



Transportation Sector Standards

RECORD OF PUBLIC COMMENT

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Introduction

The following table outlines all comments received during the 90-day public comment period for the draft Transportation Sector standards, which concluded on July 17, 2014. The table includes the name of the commenter, the relevant section of the exposure draft, the relevant comment excerpts, and how SASB addressed the comment. Please note that the "Issue (Metric Code)" refers to the section(s) in the draft Transportation Sector standards issued for public comment, which may be different from the sections presented in the final provisional standards issued on September 24, 2014.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
n/a	Jarlath Malloy, CDSB	General (Harmonization)	We acknowledge and welcome the various CDSB Framework cross references and request they are clarified to refer to the existing version 1.1 of our Framework. We are currently developing an update to the CDSB Framework which will include water stewardship and forest risk commodity reporting guidance. We suggest the CDP cross references are prefaced by the year in which they were issued. The CDP information requests continue to evolve annually and question numbering does change slightly. Therefore we invite you to reference the latest version of the CDP climate change questionnaire guidance (1) https://www.cdp.net/Documents/Guidance/2014/Climate-change-reporting-guidance-2014.pdf (2) https://www.cdp.net/Documents/Guidance/2014/Auto-module-reporting-guidance-2014.pdf (3) https://www.cdp.net/CDP%20Questionnaire%20Documents/CDP-forests-information-request-2014.pdf	SASB appreciates being directed to these reference. We have attempted to make reference to dates and version numbers in our guidance, where appropriate. We will continue to monitor updates to CDP and CDSB documents and update our standards as appropriate.
TR0101	Automotive Industry Action Group (AIAG)	General (Confidentiality)	Confidentiality. SASB is requesting sensitive business information. Without specific regulatory requirements, it will be a challenge to have consistent information provided across the global automotive industry. From a legal and competitive position, many companies will be reluctant to disclose sensitive information unless required by regulation and applicability applies throughout the sector as it is seen that disclosure of this information could be a competitive disadvantage	SASB disclosure should be approached through the same lens as all corporate disclosure; a company should not disclose sensitive information, competitive information, or information that would otherwise compromise a company.

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TR0101	Automotive Industry Action Group (AIAG)	General (Normalization)	Total vs. Normalized Values. Presently, SASB is requesting data that is a cumulative total per metric for the purpose of comparing companies and evaluating trends. This comparative and trend analysis cannot be performed with this type of data. The only way to compare trends is with normalized values. With OEMs, it can be normalized to vehicles or sales, but for the suppliers, it must be normalized to sales. In addition, there must be consistency between the metrics for OEM and the supply chain. Without this consistency, there will be a greater burden on the supply base to provide data to the OEM and to support its reporting.	SASB includes "Activity Level" metrics in its provisional Transportation Standards so that users may generate normalized figures in addition to absolute values. Please see the introduction to the SASB Standard for more information.
TR0101	Automotive Industry Action Group (AIAG)	General (Legal Consistency)	Legal Consistency. Without a legal enforcement, it will be tough to acquire consistency between suppliers in reporting. For example, it could be a competitive disadvantage for a supplier to report fines that were non-material and receive negative publicity and a poor reputation when its competitors are not reporting this information. SASB must define an enforcement mechanism or other method to ensure consistent reporting amongst companies. What mechanisms does SASB have in-place to be able to create or assure a "level playing field"?	Regulation S-K, as prescribed under the SEC, requires publicly-listed companies to disclose material information on the Form 10-K. SASB standards help companies disclose material factors in compliance with SEC requirements. It is the role of the SEC to enforce Regulation S-K.
TR0101	Automotive Industry Action Group (AIAG)	General (Data availability)	The collection of some of the information will take time to collect. There is not the management support or the data collection mechanisms in place for collecting this data. Therefore, development of a maturity matrix would be appropriate, with one, two, or even three phases of reporting.	SASB will consider this comment as it makes updates to its provisional standards over the next several years.
TR0101	Automotive Industry Action Group (AIAG)	General (Proposal for collaboration)	There is a level of common detail that AIAG member companies would like to convey to SASB. However, it would not be efficient or effective for AIAG to create a large document and then have SASB trying to interpret and react to this document. To make these standards more realistic and effective, it is recommended that SASB work directly with AIAG and its member companies on the development of this standard development. The member companies would like to participate in the: <ul style="list-style-type: none"> • detailed discussions to help create the next draft and • adequate time for review of the document prior to any public release 	SASB standards remain in provisional form for at least one year. SASB welcomes additional feedback from the AIAG members during the provisional phase.

