The hotel? Agencies say they are just doing as they are told by the hotels, hotels say workers are employed by the agency. Everyone is pointing the finger but ultimately it is the brand who will suffer the reputational damage.
- Hotels are not checking the terms of the contract with agencies and what that entails for the worker in sufficient detail. But then if a hotel pays an agency, it is unlikely to want to do half the HR work itself undertaking numerous checks…

"Hotels are either ignorant of the working conditions or wilfully blind. Either way, they are complicit if not undertaking due diligence on checking and following up terms of contracts. Hotels should know what it is possible for a worker to do in the time and if the price is too good to be true, it probably is."

- The perception from several stakeholders is that workers are invisible and an easily replaceable commodity. KPIs are about cost per room, not about the person doing the work
- Work is physically hard for staff. Modern mattresses are heavy, luxury hotel beds may have 6 – 8 pillows..."it's not just a sheet and a blanket!" "The body breaks down at a rapid rate."
- Hotels are not trained how to spot warning signs, or labour conditions or is not something they are being measured on.

Living wage

- Defining what constitutes a 'living wage' is difficult and has only been done in a handful of countries
- Workers are employed at the minimum wage but not actually getting this in terms of the hours they have to put in. Workers tell they are paid per room, not per hour.
- There is a huge amount of trust and expectation of customer care from hotel staff, yet they are not recognised or compensated accordingly for this
- The pressure to keep down costs is systemic. Paying a living wage may have positive benefits in terms of higher satisfaction, retention, wellbeing and productivity, however, companies do not appear to see the benefits

"The ownership model in hotels has created 'hollow companies', owned by hedge funds. It is difficult to improve labour conditions when constantly having to maximise profits and reduce costs."

- Some companies have publicly stated commitments to review / start to pay the minimum wage in some properties over time but there appears to have been limited progress. No-one is expecting this to happen overnight but some incremental movement in the right direction would be good

- Wage levels may be more critical for people on the lowest pay scales, however for many the issue is more about having meaningful work

Saying to shareholders, "we are going to give you $0.93, not $1 and we are going to pay the living wage", could be huge PR for years to come

Collective bargaining & worker representation

- Unlike other sectors, such as the motor or chemical industries, there is often no structure for social dialogue between workers and management to address workers' issues
- Many hotel workers come from vulnerable groups (migrants, women) who have low levels of work experience and are not used to having a voice. Where workers are employed by agencies, they are not well-equipped to organise themselves as there is often no sense of a workforce or being part of a company
- Where there are strong trade unions, e.g. New York City, or strong worker representation, most labour issues evaporate
- In some countries, hotels actively obstruct workers access to unions.

Staff development

- Talk of 'low-skill' sector or roles is misplaced. The supposed low-skilled staff have a very important role as they are coming into daily contact with guests. People skills may be less tangible / measureable than other skills but should not be underestimated. It's just a different skill.

"Hotels should be competing to be the best employer in town!"

- Concern is expressed that opportunities for training and development appear limited for those below supervisory roles and that the industry can claim little credit for creating entry level opportunities, e.g. for young unemployed people, if there is no 'ladder' to enable workers to progress.
- Certification and recognition for acquiring even the most basic skills and experience can be highly motivating for staff
- In terms of the cost / benefit of investing in training in relatively high turnover roles, hotels need to accept that people moving on is a fact of life. It should not mean that it is not worth investing in training. Through training, hotels increase the skills in the pool for the whole industry and attract more people in.
- We can't do much to change the economic conditions in countries but we can change the image of low aspirational careers through better education of teachers and young people
- Companies in destinations may be competing for the same staff, but it is also up to them to retain those staff. Working with competitors and local authorities to develop the local skills base will benefit everyone, then they can compete

"Hotels appear to prioritise environmental initiatives as happy and well trained staff does not have an immediate impact on bottom line."

- We need to get a new generation of talent and skills ready, particularly in emerging destinations – where are your workers going to come from?
- For many investors labour is a top priority – not just compliance but human capital management

Organisations interviewed:

Accounting for Sustainability
Danish Investment Fund for Developing Countries (IFU)
Dow Jones / Robeco
Ethical Trading Initiative
Interfaith Center on Corporate Responsibility
Institute for Human Rights & Business
International Labor Organization
Institute of Hospitality
Institute of Travel & Tourism / Global Travel & Tourism Partnership
International Trade Unions Congress
Global Partnership for Sustainable Tourism
Global Unions (IUF)
Kuoni
Living Wage Commission
Manchester Metropolitan University
People 1st
Rainforest Alliance
Roundtable on Human Rights in Tourism
Tourism Concern
Tui Travel PLC
Unite Here
University of Plymouth
United Nations Principles for Responsible Investment (UNPRI)

Pending interviews:

Aberdeen Asset Management

Recruitment & Employment Confederation

Sustainability Accounting Standards Board

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October 7, 2014

Sustainability Accounting Standards Board
[redacted]

Re: Comments on Services Sustainability Accounting Standards

Dear Sir/Madame,

Thank you for giving us the opportunity to provide our comments on the proposed sustainability accounting standards for the Services sector. Please find our comments on the following pages.

Kind regards

JoAnn Strickon
Global Sustainability Manager

Disclosure Topic: **Employee Diversity & Inclusion: Percentage of gender and racial/ethnic group representation for: (1) executives and (2) all others**
Accounting metric code: **SV0102-03**
Line of disclosure: **12, 14, 15**

While we agree that diversity is an important and material indicator of a company's vitality, we have some concerns with the way in which diversity has been defined for this standard.

First, classification of workforce according to race and/or ethnicity is problematic for multinational organizations for a number of reasons:

- Classification according to race or ethnicity is illegal in a number of countries.
- In the US, disclosure of racial identity is voluntary. Therefore, any metric that is based on this data may be inaccurate and misrepresentative.
- The EEO categories were developed for use within the United States, and are not meaningful outside of that context. For e xample, an individual of Chinese descent would be considered a member of a minority group if located in the US. However, that same individual would be considered part of the majority population if located in China.

We suggest changing the racial/ethnic representation metric to a comparison of the makeup of the employee population to the local population. For example, if a company has operations in a city where members of minority groups make up 35% of the population, it would be more meaningful to see how the percentage of minority employees in the employer's workforce compares to the local population. If the percentage is either much higher or much lower than that of the local population, then the employer would want to provide an explanation.

Second, limiting diversity to gender and ethnicity fails to take into account other diversity considerations that are increasingly important, and may be more relevant for multinationals with significant populations outside the US: age, nationality, disability status, citizenship status. We suggest that the guidelines recommend inclusion of information about a company's diversity goals and progress against those goals. This would enable companies to demonstrate an understanding of the diversity metrics that are most meaningful to its particular market and organization, and its actions toward achieving a diverse organization, rather than simply presenting a static view of the workforce population.

Finally, in order for a diversity analysis to be meaningful, it needs to be done for a variety of levels and roles throughout the organization (e.g., operational, client-facing, team leadership, etc.). A simple breakdown of data by senior manager/executive vs. all others does not provide an adequate picture of the organization – if the majority of an organization's "diverse" employees are in low-level or non-critical roles, it sends a negative message to employees, candidates and clients. Similarly, if client-facing staff are not representative of the population they serve, that can have a negative impact on client relationships.

Disclosure Topic: **Employee Diversity & Inclusion: Voluntary and involuntary turnover rate; Employee engagement as a percentage**
Accounting metric code: **SV0102-03 and SV0102-04**
Line of disclosure: **16 - 25**

Although both of these accounting metrics may be material topics to disclose, it does not make sense to include them under the heading Diversity & Inclusion (unless there is an expectation to provide a breakdown by gender and/or other diversity metric). It would be better to break them out as a separate topic, such as Employee Engagement.

Disclosure Topic: **Employee Diversity & Inclusion: Voluntary and involuntary turnover rate**
Accounting metric code: **SV0102-04**
Line of disclosure: **16-19**

A single turnover metric that does not distinguish between critical and non-critical roles is not comparable across companies. In many companies, some roles are expected to have a high turnover rate, which does not necessarily negatively impact the company's operations, and in fact, can positively influence it, as former employees move on to become clients and advocates. Rather than looking at turnover across the entire employee population, it would be more meaningful to look at turnover rate among mission-critical positions.

Similarly, simply reporting on turnover of high performers does not provide any insight into the company's understanding (or lack thereof) of the drivers behind retention and high performance. We suggest including as part of the discussion a description of the companies' practices to increase retention among mission-critical and high-performing employees, including a definition of how these are understood by the company.

We also recommend that a separate metric should be included that looks at turnover rate among managers and executives. The management and executive levels are where high turnover can have the greatest negative impact on a company's operation, signaling issues with the strategic direction of the company.

On a technical note, the denominator for the calculation needs to be clarified. "Total number of employees during the fiscal year" is not clear. Most of these types of calculations are based on either the average employee population during the year or a snapshot of the number of employees on a given date (year-end, for example). Also, number of full-time equivalents is a more standard data point than number of employees. It allows for a more meaningful comparison among companies that may have very different levels of part-time employees.

Finally, turnover rate is a lagging indicator (and in fact, given the trend toward more flexible and project-based employment, may be decreasing in significance as a material indicator). A leading indicator, such as "intent to stay" might offer a more predictive measure of the health of an organization and the effectiveness of its human capital management strategy.

Disclosure Topic: **Employee Diversity & Inclusion: Employee engagement as a percentage**
Accounting metric code: **SV0102-04**
Line of disclosure: **20- 25**

Because of the variety of ways that employee engagement is measured, and the resulting difficulty of comparing engagement between companies, we recommend that this metric focus on comparing engagement levels among significant groups within a company, which could include gender, minority status, level, tenure, age, mission-critical roles, etc., as defined by each company.

oekom research AG • Goethestraße 28 • D-80336 München

SASB
75 Broadway, Suite 202
San Francisco, CA 94111

USA

Munich, 14 October 2014

Comment oekom research AG to the Industry Standard Media

Thank you very much for the possibility to comment. This is the input of oekom research to the Industry Standard Media, provided by Ellen Mayer, Research Director and the analyst in charge of the Media industry.

- Media, Environmental Footprint of Publishing Practices, SV0302-01.03:

In our opinion the data should at least also be provided broken down for each of the different types of 'environmental standards' the proposed standard is referring to (not just naming them, as required in SV0302-01.04). Adding all up into one reported number does not reflect the differences in quality that set the single standards apart and a higher percentage reported for one company can still mean weaker performance in comparison to another company that targets for more ambitious standards.

Also, the requirement of c) does not seem to be sufficiently clear. Does that mean that all paper procured that is third-party labelled to be without the use of elementary chlorine could be included here? In our opinion, that is a rather basic requirement, which should not be equated with 'third party environmental standards'. For example, no requirements at all would apply to the origin of virgin fibre in that case.

As of course there also is a significant difference in sustainability between paper that is made from 100% recycled fibre and paper with a lower recycled content, or between 'FSC Pure' and 'FSC Mixed Sources' certifications, a breakdown of fibre origin (recycled, FSC certified, PEFC certified - including associated standards, not certified but procured within third-party certified traceability system), would allow for the most meaningful assessment. In our experience, publishing companies are able to provide corresponding data.

Paper used for office operations can be excluded in our point of view, as it is not material and this will mean that the topic is only relevant for publishing companies, where it is most relevant, and not for other media companies.

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- **Media, Journalistic Integrity, SV0302-02.05:**

The fluctuations in the amount of legal damages from lawsuits within a given year can be strongly influenced by single lawsuits, the origin/cause of which may reach back several years. Suggested alternatives that are more closely related to the performance within a given year:
- overall number of complaints regarding released content broken down by reason for complaints
- number of complaints regarding released content that were confirmed by a regulatory body and the amount of fines connected to these complaints

- **Media, IP Protection & Licensing, SV0302-06.21:**

Here, additionally we would suggest the discussion/analysis regarding the integration/consideration of consumer rights in the design/application of Digital Rights Management (DRM) systems / IP protection systems. This is material, as focusing too strongly on protection of IP rights will alienate customers in the long run, especially if that limits the use of digital rights more strictly than that of traditional media. Further, risks with regard to data privacy are inherent, e.g. DRM systems that collect data on user behaviour.

- **Media, Data Privacy & Advertising Standards, SV0302-07:**

The aspects considered here so far correspond to advertising in the digital environment only. As advertising is such an important revenue stream for all media, other sensitive issues (relating both to digital and traditional media) should also be considered. Examples are clear separation of content and advertising, or the handling of product placement. We recognised that these issues are referred to in the description of the topic 'Journalistic Integrity', yet the respective 'Accounting Metrics' there do not seem to further correspond to those particular issues.

- **Media, Diversity & Inclusion, SV0302-10:**

Within the description of the topic, the proposed standard also refers to on-screen diversity. This is not reflected in the 'Accounting Metrics', which refer to employee diversity only. Of course a diverse workforce can improve on-screen diversity. However, since this influence is indirect, measuring the diversity of contents also would be desirable.

As part of inclusion, we would also recommend measuring accessibility, e.g. as a percentage of media content that includes at least one additional feature to make content more accessible to disabled/elderly recipients (e.g. signage, subtitles, digital content created in line with W3C guidelines).

- **Missing disclosure topic:**

Energy efficiency of data centres (owned and leased), e.g. measurable by PUE (Power Use Effectiveness). The issue is growing steadily in importance with increasing digitalisation of business models. So far, only the procurement of paper is included with regard to the industry's environmental footprint. Since data centres already contribute significantly to overall energy consumption, we consider inclusion of this issue as material.

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About us: oekom research is one of the world's leading rating agencies in the field of corporate responsibility. We assess the sustainability performance of companies commissioned by our customers, who are international asset managers and institutional investors. Our research influences assets under management in excess of EUR 600 billion of more than 100 different asset owners like pension funds, foundations and insurance companies as well as asset managers like Deutsche Bank, HSBC, Pioneer Investments and Unicredit.

Best regards

Ellen Mayer

Ellen Mayer

BOYD GAMING

October 13, 2014

Sustainability Accounting Standards Board
75 Broadway
Suite 202
San Francisco, California 94111

Sent via email: sv_comments@sasb.org

RE: Services Sector Public Comment
Casinos & Gaming

Dear Sir/Madam:

We appreciated the opportunity to participate in the Services Sector Working Group and would like to provide our comments to the Services Sector and to the July 2014 Casino & Gaming (SV0202) Industry section of the Services Sector Exposure Draft for Public comment.

SERVICES SECTOR

We are uncertain what the defining lines are that delineate which guidance a given company would use; for example, Boyd Gaming has both casinos and hotels. In addition, we are unclear why the Services Sector guidance is different in the subcategories; specifically **Management of the Legal & Regulatory Environment** is included in Casino & Gaming but excluded from Hotels & Lodging and Leisure Facilities.

CASINOS & GAMING

Industry Description

Table 2. Activity Level Metrics

Total visitation –

While we understand the benefit of providing this information to the reader, we do not have a reliable measure to quantify visitation at a majority of our gaming properties.

Percentage of gaming revenue –

GAAP already requires significant revenue streams to be reported by segment. We do not see the benefit nor do we recommend that SASB further delineate how to break out the smaller revenue categories.

Energy & Water Management

Accounting Metrics

SV0202-01. Total energy consumed, percentage renewable energy.

.04 – SASB is recommending that the renewable portion of the electricity grid mix that is outside of the control or influence of the registrant is excluded from disclosure. We consider this guidance to be ambiguous and subject to interpretation. Specifically, in some jurisdictions, our Company is involved in the various utility dockets and legislation that include the State's renewable portfolio standard, composition of a utility's renewable portfolio and policy making. In others, the opportunity is not afforded. Yet, in all instances, as rate payers, we pay a premium for and are supportive both financially and practically of clean energy; therefore, we should include the renewable portion from the grid.

.05 – It may not be feasible, economically or otherwise, to know if the hydro sources are certified by the Low Impact Hydropower Institute; therefore, reporting may be inconsistent among companies depending on the composition of their renewable portfolio.

Responsible Gaming

Accounting Metrics

SV0202-03. Percentage of gaming facilities in compliance with Responsible Gaming Index criteria

We agree with the inclusion of Responsible Gaming in the Standards; however we do not consider the RG Index the appropriate criteria since it is a Canadian-based Index. There are certain nuances which differ between the United States and Canada. We recommend that the measurement published by the American Gaming Association (AGA) is referenced since the AGA has developed an official Code of Conduct that is relied upon and followed by most gaming companies based in the United States.

Management of the Legal & Regulatory Environment

Description

For the sentence, *"Efforts to influence state laws and regulations may unfairly affect companies' reputations and social license to operate,"* we suggest that the sentence be modified to include, *"Efforts by external entities to influence…"* If the intent of the paragraph is to indicate that it is the *efforts* by the gaming companies, then we recommend removing this sentence since it suggests that influencing state laws and regulations may be detrimental to the sustainability to a gaming company. This does not contemplate that certain efforts are tantamount to the success of gaming companies but also to the protection of the gaming industry's reputation.