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TR0102	Motor & Equipment Manufacturers Association (MEMA)	General (Confidentiality)	MEMA represents major manufacturers that compete on a global basis. As the standards developed by SASB are not mandatory for filers with the Securities and Exchange Commission (SEC), it will be unlikely that filings will contain consistent information. Much of this information requested is sensitive confidential business information (CBI), and public disclosure of this information could create a competitive disadvantage. Since the filings containing sensitive business information would not be treated in a confidential manner, suppliers will be hesitant to disclose much of the requested data.	<p>Regulation S-K, as prescribed under the SEC, requires publicly-listed companies to disclose material information on the Form 10-K. SASB standards are voluntary guidelines that help companies disclose material factors in compliance with mandatory SEC requirements.</p> <p>SASB's research and standards development process attempts to identify metrics that are currently measured and/or publicly disclosed by at least some companies within each industry (e.g. on corporate websites, in corporate sustainability reports, etc.). SASB does not intend to include metrics that would in disclosure of "sensitive confidential business information" and welcomes specific feedback on which metrics may constitute confidential information.</p>
TR0102	WBCSD -Tire Industry Project (TIP) and Cement Sustainability Initiative (CSI)	General (Confidentiality)	<p>Confidentiality and Competitiveness Issues</p> <p>The TIP has strong concerns from a competition law perspective about the current draft SASB guidelines. As currently written, several sections request confidential information—for example, the Product Stewardship section asks for "Total addressable market and share of market for products aimed at improved fuel efficiency and/or reduced emissions," which is likely to be proprietary information. If US listed companies were required to disclose potentially sensitive business information that non-US listed companies do not disclose, this would constitute a competitive disadvantage for the US listed companies.</p>	SASB's research and standards development process attempts to identify metrics that are currently measured and/or publicly disclosed by at least some companies within each industry (e.g. on corporate websites, in corporate sustainability reports, etc.). SASB does not intend to include metrics that would result in disclosure of proprietary information. Specifically, SASB research shows that market share and market size are regularly discussed in Form 10-Ks.
TR0102	WBCSD -Tire Industry Project (TIP) and Cement Sustainability Initiative (CSI)	General (US-focus)	Given that this is a proposed US-only based standard, it becomes problematic for companies that operate globally and are already collecting non-financial Sustainability information and reporting it using one or more of the existing global Sustainability reporting standards. It is also important to consider aligning with existing US reporting standards such as the obligatory US EPA reporting.	Where possible, SASB seeks to harmonize with other reporting programs and uses accounting metrics requiring data that may already be disclosed on company websites, sustainability reports, or regulatory filings; or already collected by companies.
TR0103	WBCSD -Tire Industry Project (TIP) and Cement Sustainability Initiative (CSI)	General (Harmonization)	<p>Open, Transparent and Thorough Development Process</p> <p>To encourage having an open, transparent and thorough process, we think it is important to consider working with and/or consulting with a credible standard setting organization such as ISO, UL, NSF, ASTM, etc. The TIP appreciates SASB's determination to develop sectorial guidelines that would be more adapted and pertinent to each industry, but would like SASB to consider aligning with other global initiatives, such as the Global Reporting Initiative (GRI) and the</p>	<p>Where possible, SASB seeks to harmonize with other reporting programs and uses accounting metrics requiring data that may already be disclosed on company websites, sustainability reports, or regulatory filings; or already collected by companies. SASB regularly consults the work of the standards development organizations mentioned.</p> <p>SASB is an American National Standards Institute (ANSI)</p>

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			<p>Carbon Disclosure Project (CDP), which are also considering developing sectorial guidelines. Consistency and alignment among accepted Sustainability reporting initiatives are key to avoid duplication and unnecessary additional workloads.</p> <p>In conclusion, the TIP would like a 3 month time extension to review the proposed standard in more detail. Without such an extension, the TIP finds it difficult to provide meaningful detailed comments.</p>	<p>accredited standards developer. SASB standards remain provisional for at least one year after issuance. SASB welcomes additional feedback from the TIP during the provisional phase.</p>
TR0201	Airlines for America (A4A)	General (SEC disclosure)	<p>A4A members also include relevant sustainability information in SEC filings if the company has determined that the specific information is required to be reported by applicable SEC rules and regulations as material to investors making an investment decision. Thus, A4A members already report and will continue to report-required material information to investors, whether it is related to sustainability or to more traditional financial performance metrics. Given that much of the sustainability information currently included in sustainability reports outside of SEC filings is not material to investors making an investment decision, A4A's position is that the most appropriate vehicle for sustainability information continues to be through separate comprehensive sustainability reports, which is also where interested stakeholders have grown to expect to find the information. Our considered opinion, based on experience and stakeholder engagement, is that it is inappropriate to combine such information, where not required and not material, with the financial and other investor disclosures required in SEC filings, which carry potential liabilities under federal securities laws.</p>	<p>Regulation S-K, as prescribed under the SEC, requires publicly-listed companies to disclose material information on the Form 10-K. SASB standards are voluntary guidelines that help companies disclose material factors in compliance with mandatory SEC requirements. While SASB standards identify issues likely to contain material information for companies in an industry, the final determination of materiality is the responsibility of the company. While sustainability reports are an important corporate communication, there is variance in what information is presented. SASB's goal is to provide investors with comparable information and full data sets in a channel that allows for sustainability fundamentals and financial fundamentals to be evaluated side by side.</p>
TR0202	Airlines for America (A4A)	General (SEC disclosure)	<p>While we appreciate that SASB has included language clarifying that its proposed sustainability metrics are intended to be used only as guidance outlining potentially material sustainability metrics, A4A has substantial concerns that SASB standards would unnecessarily complicate SEC reporting, intrude upon company-specific materiality determinations and cause confusion for the public.</p>	<p>SASB is a private sector organization that does and cannot require disclosure or mandate disclosure standards, and SASB has no intention of displacing the SEC's authority to prescribe disclosure standards. Rather, companies can voluntarily use SASB standards to comply with Regulation S-K. While SASB standards identify topics that are likely material for companies in an industry, the final determination of materiality is the responsibility of the company.</p>