Accounting Metrics

SV0202-06. Five largest political, lobbying, or tax-exempt group expenditures

Focusing on sustainable practices is essential to the survival of our businesses, communities and the environment. We understand the recommendation for disclosure of political campaign spending being included in the Standards; however, we disagree that the five largest political, lobbying, or tax-exempt group expenditures are included as it suggests these expenditures could be detrimental to the sustainability of a company. To the contrary - these contributions may be essential to the sustainability of gaming entities in various jurisdictions depending on the potential legislative action being recommended. For example, there are instances where these contributions may help prevent legislative action that could eliminate jobs and/or be detrimental to our business.

Thank you for the opportunity to comment on the Draft Standards and for considering our recommendations. Please do not hesitate to reach out if we may provide further insight or information.

Sincerely,

Paula Eylar-Lauzon
Vice President Internal Audit / Sustainability

PEL/hs

International Tourism Partnership

Sustainability Accounting Standards Board
75 Broadway, Suite 202
San Francisco, CA 94111

London, 22 September 2014

Dear SASB,

Many thanks for inviting us to comment on the draft Hotel and Lodging Standard. Please see below;

- **Hotel and Lodging Standard**
- **Disclosure Topic** - Energy Management
- **Accounting metric code** SV0201-01
- **Comment**: Recommend an intensity metric also included e.g. energy consumption per occupied room or area (sq ft / m2)

- **Hotel and Lodging Standard**
- **Disclosure Topic** - Water Management
- **Accounting metric code** SV0201-02
- **Comment**: Recommend an intensity metric also included e.g. water consumption per occupied room or area (sq ft / m2)

- **Hotel and Lodging Standard**
- **Disclosure Topic** - Water Management
- **Accounting metric code** SV0201-02
- **Comment**: Recommend specifying sources of water required for reporting, e.g. ground / surface / rain / municipal etc. as applicable. It appears open to interpretation at present.

- **Hotel and Lodging Standard**
- **Disclosure Topic** – Fair labor
- **Accounting metric code** - all
- **Comment**: Workers contracted by recruitment agencies should be included in the disclosure. ITP's stakeholder engagement indicates that there may be significant issues with the labour standards of such workers

- **Hotel and Lodging Standard**
- **Disclosure Topic** - All
- **Comment**: The actions (or inactions) of franchisees could have significant impacts and risks for companies. Risk to reputation is to the reputation of the company named on the door. For this reason, and in order to drive for more consistent reporting and less fragmented approaches across the industry, I would suggest that reporting on these criteria should be extended to franchisees. The industry will find it challenging, but I do not think that we can continue to separate brands and franchisees when it comes to non-financial reporting.

Many thanks. Please do contact me if you have any questions.

Best regards,

Fran Hughes
Head of Programmes
International Tourism Partnership

Date: October 10, 2014

Sustainability Accounting Standards Board
75 Broadway, Suite 202
San Francisco, CA, 94111
Via email: [redacted]

Re: Comment on proposed standards for Service Sector

Industry Standard: Restaurants

Disclosure Topic: Supply Chain Management

Accounting Metric: SV0203-14.49
Farm Forward suggests adding the following animal welfare standards to the examples you provide:

- Animal Welfare Approved
- Global Animal Partnership
- Certified Humane

All three of these standards offer a third-party certification.

Accounting Metric: SV0203-14.50
Farm Forward recommends that you specify specific animal welfare certifications that qualify for this standard. There are several certifications that purport to provide higher-welfare conditions to farmed animals but that are indistinguishable from standard industry practices. For example, virtually all eggs sold in America are certified by the United Egg Producers (UEP), the trade association for shell eggs. The UEP claims that its certification provides higher-welfare conditions, when in fact it merely describes the industry standard. Certifications that offer dubious welfare-improvement claims include American Humane Certified and USDA Process Verified. We recommend that you require that companies purchase products with one of the following certifications:

- Animal Welfare Approved
- Global Animal Partnership
- Certified Humane

Requiring one of these three certifications will ensure that when a company reports the percentage of its products that has been certified to a third-party sourcing standard, the public can be sure that those standards are meaningful.

Sincerely,

Andrew deCoriolis

[redacted]

FARMFORWARD
Portland, OR 97208
farmforward.com

Industry Standard
Hotels & Lodging

Disclosure Topics
Supply Chain Management (suggesting for inclusion)

A material disclosure category for inclusion in the Hotels and Lodging SASB Sustainability Accounting Standard is supply chain management. The basis for the materiality of supply chain management is comprised of three factors.

1) The ability for hotels to reduce energy, water and waste is directly tied to the choice of building products, furnishings and operating supplies. Through the power of their size and global supplier contracts, hotel brands can lean on their supply chains to develop cost effective solutions that directly contribute to their building and operating sustainability needs.

2) Hotels are increasingly being evaluated on their sustainability practices, including purchasing choices, by leisure and business travelers. In 2013, TripAdvisor launched its Green Leaders program, and in its first year has over 4,000 participating hotels. Consumer research conducted by TripAdvisor reveals 81 percent of travelers place importance on properties implementing eco-friendly practices. Properties with TripAdvisor Green Leader status are rated 20% higher by travelers. Included in the Green Leaders evaluation program is a hotel's purchasing practices such as local sourcing, recycled content, recyclable packaging and products with green certifications.

   Also in 2013, the Convention Industry Council and ASTM, in partnership with the EPA, released standards for sustainable meetings. Included in both the venue and food and beverage services standards are evaluations of environmentally preferable purchasing practices (EPP) covering environmental impact and ethics/reputation of the vendor. Meetings contribute to over 250 million room nights annually with 85% of meetings taking place at hotels and resorts and representing 1/3 of an average hotel's business. $34.9 billion is spent annually on accommodations, followed by $26.4 billion in food and beverage according to The Economic Significance of Meetings to the U.S. Economy Study by PwC US 2009.

3) Creating hotels with a local flavor is of increasing importance in hotel brand leadership, especially to the millennial generation. Hotels designed using locally sourced materials and furnishings, and featuring locally sourced foods and beverages, especially when produced in socially and environmentally responsible ways, are more competitively positioned.

Comment
This comment is intended to provide further evidence to support the Industry Working Group's recently proposed 'Supply Chain Management' recommendation for inclusion in the Hotels & Lodging standard disclosure.

The recently released Draft Standard for Hotel & Lodging includes only those indicators that take into consideration the properties themselves and the staff within it. These narrow parameters, however, miss a key area of importance for this industry - all of the goods that are constantly moving in and out of the properties on a daily/weekly/annual basis. According to Green Seal, the "average hotel purchases more products in one week than 100 families will typically purchase in a year."[1] Furthermore, about every 3-6 years, hotels are spending billions of dollars on new Furniture, Fixtures and Equipment in order to continually renovate their properties. With this much product continually being purchased by hotels, the correlation between a property's energy, water and waste reduction and its supply chain is extremely strong.

The ownership structure that exists throughout the hotel & lodging industry limits a hotel brand's ability to have the same types of building controls over their franchised properties as might otherwise exist for similar commercial properties. Brands can however, direct purchasing decision makers at these franchised properties toward suppliers/products that meet specific environmental and social criteria. Through the collection of supply chain sustainability data and the flow of information to the hotel properties, hotel brands can improve property sustainability performance impacting both revenue growth and cost reduction.

Our proposed accounting metrics fall in line with the published accounting metrics found in the draft standards for Restaurants. The metrics used for Restaurants are directly applicable for the types of procurement being made with the manufacturers that supply furnishings, operating supplies and food and beverage products. Added to the food and packaging related waste identified for restaurants is the packaging waste of furnishings and operating supplies. In addition to encouraging recyclable packaging, with California and other states banning the disposal of carpet, mattresses, wall covering and other furnishings, hotel brands can reduce related waste costs and risks by pushing manufacturers to implement product take back programs.

Supply chain management provides hotel brands the framework to encourage product innovation designed to improve hotel sustainability. Examples include linens made from bio-based materials which reduce drying time, industrial laundry solutions which require less water and less drying time, carpet tiles which can be individually replaced as needed versus replacing an entire room of carpet, and solar shading for windows which considerably reduces the need for cooling and ventilation. As noted with Restaurant standards, sustainable and ethical sourcing by industry players is necessary to ensure continued future supply and to minimize negative impacts to company operations. Of note, given the direct risk faced by properties in coastal and other resort locations as a result of climate change, leading brands can help protect their long term viability, create substantial goodwill and improve brand equity through supply chain management practices that push global manufacturers to operate in more environmentally and socially responsible ways.