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TR0202	Airlines for America (A4A)	General (SEC disclosure)	A4A has significant concerns with the potential impacts of voluntarily including SASB sustainability metrics in SEC filings where the information underlying such metrics and the specific metrics themselves may not be material to investors. Even though posed by SASS as a "voluntary" exercise, voluntary inclusion of such information could create potential confusion among investors as to the appropriate comparability among companies in the same industry. Moreover, including such information in SEC filings would potentially expose A4A members to additional legal liabilities.	SASB develops standards that assist companies in fulfilling existing regulatory requirements as they deem necessary. However, the final determination of materiality is the onus of the corporation—this is consistent with the Supreme Court’s explanation that the determination of materiality is an “inherently fact-specific finding.” It is a legal liability to not disclose material information in the Form 10-K: under the Exchange Act, the officers and directors who cause statements to be made in SEC filings may be liable for materially false or misleading statements contained in Commission filings.
TR0202	Airlines for America (A4A)	General (Determination of Materiality)	...SEC reporting companies are only required to disclose information specified in SEC rules, regulations and industry guides, including any additional material information necessary to make the required disclosures, in light of the circumstances in which they are made, not misleading. While it is possible that some of the metrics proposed to be included in SEC filings under the SASB sustainability standards could be material information for investors of particular companies in certain circumstances, A4A believes that for most companies the disclosure of such metrics is not expected to be material to an investment decision....	The final determination of materiality is the onus of each corporation.
TR0202	Airlines for America (A4A)	General	...A4A also believes it is inappropriate to attempt to push all companies in a particular industry, regardless of how their businesses are operated, to disclose the same sustainability metrics as outlined in SASB’s exposure drafts..... "one-size-fits-all" approach is inconsistent with the SEC’s reporting framework, which recognizes that companies are different, even in the same industry....."	SASB recognizes that companies differ within an industry. SASB standards are guidance, not mandates. SASB includes "Activity Level" metrics in its provisional Transportation Standards so that users may generate normalized figures in addition to absolute values. Please see the introduction to the SASB Standard for more information.
TR0202	Airlines for America (A4A)	General (SEC disclosure)	Including sustainability issues in the MD&A would conflict with SEC guidance urging registrants to streamline the MD&A section.....companies would be subject to unnecessary and increased liability under federal securities laws.... For all of these reasons, A4A recommends that SASB withdraw the proposed Sustainability Accounting Standards for Airlines & Air Freight & Logistics sectors.	SASB standards provide a model for reporting material sustainability factors in the MD&A section of the Form 10-K, which “shall focus specifically on material events and uncertainties known to management that would cause reported financial information not to be necessarily indicative of future operating results or of future financial condition. This would include descriptions and amounts of (A) matters that would have an impact on future operations and have not had an impact in the past, and (B) matters that have had an impact on reported operations and are not expected to

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				<p>have an impact upon future operations.” Companies can voluntarily use SASB standards to help them comply with Regulation S-K, to meet the SEC-required disclosure obligation found in the MD&A, and provide management’s view of their company’s future prospects. This is wholly consistent with SEC guidance on the purpose of the MD&A.</p>
TR0301	Chamber of Shipping of America (CSA)	General	<p>We would first like to support in concept the need for a reliable, accurate, transparent and verifiable system to measure corporate performance for both financial information and sustainability information but only if that system provides useful, reliable and relevant information to the public, including investors. As noted in the SASB document entitled “Introduction – SASB Sustainability Accounting Standards” (January 14, 2014 revision), we note in the purpose and structure section that SASB states relative to making disclosure on sustainability topics that “companies adopting SASB’s accounting standards will help to ensure that disclosure is standardized and therefore useful, relevant, comparable and auditable” (our emphasis added). Regrettably, we do not believe the draft standard on marine transportation meets any of these criteria to the degree necessary to provide statistically relevant, accurate and comparable results across reporting entities in the marine transportation industry.</p>	<p>Thank you for your feedback. SASB encourages the CSA to review the revised Marine Transportation Standard, as SASB believes the revised draft better meets these criteria.</p>

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TR0301	Chamber of Shipping of America (CSA)	General	<p>Due to the issues noted above, the global maritime industry has looked generally to the International Maritime Organization (IMO) and other international organizations e.g. International Standards Organization (ISO), International Accounting Standards Board (IASB), International Labor Organization (ILO), to establish effective and consistent processes and programs which could be applied to the marine transportation industry taking into account the diversity of interests in various aspects of vessel ownership, operations, design and construction, safety, responsible environmental performance and even financial reporting (as evidenced by several initiatives involving marine transportation taken on by the IASB). See also a recent initiative memorialized in a report entitled "Framework and Suggested Indicators to Measure Sustainable Development" prepared by the Joint UNECE/Eurostat/OECD Task Force on Measuring Sustainable Development, May 27, 2013 at http://www.oecd.org/greengrowth/41414440.pdf. While this initiative is broad based and does not focus particularly on marine transportation, the report does outline the basic framework which should be used before developing any industry specific standards and measurement metrics. • The significance of the work carried on by the international organizations listed above is based on the fact that regardless of specific issue, experts from national governments, environmental organizations and the maritime industry, all address a specific issue, share knowledge including the technical aspects of ship operations before a final decision is taken on how to proceed with a given issue. While all three stakeholder types may not be completely satisfied with a given decision which, in most cases, is ultimately taken by national governments, all respect the fact that the technical aspects and the diversity of marine operations which relate to the specific issue being addressed have been taken into account.</p>	<p>SASB agrees that participation from multiple stakeholders is critical to the standards setting process. SASB's industry working groups are balanced between 1/3 corporate professionals, 1/3 investors, and 1/3 intermediaries.</p>