Below are suggestions for the Hotel & Lodging Standard based on the Restaurant standard.

1. Percentage of furnishings, operating supplies and equipment, and food & beverage sourced in conformance with environmental and social standards, percentage third-party certified *(Disclosure shall include a discussion of impact of products to hotel energy, water and waste reduction, and impact to guest health, as well as environmental and social priorities within the supply chain, such as reducing greenhouse gas emissions, minimizing water consumption or pollution, ensuring labor rights, minimizing chemical use, ensuring animal welfare, among others.)

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[1] Green Seal, *Greening Your Property* (My Ton, 1996), pg. 9.

MINDCLICK GLOBAL

2. Discussion of strategy to manage supply chain risks and constraints from environmental and social trends

3. Description of environmental and social sourcing targets that were active in the fiscal year, and an analysis of performance against the targets

As a company that is supporting Marriott International and the hotel industry with a comprehensive solution for sustainable supply chain management, MindClick Global anticipates that the costs incurred by hotels and their supply chains will be negligible. Our basis for this assertion comes from the extensive work that we have done over the past 3 years to implement a platform which measures, verifies, reports, improves, explains and promotes supply chain performance to meet marketplace sustainability demands. Pricing for suppliers averages $1000-$2500 annually and for brands, starts at $10,000 annually. Marriott, as referenced in their CSR reports for the past two years, has adopted use of the MindClick Sustainability Index, starting with their furniture, fixture and equipment (FF&E) suppliers. To date, they've achieved 90% participation with suppliers who comprise 75% of their annual FF&E budget, proving market acceptance. Through MindClick Global's single platform approach, suppliers report their information, which can then be accessed by every brand for use in their public reporting, allowing both brands and suppliers to share and minimize reporting and verification costs.

At MindClick Global we see first hand the material impact of the supply chain in improving the sustainability and business performance of a hotel. Inclusion of Supply Chain Management in the Hotels and Lodging SASB Sustainability Accounting Standard will make a substantial contribution to helping investors in evaluating hotel company and industry performance.

Respectfully submitted by,

JoAnna Abrams, CEO
MindClick Global, Inc.

This document contains observations and suggestions for the SASB Exposure Draft of the Hotels & Lodging Standard, dated July 2014. Greenview will submit similar comments (excluding the internal comments) to SASB during the public comment period.

General Comparison vs. Current Industry Reporting

Key differences between this exposure draft and the information most commonly reported, or reported differently, among hotel companies in GRI reports, CDP, and annual reports:

- Recycled water as part of water disclosure
- Biodiversity disclosure of location to conservation areas
- Minimum wage usage and ratios
- Durable goods as part of waste figures
- Involuntary turnover in addition to voluntary turnover
- Excluding management from turnover figures
- Disclosure of fines for labor issues

Energy & Water Management

- Description indicates that water represents 10% of operating costs, which is highly questionable. Rarely will a property's water cost be higher than its energy cost. It appears that figure came from a non peer-reviewed paper mentioned anecdotally and not a result of data collection or analysis. Should revisit that claim. Also wording of "industry operating costs" is misleading, as these percentages pertain to hotel operating costs, but not inclusive of the costs of the industry support such as regional sales offices, corporate entities, or other costs of development/renovation which could be considered operating costs to the industry as a whole but not hotel operations.

- Description indicates that water is "consumed in restrooms, kitchens, and landscaping…" this is not true in urban hotels or limited service hotels with no restaurant or landscaped areas. Furthermore, water use in hotels is primarily from guestrooms in all hotels. And if laundry is listed as a use of energy in the hotel, then laundry should also be listed as use of water in the hotel.

- Companies should be able to submit data in units other than gigajoules (GJ), no valid reason exists for the exclusive use of GJ as common metrics. Suggest that MJ, kWh, or MMBTU may be suitable as this is a US standard and energy consumption is not commonly invoiced in MJ or GJ within the US, causing the need for an additional conversion (when everyone will have electricity in kWh).

- If the standard is to set forth units and heating values, then it should also clarify the energy usage should be reported from site consumption, and not source energy.

- Further guidance should be provided on definition of "recycled water" and accounting for multiple reuse in lodging operations.

- Water metric currently does not appear to include rainwater captured or water obtained through desalination. In excluding these, the figure is not an exact proxy for water usage within a hotel, which is the bigger indictor of a hotel's performance in terms of water. All forms of water should be considered.

- Question the exclusive use of the WRI Aqueduct tool as the source for assessing water risk. Several other tools exist. In our experience, no single tool has complete data and often discrepancies exist among tools, including Aqueduct. Therefore other tools such as WWF Water Risk Filter or WBCSD should be considered in addition to Aqueduct, or a combination thereof.

Ecological Impacts

- Combining of durable and non-durable goods is an unusual form of measuring waste and diversion rates in hotel operations since replacement of durable goods such as mattresses, carpeting, appliances, and furniture will be sporadic and greatly skew the diversion rates when undertaken as these are commonly donated or recycled (especially when mandated). Furthermore these are not easily weighed or tracked in weight when recycled. Suggest that waste generation and diversion be limited in scope to non-durable goods in routine waste hauling, or separated out from durable goods so that comparison is more meaningful within a hotel and across hotels.
- A provision or guidance should be made regarding food waste that is send via sewage system after being put through a digester or in-vessel composting system, as it is not clear from the current list where those would lie, and will likely grow in figures for hotels with restaurant operations.
- Reference footnote 4 for the EPA site returns an error (site not found)
- Sub-bullet “the scope includes franchise locations” is contradictory to the title of SV0201-04 “properties operated, owned, or leased….” If franchise operations are to be included, then should those not be mentioned outright? Otherwise perhaps separate these out from owned/operated/leased.
- Table 1 indicates tons (t) as the unit of measure for waste. In the US sometimes data arrive in short tons, and should be clarified as MT in table 1 to coincide with the indication of metric tons as the unit.
- Also note that waste data is very difficult to obtain and harmonize globally as it is not readily available or intelligible in some countries, especially those where “hauling” can have very creative forms.

Fair Labor Practices

- For turnover metrics, exclusion of managers and executive staff should be further explained for its rationale. First, because managerial talent is perhaps the most important in terms of a labor-intensive industry. Second, because organizational structures in hotel operations have many levels which could be considered managerial, for example a shift supervisor, training coordinator, etc. are much lower in the rank than a general manager. Finally, under this premise, would a company be penalized for promoting one of its staff members to a managerial level (and would that be considered to increase turnover since managerial staff is excluded from the boundary)?
- Expiry of contract is questionable as “involuntary turnover” as there was a voluntary contract signed whereby it had a fixed termination date, and should not be considered in the boundary of turnover.
- Sub-bullet “Hotel staff excludes managers and executives” is missing a period at the end of the bullet sentence.
- Minimum wage needs further clarification on whether it is a “national minimum wage” or a “local or prevailing minimum wage” for example the US. Also what should be done when the country has no set minimum wage, or the wage is monthly and not hourly?

General

- “lodging facilities” should be further clarified as the potential respondents to this standard will have vacation ownership (timeshare) and potentially some commercial buildings within their portfolios, to which some metrics will apply and others will not.
- Guidance should be provided, or at least some mention of disclosing measurement, for properties within the portfolio for part of the year. For example a property that opens in July of a year is only within the portfolio for half the year. Or a property that is sold in July, or acquired, etc. as the portfolio composition changes every year for the potential companies using this standard. Should partial year properties be excluded from data, pro-rated proportionately, etc.?

Thank you for your consideration of these items into the final standard. Feel free to contact me for further clarification or support in improving the standards.

Sincerely,

Eric Ricaurte
Founder & CEO
Greenview

WORLD
RESOURCES
INSTITUTE

[redacted] Washington, DC 20002 USA (PH) +[redacted] (FAX) +[redacted] www.WRI.org

Katie Schmitz Eulitt
Director, Stakeholder Engagement
Advisory Council Chair
Sustainability Accounting Standards Board
75 Broadway, Suite 202
San Francisco, CA 94111

Dear Katie

As requested by your review process, below are comments in reference to:

- **Industry Standard** (Restaurants)
- **Disclosure Topic** (Food Waste)
- **Accounting metric code** (SV0203-03. Amount of waste, percentage as food waste)

Comment: Our comment is specifically on the food waste component. WRI is serving as Secretariat to develop a Food Loss & Waste (FLW) Protocol which is intended to be the global standard for companies, governments, and other entities to measure and report data on loss and waste of food and associated inedible parts. This is a multi-stakeholder process involving experts from around the world representing a wide range of perspectives across the food value chain.