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TR0302	Chamber of Shipping of America (CSA)	General (Stakeholder engagement)	<p>It is troubling at best to note the draft "Notice of Public Comment Period Sustainability Accounting Standards for the Transportation Sector, April 18 – July 17, 2014" states that the standards have been developed based on extensive evidence-based research and "significant, balanced input from more than 230 participants" when after being advised several days ago of this initiative, we personally have checked with a number of international and national maritime trade associations, member companies, agencies within the US government and abroad, and none were aware of this initiative. While no one entity can pretend to know about every legislative, regulatory or standards setting initiative globally, it is next to impossible to believe that any of these maritime industry based entities were consulted at the developmental stages of this proposed standard. While we understand that one US based marine transportation company has been consulted after the draft standard was published in draft form, we would have hoped that maritime industry experts would be consulted at the formative stages when this standard was under discussion to provide the necessary input on the appropriate material sustainability topics and most importantly, the metrics assigned to each topic. Misassumptions and errors evident in the metrics discussion (which we will discuss in more specificity below) indicates to us that the drafters did not consult the marine transportation industry, and thus were not fully informed about its differences from more conventional transportation modes covered in the SASB transportation sector or the many ongoing discussions at the international level concerning the development of environmental monitoring, measurement and assessment for the maritime industry.</p>	<p>The full list of participants in the Transportation industry working groups can be found here: http://www.sasb.org/wp-content/uploads/2014/08/Transportation_Participant_List.pdf. SASB standards remain provisional for at least one year after issuance. SASB welcomes additional feedback during the provisional phase.</p>
TR0301	Chamber of Shipping of America (CSA)	General (Stakeholder engagement)	<ul style="list-style-type: none"> The concerns expressed above are further magnified by the expectation that any final SASB standard including this one, while voluntary, will likely result in efforts to require compliance with the SASB standards and may even involve efforts to seek the SEC to require compliance with these standards. While we have no specific objection to this evolution in general, our concerns here relate to the questionable topics and metrics chosen for application to marine transportation which we must conclude were developed without any real input to the standards development process by experts in the field of marine transportation. The absence of the involvement of these maritime experts make finalization of a proper (useful, relevant, comparable, auditable) sustainability measurement standard impossible and creates an even more difficult dilemma for entities 	<p>The full list of participants in the Transportation industry working groups can be found here: http://www.sasb.org/wp-content/uploads/2014/08/Transportation_Participant_List.pdf. SASB standards remain provisional for at least one year after issuance. SASB welcomes additional feedback during the provisional phase.</p>

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			which could be subject to this standard in determining materiality and risk for issues that even yet remain the subject of discussions at international levels on how they are best defined, measured and assessed.	
TR0301	Chamber of Shipping of America (CSA)	General	As so succinctly put in an article authored by Sara Kendall (The Environmental Forum, Volume 31, Number 4, July/August 2014) entitled "Who Defines Sustainable?", "there should not be a rush to require compliance until the standards have been tested in the marketplace to ensure the metrics are collectable, verifiable, relevant for every sector, and informative to investors and customers". Neither should there be a rush to promulgation of a voluntary standard that has not been adequately vetted through the industry sector to which it applies. Costly and unnecessary collection of data benefits no one so we collectively have a responsibility to be sure that whatever data we are collecting meets the needs for accuracy, reliability and comparability required by the ultimate user and is cost-effective for those required to report this data.	SASB consulted numerous industry experts through formal (e.g., SASB's Industry Working Group) and informal means (e.g. consultation) while preparing the Marine Transportation Standard. The Standard will be in provisional release for a period of at least one year while SASB continues to solicit feedback on its content from users. SASB encourages the CSA and its partners to provide additional feedback during the provisional period.
TR0301	Matson	General (Cost/Benefit)	The draft sustainability accounting standards include several new and emerging environmental initiatives which are part of this complicated legal framework. We encourage sufficient time for finalizing and implementing the standards until the actual regulatory frameworks are in place. In light of the fact that most marine transportation companies are based outside the US, SASB should also consider the potential economic disadvantage to US companies which may result from implementation of the proposed standards. The draft standards currently contain 19 different data elements to address the 4 material sustainability topics which would require an inordinate amount of data collection and reporting, much of which is not currently being compiled.	SASB standards remain provisional for at least one year after issuance. SASB welcomes additional feedback from Matson during the provisional phase. SASB's research and standards development process attempts to identify metrics that are currently measured and/or publicly disclosed by at least some companies within each industry (e.g. on corporate websites, in corporate sustainability reports, etc.). SASB's purpose is to alleviate disclosure burden, not contribute to it.