Steering committee members include the Consumer Goods Forum (CGF), Food and Agriculture Organization (FAO), FUSIONS, United Nations Environment Programme (UNEP), World Business Council for Sustainable Development (WBCSD), and the Waste & Resources Action Programme (WRAP.) The FLW Protocol will contribute to related initiatives led by UNEP, FAO and others and build upon regional measurement approaches being developed in the EU by FUSIONS. Additional details are available at: www.wri.org/food/protocol.

For the SASB standard's accounting metric on food waste to be complete and useful, we suggest exploring options for aligning with the terminology, definitions and scope being developed by the FLW Protocol. While this is still a standard under development (with publication anticipated for September 2015), there is strong preliminary alignment around some of the key terms and scope that shall be disclosed in a "food loss/waste" inventory.

Aligning the terminology of the SASB standard and the FLW Protocol would likely benefit from further discussion and speaking directly. In the meantime, as food for thought, below is our initial thinking on possible overlap. We presume changes made to the food waste metric would likely apply to other SASB Industry Standards as well in which food waste is proposed as a disclosure topic.

WORLD RESOURCES INSTITUTE

[redacted] Washington, DC 20002 USA (PH) +[redacted] (FAX) +[redacted] www.WRI.org

1. In line .15, we suggest the definition of 'food waste' align with the definition of 'food' and 'inedible parts' proposed for the FLW Protocol:

   Food means any substance, whether processed, semi-processed or raw, which is intended for human consumption, and includes drink, chewing gum and any substance which has been used in the manufacture, preparation or treatment of "food." "Food" does not include cosmetics or tobacco or substances used only as drugs. (From Codex Alimentarius Commission, Procedural Manual, 2013) Furthermore, it does not include processing agents used along the food supply chain, for example, water to clean or cook raw materials in factories or at home.

   Inedible parts refers to the components associated with a food that in a particular food supply chain are not intended to be consumed by humans. (Adapted from FAO, Definitional Framework of Food Loss, 27 February 2014)

   The FLW Protocol standard will require disclosure of the material type in an inventory, i.e. whether it is only food or also includes associated inedible parts (for example, rinds, pits and bones).

2. With respect to line .16, the FLW Protocol is creating a set of 'destination' categories to enable transparent comparisons and reporting of what might be possible destinations for food and associated inedible parts removed from the food supply chain (e.g., disposal, animal feed, industrial use, agronomic reuse, organic amendments/energy). In order to encourage a harmonization of standard reporting elements, we suggest restating these questions to align with the framework the FLW Protocol is developing.

We look forward to discussing with you further the possible areas of overlap with the FLW Protocol.

Sincerely,

Kai Robertson

Kai Robertson
Lead Advisor, WRI, Food Loss & Waste Protocol

Dunkin' Brands Comments to SASB's Restaurants Standards

Dunkin' Brands has reviewed the Sustainability Accounting Standards Board's Standards for Restaurants (July 2014 Exposure Draft for Public Comment) and would like to provide the following comments for consideration.

While the Standards acknowledge the complexity of the franchise model for reporting organizations and defines the reporting scope for certain Accounting Metrics (e.g., Energy & Water Management – SV0203-01.01), Dunkin' Brands believes the Standards should be more deliberate in specifying scope for all Accounting Metrics throughout the entire document. In the franchise model, by definition, the company retains less control than in a company-owned setting, and the franchisee is required to report on some metrics but not all metrics contained in the draft standards. Obtaining all of the information that seems to be required in the Exposure Draft would be implausible in some cases and require significantly increased resources in all cases for any company that primarily operates in the franchise model.

We provide examples below of specific Accounting Metrics lacking information on scope necessary for franchised organizations to effectively report against the Standards.

<u>**Energy & Water Management**</u>

SV0203-02 – Total water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress

- Please specify scope for this Accounting Metric as "entities owned or controlled by the organization." It is neither feasible for a company like Dunkin' Brands to currently gather this information from our franchisees and their manufacturing facilities, nor would it be practical or manageable for us from a resources standpoint to start requesting or tracking it in the future. Furthermore, our franchise contracts do not mandate that franchisees report water usage for their restaurants or manufacturing facilities back to us.

<u>**Food & Packaging Waste Management**</u>

SV0203-03 – Amount of waste, percentage as (1) food waste and (2) packaging waste, percentage recycled

- Please specify scope as "entities owned or controlled by the organization."
- Under .14, bullet 2, please specify that in addition to food waste, packaging waste discarded off-site by customers is also excluded from this scope.

<u>**Food Waste**</u>

SV0203-04 – Percentage of restaurants inspected for food safety, percentage with high-risk violations

- Under bullet .18, we believe using the San Francisco Department of Public Health's definition of a high risk violation could lead to some confusion and recommend the Board reexamine this issue to broaden the measurement standard.

<u>**Nutrition**</u>

SV0203-07 – Percentage of meal options consistent with the Dietary Guidelines for Americans or foreign equivalent, percentage sold

- Please specify that restaurants that do not offer meal options as defined by SASB (entrée, side and beverage) are exempt from answering. Dunkin' Brands does not offer meal options in the U.S.

- In addition, please note a company with franchised operations may not have total control over international menu development – especially in regions where the company does not have any company-owned restaurants – and therefore may not be able to accurately report on percentage of meals offered/sold that are consistent with foreign equivalents of the Dietary Guidelines for Americans.

SV0203-08 – Percentage of kid's meal options consistent with national dietary guidelines for children, percentage sold

- Per comments to SV0203-07, please specify that restaurants who do not offer meal options as defined by SASB (entrée, side and beverage) are exempt from answering.

SV0203-10 – Description of significant health and nutritional trends affecting key customer segments and their impact on demand for registrant's products

- We feel it will be very difficult and impractical for restaurant chains to report on customer segments as a percentage of revenue, as the industry is predominantly a cash business.

<u>Fair Labor Practices</u>

SV0203-13 – Amount of legal and regulatory fines and settlements associated with fair labor practices

- Please specify that scope excludes franchise locations. Each franchise (other than company-owned stores) operates as an independently owned entity. While the franchise agreement requires franchisees to comply with all laws, Dunkin' Brands does not and cannot control the employment decisions, wages and labor practices of these independent business owners.

<u>Table 2 Activity Level Metrics</u>

SVO203-A – Number of transactions

- Please specify that scope may vary depending on the reporting organization. While Dunkin' Brands international franchisees must report retail sales, they are not contractually obligated to share transaction count with the company.

SVO203-B – Aggregate restaurant square footage

- Please specify that scope excludes franchise locations. Dunkin' Brands domestic and international franchisees are not contractually obligated to share this information with the company.
- Please be more specific in your definition of "aggregate restaurant square footage." Does this include retail space only, or back-of-house? How should non-traditional store locations (e.g., airports) be treated?

DIRECTV

October 20, 2014

Via e-mail to: [redacted]

Sustainability Accounting Standards Board
75 Broadway
Suite 202
San Francisco, CA 94111

File Reference: **SASB Exposure Draft for Public Comment**

DIRECTV appreciates the opportunity to comment on the Sustainability Accounting Standards Board ("the SASB") Exposure Draft for Public Comment ("ED").

DIRECTV distributes digital entertainment programming via satellite to over 35 million residential and commercial subscribers in the United States and Latin America.

We commend the SASB for developing standards for the disclosure and accounting of material sustainability issues and appreciate the opportunity to participate in the process. In fact, many of the SASB's goals align with DIRECTV's mission statement on environmental stewardship. A two-time ENERGY STAR Partner of the Year, DIRECTV leads the industry in energy-efficient product design and in 2012 won the Alliance to Save Energy's (ASE) prestigious Innovative Star of Energy Efficiency Award. In addition to creating energy efficient products, DIRECTV has created a process for repurposing our electronics and minimizing electronic waste. We also focus on reducing the carbon footprint created by our operations. We are proud of these efforts and publicly report on them and other material environmental, social and governance (ESG) issues via our annual Corporate Social Responsibility (CSR) report and Carbon Disclosure Project (CDP) response.

We share the SASB's desire to promote transparency and inform investors of material information in a decision-useful format, by extending it to ESG factors. However, we believe that as written, the majority of the proposed quantitative metrics could be interpreted to require that all instances, rather than material instances, be disclosed. Doing so would not serve our investors and other stakeholders' needs as the excessive reporting would make it difficult for these stakeholders to identify and focus on material issues while potentially presenting burdensome data collection and management challenges for our organization and the broader industry.

[redacted] El Segundo, CA 90245

October 20, 2014

Via e-mail to: [redacted]

Sustainability Accounting Standards Board
75 Broadway
Suite 202
San Francisco, CA 94111

File Reference: **SASB Exposure Draft for Public Comment**

DIRECTV appreciates the opportunity to comment on the Sustainability Accounting Standards Board ("the SASB") Exposure Draft for Public Comment ("ED").

DIRECTV distributes digital entertainment programming via satellite to over 35 million residential and commercial subscribers in the United States and Latin America.

We commend the SASB for developing standards for the disclosure and accounting of material sustainability issues and appreciate the opportunity to participate in the process. In fact, many of the SASB's goals align with DIRECTV's mission statement on environmental stewardship. A two-time ENERGY STAR Partner of the Year, DIRECTV leads the industry in energy-efficient product design and in 2012 won the Alliance to Save Energy's (ASE) prestigious Innovative Star of Energy Efficiency Award. In addition to creating energy efficient products, DIRECTV has created a process for repurposing our electronics and minimizing electronic waste. We also focus on reducing the carbon footprint created by our operations. We are proud of these efforts and publicly report on them and other material environmental, social and governance (ESG) issues via our annual Corporate Social Responsibility (CSR) report and Carbon Disclosure Project (CDP) response.

We share the SASB's desire to promote transparency and inform investors of material information in a decision-useful format, by extending it to ESG factors. However, we believe that as written, the majority of the proposed quantitative metrics could be interpreted to require that all instances, rather than material instances, be disclosed. Doing so would not serve our investors and other stakeholders' needs as the excessive reporting would make it difficult for these stakeholders to identify and focus on material issues while potentially presenting burdensome data collection and management challenges for our organization and the broader industry.

In summary, we believe refinement of the following would provide for a clearer understanding of the concepts and definitions relevant to SASB's standard-setting process:

- Focus on requiring disclosure of material issues.
- Harmonization of SASB framework with existing frameworks.

Focus on requiring disclosure of material issues

Developing accounting for non-financial data is essential to how investors will use ESG data to make a decision on whether to invest in a company. The challenge is to develop a framework that investors will find useful and to determine what is material for each organization and each industry. Unlike financial accounting, non-financial accounting does not aggregate into clear capital flows. U.S. companies are required to accurately and completely report material information to the Securities Exchange Commission SEC in quarterly and annual reports. It is expected that material sustainability information would also be included in the quarterly and annual reports filed with the SEC.

We share the SASB's desire to promote disclosure and inform investors of material information in a decision-useful format, by extending it to ESG factors. However, we believe that as written in the ED the majority of quantitative metrics would require all, rather than material instances, be disclosed. Doing so would not serve the investor well as the noise would prevent the investor from focusing on material issues.

Harmonization of SASB framework with existing framework

Currently, DIRECTV along with other companies, issue CSR reports using Global Reporting Initiative (GRI) or other global sustainability standards. It is understood that the goal of SASB is to harmonize SASB disclosure standards with existing reporting standards. In addition to the global initiatives, the SASB must work on integrating with other frameworks such as the accounting and reporting standards of the Financial Accounting Standard Board (FASB) and SEC regulations in order to avoid confusion, duplication and assure that SEC filings are prepared in a cost effective manner. However, it has not been disclosed how integration will be achieved.

Comments to Material Sustainability Topics & Accounting Metrics

Industry Standard: Cable & Satellite
Disclosure Topic: Energy Management & Vehicle Efficiency
Accounting Metric Code: SV0303-01

Accounting Metric: Total energy consumed, percentage renewable
Category: Quantitative
Unit of Measure: Gigajoules, Percentage (%)
DIRECTV Opinion: Agree, with modification

DIRECTV calculates, receives third party assurance for, and publicly reports its carbon footprint data on an annual basis. Further, we participate in CDP's Investor Disclosure process. In 2014 we were named to CDP's Carbon Performance Leadership Index. Therefore, we are well-positioned to publicly disclose this information and, in fact, already disclose it (refer to question CC11.2 of our latest CDP response). However, we would prefer that this information be reported in the exact format of CDP which requests megawatt-hours of energy consumed rather than gigajoules. Members of our industry that do not currently calculate their carbon footprint may find this effort more challenging initially but given that we have already invested the time and financial resources necessary to provide this information to CDP, we find this metric reasonable and cost-effective.

Industry Standard: Cable & Satellite
Disclosure Topic: Energy Management & Vehicle Efficiency
Accounting Metric Code: SV0303-02
Accounting Metric: Average fuel economy of vehicle fleet
Category: Quantitative
Unit of Measure: Miles per gallon (mpg)
DIRECTV Opinion: Disagree, consider replacing with different metric.

DIRECTV closely monitors both the make-up of its fleet and its fleet fuel use. We actively pursue opportunities to reduce fuel consumption and attendant emissions. Given the information available to us, we are able to cost-effectively calculate and report the average mpg of our fleet as described by this metric. However, even if this is a material issue, we believe this metric does not provide useful information to investors, as it does not consider what the vehicles are actually used for: to service customers (as measured by work orders). Thus, one fleet could utilize fuel efficient vehicles, which is rewarded by this metric, while performing fewer work orders on a per gallon basis (due to inefficient scheduling, non-optimized routing, etc.) than a fleet with a lower fleet average fuel economy that is optimized to delivering service (via work orders) to customers. Consider the following example:

> A fleet consisting of 100 vehicles averaging 15 mpg services 1,000 work orders that average 50 miles driving distance between them. In this example, this fleet would use 3,333.3 gallons of fuel (50,000 miles divided by 15 mpg) to service these work orders, for a rate of 3.33 gallons/work order. Another fleet, also 100 vehicles servicing 1,000 work orders, averages 20 mpg yet because of inefficient routing averages 75 miles of travel between each work

order. In this example, the second fleet would appear favorable due to a higher fleet fuel economy yet would use 3.75 gallons per work order and in total use more than 400 more gallons of fuel (75,000 miles divided by 20 mpg).

As this example demonstrates, a higher mpg could have a counter-intuitive result from an environmental perspective, not to mention the potential negative impacts on customer satisfaction and operating costs. Beyond this example, there are other factors such as the type of vehicle needed to deliver particular services (bucket truck, ¾ ton pickup, etc.) that also influence fleet fuel economy yet can vary from one service provider to another. Thus, we recommend that SASB consider developing a metric that more closely ties the fuel consumption to a business driver such as a work order.

General Data Privacy & Security Comment:

DIRECTV is regulated at both the federal and state level with respect to various aspects of its operations, including the collection and use of subscriber information. In particular, Section 338(i) of the Federal Communications Act governs the collection and disclosure of subscriber personally identifiable information by satellite carriers such as DIRECTV. Subsection 338(i)(1) of the act provides that a satellite carrier must, "[a]t the time of entering into an agreement to provide any satellite service or other service to a subscriber and at least once a year thereafter," provide written notice to each subscriber of the satellite carrier's practices relating to the subscriber's personally identifiable information. In compliance with this requirement DIRECTV has adopted a subscriber privacy policy that explains how DIRECTV collects, uses and discloses information about our subscribers when they subscribe to, access and use our products and services. Our subscriber privacy policy applies to information collected by DIRECTV from our set-top boxes and other platforms (such as mobile applications, websites and gaming consoles) authorized to receive our services. The subscriber privacy policy also informs our subscribers about their choices regarding DIRECTV's use of the information we collect. The subscriber privacy policy is (a) included in hard copy form in the welcome package that is physically mailed to each subscriber when he or she first subscribes to DIRECTV's satellite service, and (b) delivered to every current subscriber annually (either by physical mail in hard copy form or, where we have a subscriber's e-mail on file, by PDF). We also post our subscriber privacy policy on directv.com and provide appropriate links to the policy throughout all our online and mobile services. Our subscriber privacy policy and our implementing practices comply with both the Federal Communications Act and applicable state laws regarding the matters set forth therein. DIRECTV is dedicated to protecting our subscribers' privacy, respects our subscribers' preferences regarding the collection and disclosure of their personally identifiable information, and honors the commitments we make to our subscribers in the DIRECTV subscriber privacy policy. Additionally, it would not be cost effective to gather the data required in the following metrics.

Industry Standard: Cable & Satellite
Disclosure Topic: Data Privacy & Security
Accounting Metric Code: SV0303-03
Accounting Metric: Discussion of policies and practices relating to collection, usage, and retention of customer information and personally identifiable information
Category: Discussion and Analysis
Unit of Measure: N/A
DIRECTV Opinion: Disagree

As noted in the general comments on data privacy provided above, handling and use of customer information and personally identifiable is regulated at the federal and state level not only in the cable and satellite industry but in most commercial activities that involve or permit the collection of consumer data. Most companies that deal with this issue also publicly post their privacy policies on websites that are accessible to the public. Consequently, such a discussion of policies and practices is not necessary and would only add to information clutter and overload.