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TR0401	Association of American Railroads (AAR)	General	Industry-wide SASB standards for the railroad industry are burdensome and unnecessary. These proposed accounting metrics are redundant with existing reporting. The railroads already report the information at issue to various federal entities, including the SEC, the agencies in the Dept. of Transportation, the Surface Transportation Board (STB), and the National Response Center (NRC), which make this information available to the public. Accordingly, AAR urges SASB to refrain from recommending these metrics.	SASB standards are a guideline, not a mandate. SASB identifies the sustainability issues likely to contain material information for companies within a given industry. However, the final determination of materiality is the onus of the corporation. The Supreme Court explains that the determination of materiality is an "inherently fact-specific finding" (Matrixx Initiatives, Inc. v. Siracusano, 563 U.S. ____ (2011)). The corporation is ultimately responsible for including material information in their Form 10-K or 20-F and other periodic SEC filings. Where possible, SASB uses accounting metrics requiring data that may already be disclosed on company websites, sustainability reports, or regulatory filings; or already collected by companies. By harmonizing with existing reporting frameworks, SASB seeks to minimize the cost of disclosure for corporations.
TR0101	Bill Hall (Unaffiliated/Chrysler)	General (International scope)	Scope -- It is important to clarify the intended scope of the SASB proposal. Many of the metrics included in the SASB draft reference US regulations and databases. However, most of the major automotive OEMs and a large majority of the suppliers are global companies with global markets. In that respect, the US regulations and US databases referenced by SASB would only apply to a portion of the products and the markets serviced, thus limiting the scope and relevance of such a filing. Given the myriad regional differences in regulations and market requirements, I recognize the difficulty in creating globally standardized reporting metrics, but it seems to me there is more work to be done to globalize the SASB framework.	SASB has made updates to the provisional Automobiles Standard to address this comment. Specifically, please see revisions to metrics TR0101-04 and TR0101-09.
TR0101	Bill Hall (Unaffiliated/Chrysler)	General (proprietary information)	Proprietary information – Some of the proposed metrics in this draft represent sensitive or proprietary information that automakers may choose not to reveal for competitive or other reasons.	Although some of the topics might be considered sensitive (e.g., gender and ethnic composition of workforce), sensitive information is not the same as proprietary information. SASB provides companies with multiple opportunities—including industry working groups, the Delta Series, and public comment periods—to tell SASB’s standards development team if the suggested topics require the disclosure of proprietary information. SASB welcomes additional feedback on metrics that may require the disclosure of proprietary information.

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TR0101 TR0102	Jarlath Molloy, CDSB	Greenhouse Gas Emissions (TR0101-01 TR0102-01)	Please also note the CDP Auto and Auto Component Manufacturer Module2, which SASB could cross reference, in particular for sales-weighted CO2 emissions, sales of alternatively-powered vehicles, and sales of clean technologies. You have already received comments from CDP's Water team;	The CDP Module was reviewed. For its provisional standard, SASB has eliminated GHG Emissions as a disclosure topic for the Automobiles Industry.
TR0102	Jarlath Molloy, CDSB	general comment (n/a)	Please also consider the relevance and sustainability impacts that deforestation-risk commodities such as biofuel/biodiesel/biomass, cattle products (leather) and timber have for the transportation sector. For more information, refer to CDP's forests program https://www.cdp.net/CDP%20Questionnaire%20Documents/CDP-forests-information-request-2014.pdf	Comment noted. The SASB research and standards development process did not deforestation risk as likely to be material to most companies in any of the Transportation industries. SASB will continue to monitor this topic.
TR0101	Automotive Industry Action Group (AIAG)	n/a	Water. It is not clear to the member companies why water was not considered to be material, as the scarcity and quality of water is acknowledged to be a critical issue globally. As can be seen in the detailed comments, like energy, water is a regional issue, but it is more than an emerging issue, it is one that requires some form of accountability.	Although SASB included Water Management as a disclosure topic during the Industry Working Group phase of the standards development process, after conducting additional research it was removed from the provisional standard. While SASB agrees with the AIAG's assertion, our research did not show that the majority of companies within the Automobiles or Auto Parts industries are typically located in water stressed areas, highly dependent on water resources, and/or consumers of large quantities of water resources.
TR0101	Automotive Industry Action Group (AIAG)	n/a	Water Usage. Neither TR0101 nor TR0102 ask for any measure of water management. For operations in water stressed areas, this is an important measure. On a qualitative basis, it is best to ask what companies are doing to reduce water usage and waste in water stressed areas. Globally, it is better to ask what a company is doing to use water in a responsible manner.	SASB conducts detailed research into water resource issues for each industry we cover. For industries with operations concentrated in water stressed areas, those that are highly dependent on water resources, and/or those that consume large quantities of water resources, SASB typically asks for the suggested disclosures. However, SASB research did not determine that Water Management was likely to be a material sustainability topic for most companies within the Automobiles or Auto Parts industries.

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TR0101 TR0102	Automotive Industry Action Group (AIAG)	Greenhouse Gas Emissions (TR0101-01 TR0102-02)	To be consistent with the requirements and guidance of the Carbon Disclosure Project (CDP), both scope 1 and 2 emissions should be reported. It is not understood why is there so much focus on reporting to the requirements of the Kyoto protocol? It would be more consistent and efficient to refer to the requirements of the Carbon Disclosure Project (CDP), which many AIAG member companies are already using and reporting to. As is well known, there is a wide variation in GHG emission data within companies and within industries. In one study, it was found that 17 different reporting methodologies were used by companies to arrive at their GHG emissions. Therefore, SASB needs to be aware that there is substantial variation just with the use of different emission factors and methodologies. In order to compare companies, SASB needs to be able to qualify the category of a company. If a 5B company just assembles, then it looks far better than a 5B company with more vertical operations (i.e., foundries, heat-treating). If the objectives are to compare companies, then normalizing of data and categorizing of companies is essential. It might be best to align with CDP and work with them for the precise delivery of the metric calculation methodology and all its supporting information.	Comment noted. For its provisional standard, SASB has eliminated GHG Emissions as a disclosure topic for the Automobiles Industry.

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TR0101 TR0102	Automotive Industry Action Group (AIAG)	Energy Management (TR0101-02 TR0102-01)	Two metrics, normalized energy usage and energy efficiency, are the important metrics driving energy investments and conservation. It is not clear why there is a strong focus on renewables, as energy often has a regional focus based on availability, pricing, regulatory, incentives, etc. In asking for total energy, there is no acknowledgement that business fluctuations need or should be taken into account. In requesting the percent of grid electricity utilized, it is a cumbersome task to create this metric, as there are often peak loading and emergency generators at plants. To define the percent of grid electricity utilized would require extensive new recordkeeping, without any clear benefit. There is a range of technical issues, for example how would waste heat be captured, internal electrical generation be accounted for, wind turbine and solar cell electrical generation? What is the goal of the metric, to get the relative intensity? If a 5B company just assembles, then it looks far better than a 5B company with more energy intensive processes (i.e., foundries, glass making, heat-treating, and rubber). If the objectives is to compare companies, then normalizing of data and categorizing of companies is essential. It might be best to align with CDP and work with them for the precise delivery of the metric calculation methodology and all its supporting information.	Comment noted. For the provisional standards, SASB has eliminated Energy Management as a disclosure topic for the Automobiles industry
TR0101 TR0102	Automotive Industry Action Group (AIAG)	Waste Management (TR0101-03 TR0102-03)	As with TR0101-02 and TR0102-01, there is no acknowledgement that business fluctuations need or should be taken into account. Therefore, total normalized waste is a more meaningful value. If a 5B company just assembles, then it looks far better than a 5B company with more waste intensive processes (i.e., foundries, steelmaking, glass making). The company with assembly operations can often use returnable dunnage and recycle the cardboard and plastic. Whereas a steel mill or foundry creates tons of non-recyclable waste (i.e., casting sands, slag). If the objectives is to compare companies, then normalizing of data and categorizing of companies is essential. It might be best to align with CDP and work with them for the precise delivery of the metric calculation methodology and all its supporting information.	SASB agrees with the comment. SASB standards include activity metrics that are operational indicators that can be used as normalization factors to account for the variation in performance based on company size, production, and other factors. Additionally, the introduction to SASB standards suggest that, "As appropriate—and consistent with Rule 12b-20—for each sustainability topic, companies should consider including a narrative description of any material factors necessary to ensure completeness, accuracy, and comparability of the data reported."