Industry Standard: Cable & Satellite
Disclosure Topic: Data Privacy & Security
Accounting Metric Code: SV0303-04
Accounting Metric: Percentage of users whose customer information is collected for secondary purposes, percentage who have opted in
Category: Quantitative
Unit of Measure: Percentage (%)
DIRECTV Opinion: Disagree

Given the extent of current regulation over the collection and use of customer information and the current disclosures contained in privacy policies made publicly available by most companies handling such data, DIRECTV believes that this metric is unnecessary and will not inform, in any material way, decisions by investors.

Industry Standard: Cable & Satellite
Disclosure Topic: Data Privacy & Security
Accounting Metric Code: SV0303-05
Accounting Metric: Amount of legal and regulatory fines and settlements associated with customer privacy
Category: Quantitative
Unit of Measure: U.S. dollars ($)
DIRECTV Opinion: Disagree

Given the extent of current regulation on customer privacy, DIRECTV believes that this metric is unnecessary and will not inform, in any material way, decisions by investors. We also believe that the metric as described is vague and subject to varying interpretation.

Industry Standard: Cable & Satellite
Disclosure Topic: Data Privacy & Security
Accounting Metric Code: SV0303-06
Accounting Metric: Number of government or law enforcement requests for customer information, percentage resulting in disclosure
Category: Quantitative
Unit of Measure: Number, Percentage (%)
DIRECTV Opinion: Disagree

This is not a metric that would be material to a reasonable investor due to its scope, the nature of such requests, and various ways in which requests are issued and received. Further, although there is federal law that generally governs disclosure of subscriber information for satellite and cable carriers, it would still not be material to an investor and may be difficult to compare across other companies in the same industry due to the variables that exist with this metric.

The metric may be broadly construed to include not only requests issued to DIRECTV as a result of legal process for residential and commercial subscribers, but also for consumer or civil investigative demands from agencies interested in DIRECTV's policies and procedures for consumer related issues, aggregate data that may be requested in the regular course of business (for example, county tax auditors may audit for tax purposes due to their changes in county lines), or other oral and written requests that may be received by various DIRECTV departments or vendors that operate call centers or local field service sites. Further, depending on the type of subscriber, there are different considerations that must be taken into account.

DIRECTV's disclosure of its residential subscriber information is governed by Section 338(i) of the Federal Communications Act. Specifically, the Satellite Television Extension and Localism Act of 2010 ("STELA" or the "Act") or "Privacy Rights of Satellite Subscribers," (previously known as the Satellite Home Viewer Extension and Reauthorization or "SHVERA") requires that such disclosure to a government or law enforcement agency may be made pursuant to a subpoena or court order and DIRECTV may use reasonable efforts to provide notice to its subscriber so they may have an opportunity to contest all or part of the subpoena or court order in the related court proceeding.

Common reasons for government or law enforcement requests include government applicants authorizing account inquiries as part of background checks, identity theft and unauthorized credit card investigations, or agencies looking for individuals who may or may not have been DIRECTV subscribers.

Further, DIRECTV's Department of Investigations, IT Security and Corporate Security, and Human Resources, in connection with the Legal Department, actively work with the appropriate government or law enforcement agencies to vigorously protect DIRECTV and its subscribers by assisting with the investigation and prosecution of fraud schemes related to unauthorized activity involving subscriber accounts and misuse of DIRECTV programming or services.

Additionally, DIRECTV's privacy policy further explains how subscriber information may be shared with third parties, including: when it believes it is appropriate to comply with legal requirements; to enforce or apply DIRECTV's policies or agreements; in response to legal process; to protect DIRECTV's rights and property; to combat identity theft or billing fraud; to prevent the unauthorized reception of DIRECTV programming or services; or where otherwise permitted by law.

Industry Standard: Cable & Satellite
Disclosure Topic: Data Privacy & Security
Accounting Metric Code: SV0303-07
Accounting Metric: Number of data security breaches, percentage involving customers' personally identifiable information
Category: Quantitative
Unit of Measure: Number, Percentage (%)
DIRECTV Opinion: Disagree

Cybersecurity and appropriate disclosure of cybersecurity related information is already the subject of guidance issued by the U.S. Security & Exchange Commission and remains under review. DIRECTV believes that the SEC is the appropriate entity to determine what disclosure of cybersecurity related matters will be of value to investors and should be disclosed. To date, the SEC has not required that the number of data breaches or the percentage of such breaches involving customers' personally identifiable information be disclosed. However, under SEC rules and regulations any data breach that is material would be required to be disclosed. Whether or not such a breach implicated customers' personally identifiable information would be part of the analysis regarding materiality of any such breach. Consequently, DIRECTV also believes that adequate disclosure requirements already exist related to this metric.

Industry Standard: Cable & Satellite
Disclosure Topic: Data Privacy & Security
Accounting Metric Code: SV0303-08
Accounting Metric: Discussion of management approach to identifying and addressing data security risks
Category: Quantitative
Unit of Measure: N/A

DIRECTV Opinion: Disagree

The preceding response applies to this metric also.

Industry Standard: Cable & Satellite
Disclosure Topic: Managing Systematic Risks from Technology Disruptions
Accounting Metric Code: SV0303-09
Accounting Metric: (1) Average Interruption Frequency and (2) Average Interruption Duration
Category: Quantitative
Unit of Measure: Disruptions per customer, Hours per customer
DIRECTV Opinion: Disagree

DIRECTV believes that such information is not relevant to decisions made by investors regarding a company. To the extent that such interruptions or the duration of such interruptions materially affect the business, financial condition or operations of DIRECTV, existing rules and regulations require disclosure. Consequently, disclosure of the metrics described is unnecessary.

Industry Standard: Cable & Satellite
Disclosure Topic: Managing Systematic Risks from Technology Disruptions
Accounting Metric Code: SV0303-10
Accounting Metric: Description of systems to provide unimpeded service during service interruptions
Category: Discussion and Analysis
Unit of Measure: N/A
DIRECTV Opinion: Disagree

DIRECTV believes that description of systems to provide unimpeded service during service interruptions is generally not relevant to investors. To the extent that such systems are insufficiently robust or otherwise pose a significant risk to the business, finances or operations of a company, current rules and regulations would require disclosure. Consequently, disclosure of the metrics described is unnecessary.

Industry Standard: Cable & Satellite
Disclosure Topic: Competitive Behavior
Accounting Metric Code: SV0303-11
Accounting Metric: Amount of legal and regulatory fines and settlements associated with anti-competitive practices
Category: Quantitative
Unit of Measure: U.S. dollars ($)
DIRECTV Opinion: Disagree

This is not a metric that would be material to a reasonable investor for the reasons specified herein. In addition, the metric as framed would inject significant uncertainty into the disclosure process, subjecting reporting companies to an unfair and uncertain process and undoubtedly resulting in a wide range of interpretations and inconsistent reporting, none of which would be useful to investors.

First, the metric is too broadly framed. It includes "all fines and settlements associated with anti-competitive behavior," followed by a non-exclusive list of examples. It expressly says disclosure shall include civil actions, including settlements, taken by any entity, including businesses and individuals. Thus, it not only sweeps in what are considered traditional anti-competitive actions under the Sherman and Clayton Acts, but a wide range of claims that can and are asserted against businesses providing services to consumers on a daily basis. Every state has Unfair, Deceptive or Abusive Acts or Practices (UDAAP) statutes in addition to the myriad of federal laws. To take California as an example, virtually every action brought by a consumer in California asserts claims under California Business & Professions Code 17200 and/or the Consumers Legal Remedies Act, California Civil Code 1750 et. seq. Each of these statutes frames claims in terms of unfair methods of competition and unfair or deceptive acts. Second, and compounding the first issue, is the fact that the metric is not tethered to "materiality" or any standard, but literally includes "all settlements." It therefore includes claims asserted in courts of all jurisdictional levels and amounts, and nuisance and nominal settlements entered into (many times, when claims are entirely without merit) for sensible economic reasons. As an example, a California customer sues in small claims court for the full $10,000.00 jurisdictional amount, alleging 17200 and CLRA claims because of a billing dispute over $100. Company contacts customer who is willing to settle for $200. Company knows the bill was valid but rather than assume the risk, expense and inconvenience of fighting the case in small claims court, it agrees to the settlement. This scenario plays out every day.