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0101 TR0102	Automotive Industry Action Group (AIAG)	Waste Management (TR0101-03 TR0102-03)	Remove the "hazardous waste" category. This US based definition is regulatory derived. It would be expensive and difficult to test and classify the wastes produced outside the US to the RCRA requirements.	Comment noted. SASB has eliminated the "hazardous waste" category from disclosure after further analysis showed that hazardous wastes do not generally present unique risks or opportunities to companies in the Automotive industry.
TR0101 TR0102	Automotive Industry Action Group (AIAG)	Waste Management (TR0101-03 TR0102-03)	c. It would be beneficial for SASB to create a category of percent of waste going to landfill and percent of waste being recycled. This information is generally available and can provide a measure of the company's commitment to sustainability.	Comment noted. SASB believes that its metric "Amount of total waste from manufacturing, percentage recycled" will allow users to determine the amount of waste that was sent to landfill or incinerated.
TR0101 TR0102	Automotive Industry Action Group (AIAG)	n/a	d. Evaluate a metric for material efficiency. How much of the raw material is used in the product?	<p>Comment noted. SASB has reorganized the disclosure topic and metrics related to waste under a topic, "Materials Efficiency & Recycling" that focuses on efficient use of materials in vehicle manufacturing.</p> <p>Using metric TR0101-01 and activity metric TR0101-A, a user should be able to determine how much waste was generated during manufacture on a per vehicle basis. This disclosure should provide users an indication of material efficiency along with metrics TR0101-02 and TR0101-03.</p>
TR0101 TR0102	Automotive Industry Action Group (AIAG)	n/a	e. Wastewater. AIAG would be interested in understanding why wastewater was not included in the metrics? For some component manufacturing, this is a significant aspect of the operation (i.e., glassmaking, aluminum foundries).	Comment noted. The SASB research and standards development process did not wastewater management as likely to be material to most companies in any of the Transportation industries. SASB will continue to monitor this topic.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0101 TR0102	Automotive Industry Action Group (AIAG)	Employee Health, Safety, & Well-being (TR0101-04 TR0102-04)	<p>TR0101-04, TR0102-04, TR0102-05 Employee Health and Safety and Well-Being</p> <p>a. TRIR – is the best of the lagging safety indicators, but is not well understood globally. As a result, TRIR data is often inconsistent within a company and therefore, will be very inconsistent within an industry and not a level metric between companies. If the objective of SASB is to have globally consistent data, then the lost workday rate (LWDR) or also known as days away from work (DAWR) is the more consistent global metric. It would be better to have the most consistent data globally than to have the best metric, therefore, go with DAWR. There would have to be more supporting information, i.e., maximum days for each injury. AIAG member companies can assist in providing documentation for the needed level of detail. Since the objective is to compare companies globally, it is recommended that SASB use the LWDR as is metric. AIAG can assist with the metric definitions and methodologies.</p> <p>b. Employee and Contractor Data. In all US based companies, the work-related injuries and illness and hours worked are recorded for both employees and temporary workers/supervised contractors. There is a range of privacy issues across the global that requires discussion. All this data resides in just one database and not in separate databases. Therefore, it is not recommended for SASB to request separate recording and reporting for these two groups. An important note, companies do not record or report work-related injuries, illness, and hours worked for contractors that work without supervision. It would be somewhat misleading to report work-related injuries/illnesses for workers over whom the host company has no supervisory responsibility or ability to gather real-time safety data from.</p>	<p>Comment noted. For the provisional standards, SASB has eliminated Employee Health, Safety, & Well-being as a disclosure topic for the Automobiles industry</p> <p>Comment noted. For the provisional standards, SASB has eliminated Employee Health, Safety, & Well-being as a disclosure topic for the Automobiles industry</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
			<p>c. Near Misses. In leading companies, the reporting and reporting of near misses is highly encouraged. However, within companies, safety professionals recognize that there is a very high degree of variability of reporting and recording near misses. Sometimes a near miss is reported to remind people of a risk, procedures, etc. Therefore, a near miss reporting of this nature may inflate numbers and be misleading. Further, some near misses may have been accidents that were prevented by solid safety practices and vigilance. Reporting such near misses could be misleading when, in fact, good safety principles reduced an accident/injury situation to a near miss. The National Safety Council (NSC) has attempted to define near miss and has not been able to do so. A near miss is subject to a wide range of cultural interpretations and is highly subjective. As a result, it is recommended that SASB remove this metric from the standard.</p>	<p>Comment noted. For the provisional standards, SASB has eliminated Employee Health, Safety, & Well-being as a disclosure topic for the Automobiles industry</p>
			<p>d. Fines and Penalties. Currently, all material fines are reported already in the 10K report for publically held companies. It is not clear why SASB would have this only to apply to supply base and not to automakers as well. To be fair and consistent, there must be similar metrics across the industry and not just ask something of the supply base. If this metric will not be requested of the automakers, then remove this metric from the standard.</p>	<p>Comment noted. For the provisional standards, SASB has eliminated Employee Health, Safety, & Well-being as a disclosure topic for the Automobiles industry</p>
TR0101	Automotive Industry Action Group (AIAG)	Product Safety (TR0101-05)	<p>TR0101-05 Product Safety. NHTSA Rating. Not all vehicles are NHTSA 5 star rated, decisions on what safety equipment to place in a vehicle is based on regulation, market conditions, consumer demand, and a range of other factors. A better mechanism is to support the global NCAP (new car assessment program) effort so that there is a harmonized global approach to vehicle safety rating. A NHTSA rating is neither a predictor of quality or recall issues nor a complete assessment of how a vehicle performed during a crash (i.e., in car adult, in car child, pedestrian). Therefore, without a common commercial definition or a global NCAP in place, this metric is highly subjective and it is best to remove this metric from the standard.</p>	<p>Comment noted. For the provisional standard SASB updated the scope of this metric to include NCAP ratings by region according to reportable geographic segments (determined by FASB Accounting Standards Codification Topic 280, Segment Reporting). SASB recognizes that not all vehicles are subject to NHTSA rating and therefore SASB's technical guidance instructs companies to calculate the percentage of 5-star rated vehicles based on the number of vehicles that received a rating.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0101	Automotive Industry Action Group (AIAG)	Product Safety (TR0101-06)	Number of Defect Complaints, Safety Related Defect Complaints, and Percent Investigated. Complaints are often mixed with both quality and safety, so if customer complaints contain both categories, then it will require the automaker to segregate issues in each complaint prior to aggregating the data. There is wide variation in how legal concerns are addressed globally and resulting in inconsistent reporting in reporting across the industry. The investigation is dependent upon on a wide range of factors that often are covered by legal privilege. This metric is highly subjective and it is best to remove this metric from the standard.	Comment noted. SASB has updated the metric to include only safety-related defect complaints.