A reasonable investor wants to know about material litigation and government actions, no matter the basis for the claim; not every minor settlement occurring in the normal course of business. Companies are already required to disclose material matters under financial reporting standards and SEC regulations. This metric is redundant.

Industry Standard: Cable & Satellite
Disclosure Topic: Competitive Behavior
Accounting Metric Code: SV0303-12
Accounting Metric: Amount of legal and regulatory fines and settlements associated with anti-competitive practices
Category: Quantitative
Unit of Measure: U.S. dollars ($)
DIRECTV Opinion: Disagree

Discussion of risks and opportunities associated with net neutrality regulation is not a metric that would be material to a reasonable investor. Unlike many of its Multichannel Video Programming Distributor (MVPD) competitors, DIRECTV is not a direct provider of broadband internet access service in the United States and the ultimate outcome of net neutrality regulation, if any, will not materially influence DIRECTV's business or operations in the United States.

Comments to Activity Level Metrics

Industry Standard: Cable & Satellite
Disclosure Code: SV0303-A
Accounting Metric: Number of total customer relationships, number by service type: (1) video subscriber, (2) hi-speed data subscriber, and (3) voice subscriber
Category: Quantitative
Unit of Measure: Number
DIRECTV Opinion: Disagree

Currently, DIRECTV reports on the material breakdown of its video service subscribers as part of DIRECTV's SEC financial reporting. SASB's proposed reporting requirement of an additional breakdown of subscribers would be a duplicative process and immaterial to investors.

Please contact Andrew Maldonado at [redacted] with any questions regarding this response.

Respectfully,

Steven Adams
Sr. Vice President, Controller and Chief Accounting Officer – DIRECTV

ITP STAKEHOLDER DIALOGUE 2014

WATER BRIEFING NOTE

7 October 2014

Water scarcity is a recognised global problem, with demand for water projected to exceed supply by 40% by 2030. If the hotel industry is to grow, a secure and sustainable source of water is vital. Hotels are not necessarily the biggest water users but water is critical to the product.

In 2013 ITP's Water Working Group commissioned the Stockholm International Water Institute (SIWI) to produce a **Water Risk Assessment** report on key development areas in China, India, Brazil and Dubai. The challenge since then has been working out what the next steps should be and how we can work together to address those risks. We struggle to argue the business case for investment as water is cheap and capital outlay for long-term investment is often at odds with short-term hotel ownership.

Many stakeholders recognise that there is a lot of good work in the hotel industry – and you can read about many great initiatives here on our **Green Hotelier** site; others describe it as a wasteful 'laggard'. The absence of hotel companies in the global debates about water issues suggest to some that the industry disengaged with the issue. We assure you we are not. But as one stakeholder commented, "you can't just whip in and do this".

This document summarises and collates the feedback from stakeholder interviews to date. Organisations consulted are listed at the end of the document.

KEY THEMES RAISED IN STAKEHOLDER INTERVIEWS

"Accor Hotels Planet 21 Study found that 86% of its water consumption is in the F&B supply chain"

Water consumption in the supply chain

- Several stakeholders felt that the industry needs to look beyond direct operational use to embodied water in the supply chain – in particular laundries and food and beverage (F&B) - as this is where the majority of water is consumed[1]. But questions were also raised regarding how much influence a hotel company has on suppliers and the need to 'get its own house in order' before looking down the supply chain. The fact remains though that investors are increasing expecting companies to address supply chain issues, so one way or another, the industry needs to be able to respond to questions on if and how it is managing supply chain water use.

[1] http://www.accor.com/en/sustainable-development/planet-21-research/environmental-footprint/key-learnings.html

International Tourism Partnership
The voice for social and environmental responsibility in the hotel industry
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www.tourismpartnership.org | www.bitc.org.uk

Water consumption in direct operations

- Hotels need to recognise that access to water is a basic human right and consider if their operations compromise this in any way.
- Several stakeholders think that the hotel industry is lagging behind other industries in terms of its approach to water stewardship, is wasteful and, ironically, can be more profligate in water stressed countries
- Individual hotels and hotel companies are at different stages of their water 'journey' so it might be helpful to develop a simple step-by-step approach to help both leaders and learners progress
- A more holistic approach to water management is needed. Water quality will impact on machines efficiency, corrosion, legionella….

> ***"We can all be sophisticated but we need to go back to basics and address the simple things"***

- Few hotels are making the connection between water use and energy use. If you save water, you save energy, you increase profitability. This point may be useful to push for better water management in areas of relative abundance
- Some simple technical steps are being missed, e.g. most hotels can implement some level of grey water re-use, and payback is almost immediate for addressing leaks and installing more efficient pumps
- Much rests on what water users do. There is a need to educate and possibly incentivise customers and staff. Good policies, e.g. linen change options, are worthless if staff don't follow them. When operating in areas of severe stress, straightforward messages tailored to the local circumstances would be helpful to encourage guests and staff to minimise water use. Incentives, such as donations to charity, can help alleviate concerns that water saving is just a money saving exercise

Measurement & benchmarks

- Water measurement is limited. Whilst mapping water use can be easier said than done and footprinting can be endless, unless water is sub-metered and meters are checked regularly, a hotel can never understand where water is used or wasted.
- Investors often look to industry associations to see what 'good' performance looks like but currently we have no idea what 'good' looks like in terms of a hotel's water use. Benchmarks are old or only reflect certain parts of the market. In reporting, e.g. CDP responses, companies use different metrics and boundaries making comparisons and assessments difficult.

> ***"40% of hotels in Asia-Pacific do not have meters"***

- Reduction goals should not be arbitrary % figures but based in science and the locality

Taking a local approach

- Water issues and water risk are highly localised. Companies need to assess sites for water-related risk, ideally at the siting & design stage using Environmental Impact Assessment and other tools such as Aqueduct or the Water Risk Filter, and use the information to prioritise actions accordingly. Remember though that "all a tool does is give some more information". It does not answer all questions, for example, on political or social issues or about competing water users.

- Whatever hotels do regarding their own water use, they will be impacted by others. Hotels need thus to work on the ground with other water users, authorities and experts to ensure sustainable and equitable access for all, including local communities.
- There is an opportunity for hotels in areas where there is limited local provision to ensure staff have access to water and sanitation, ensuring health and wellbeing benefits to employees.

Risk & building the business case

"Quit focusing on 'this is a good thing'"

- The short term nature of CEO tenure and ownership of hotels does not lend itself to long-term planning needed to adapt to changing water issues in future. Hotels are built and operated on the cheap and on the understanding that 'issues won't arise on my watch'.
- Water issues are going to be the biggest brake on development plans, if water supply is inadequate. How are water resources going to be allocated in future? What are you going to do if your supply is reduced in future? Without this understanding a hotel will not be able to implement the most appropriate water technologies or strategies.
- The business case for installing water-efficient technologies can rarely be argued on the basis of return on investment as water is generally under-priced. Need to look at ability and licence to operate, reputational risk, ability to source food and other goods in future, flood, availability, quality… One stakeholder counters, "You can only build a good business case if you have a degree of understanding of the issues." The inability to do this in a coherent fashion and in business and financial terms is a real barrier to sustainable development

"It is not acceptable to say you have not undertaken a risk assessment. Everyone faces risk."

- Companies need to identify what water related risk looks like from their perspective. Seeing a company understands risk and has strategy to mitigate it is key for investors, yet investors report that there is a lack of awareness of the impacts & risks of climate change and water shortage.
- It's not a problem to say you don't know all the answers re risk. The key point is to engage with the issue
- It should be the engineers looking at water issues, not the CR department. Water is often put in the 'sustainability' box when it should be considered a business risk.
- Note SASB requires hotel and lodging companies to assess site-based risk using Aqueduct

"Just get in the boat and start paddling!"

Organisations interviewed:

Accounting for Sustainability
Alliance for Water Stewardship
CDP
Danish Investment Fund for Developing Countries (IFU)
Dow Jones / Robeco
Earth Check
Ecolab
Griffith University
HVS
Interfaith Center on Corporate Responsibility
Jan Dell
Kuoni
Lund University
Manchester Metropolitan University
Rainforest Alliance
Responsible Tourism Partnership
Roundtable on Human Rights in Tourism
Sealed Air
Stockholm International Water Institute
The CEO Water Mandate
Tourism Concern
Trucost
Tui Travel PLC
United Nations Environment Programme / Global Partnership for Sustainable Tourism
United Nations Principles for Responsible Investment (UNPRI)
Waterscan
Water Aid
World Resources Institute
WWF

Pending interviews:

Aberdeen Asset Management

Just a Drop

Overseas Development Institute

Sustainability Accounting Standards Board

World Business Council for Sustainable Development