TR0101 TR0102	Automotive Industry Action Group (AIAG)	Product Safety (TR0101-07 TR0102-06)	b. Automaker Recalls. There is not a common definition for vehicle recalls. Recalls are highly variable by region and by country. A recall may be made for a variety of reasons, regulation, safety, quality, performance. Recalls for safety related issues would be highly variable since safety features are often country or market specific. Therefore, without a common commercial or legal definition, this metric is highly subjective and it is best to remove this metric from the standard.	Comment noted. Although there may be country-specific legal definitions, requirements, and catalysts for recalls, SASB believes that companies are still able to aggregate total amount of vehicles recalled. SASB does not believe that determination of whether or not a recalled occurred is a subjective matter, and contends that this information is relevant and decision-useful to investors.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0101 TR0102	Automotive Industry Action Group (AIAG)	Product Safety (TR0101-07 TR0102-06)	c. Supply Chain Recalls. In the supply chain, recalls are dependent on many factors from commercial terms to regulatory requirements to design/production responsibilities. How replacement parts are provided to OEMs is subject to a wide range of commercial terms and requirements that vary by OEM and region. For example, a supplier may "build a part to print", so if it is a design defect, the supplier may not be responsible. If it is a manufacturing defect, then it may be the supplier responsibility to supply replacement parts. The liability associated with defects is often handled in confidential, legal agreements. Therefore, without a common commercial definition, this metric is highly subjective and it is best to remove this metric from the standard.	<p>Comment noted. SASB continues to believe that a quantitative metrics on number of recalled vehicles serves as a good proxy for performance on the safety of a company's products.</p> <p>SASB notes that the introduction to its standard provides the following guidance (emphasis added):</p> <p>As appropriate—and consistent with Rule 12b-20—for each sustainability topic, companies should consider including a narrative description of <u>any material factors necessary to ensure completeness, accuracy and comparability of the data reported</u>. Where not addressed by the specific accounting metrics, but relevant, the registrant should discuss the following related to the topic:</p> <ul style="list-style-type: none"> • the registrant's strategic approach to managing performance on material sustainability issues; • the registrant's competitive positioning; • <u>the degree of control the registrant has</u>; • any measures the registrant has undertaken or plans to undertake to improve performance; and • data for registrant's last three completed fiscal years (when available).
TR0101	Automotive Industry Action Group (AIAG)	Fuel Economy and Use Phase Emissions (TR0101-08)	There is no global standard for fuel economy and use phase emissions. In Europe the emphasis is on CO2 generation, whereas in the US and Canada it is fuel economy. The values reported for fleet fuel economy are reported regionally. Fuel economy is reported based on the model year and is not reported on a fiscal year basis. The test cycle tool is not proven, and not relied upon by OEMs. References are made to fleet fuel economy averages as defined in 1975 law, and notable changes made to law as part of the Energy Independence and Security Act of 2007 do not seem to be captured in the proposal. More generally, it should be noted that extensive regulatory reporting is required of vehicle fuel economy and GHG emissions. SASB efforts to incorporate these factors should rely, to the greatest extent possible, on existing, publicly available data.	<p>Comment noted. For the provisional standard SASB updated the scope of this metric to include regional fuel economy standards for major automobile markets, with recommended disclosure according the geographic segments a company currently reports in its financial reporting (i.e., determined by FASB Accounting Standards Codification Topic 280, Segment Reporting). To the degree possible SASB continues to include metrics that are harmonized with existing, publicly available data.</p> <p>SASB believes this update will make its standards more relevant, comparable, decision-useful, and cost-effective.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0101	Automotive Industry Action Group (AIAG)	Fuel Economy and Use Phase Emissions (TR0101-08)	TR0101.08.39 and TR0101-08.40. The proposed SASB language talks about vehicles "weighing 8,500 pounds or more". Due to existing regulatory structures, we presume that to mean vehicles with a "gross vehicle weight rating (GVWR) of 8,500 lbs. or more". As worded, however, that could be interpreted as a reference to curb weight, which would be problematic and inconsistent with regulatory reporting requirements.	SASB appreciates this comment and notes that this specific guidance has been eliminated from the provisional standard due to other revisions that were made to this metric.
TR0101	Automotive Industry Action Group (AIAG)	Fuel Economy and Use Phase Emissions (TR0101-09)	c. TR0101-09 Delete metric for zero emission vehicles as there is a wide range of definitions for this category of vehicles. The societal value of ZEVs depends upon not only the number of vehicles sold, but also amount of utilization, electric miles traveled, and petroleum displaced. The proposed definitions fail to capture important technology and market distinctions, and could result in highly misleading conclusions.	Comment noted. SASB has updated the metric to include disclosure of zero emission vehicles, hybrid vehicles, and plug-in hybrid vehicles. SASB agrees that there may be trade-offs associated with the use of certain alternative fuels and powertrains, but believes that disclosure of the number of vehicles within these categories is relevant to companies and decision-useful to investors.
TR0101	Automotive Industry Action Group (AIAG)	Product End of Life (TR0101-10 TR0102-09)	Outside of Europe, the percent recycled is not under the OEM control. For vehicles sold in Europe, the percent recyclable is achievable and usable. In Europe, the OEMs disclose the recyclability and recoverability of a vehicle. Outside of Europe, there are no systems in place to capture this data and it would require a substantial investment to capture and report this data.	Comment noted. SASB's research shows that more than one automotive company is currently measuring and reporting this metric to some degree outside of Europe. SASB continues to believe that vehicle design for recyclability and recycling is a relevant topic outside of the EU, where it is regulated.
TR0101	Automotive Industry Action Group (AIAG)	Product End of Life (TR0101-10)	c. The items listed in TR0101-48 and 49, are proprietary information and therefore, it is recommended to remove this metric.	SASB does not intend that companies disclose proprietary, technical information, but instead general strategic information that may be useful to investors. More generally, SASB disclosure should be approached through the same lens as all corporate disclosure; a company should not disclose sensitive information, competitive information, or information that would otherwise compromise a company.
TR0101 TR0102	Automotive Industry Action Group (AIAG)	Supply Chain Management (TR0101-11, 12, 13 TR0102-11, 12, 13)	TR0101-12 "The percentage of tungsten, tin, tantalum, and gold smelters within the supply chain that are verified to be conflict free." This first sentence implies that this is a standard that can be reached, unfortunately with our current amount of information it is not attainable for most companies (this will be described more in .53). Additionally, the header sentence should state "smelters and/or refiners".	SASB believes that this information is decision-useful to investors and attainable by companies. SASB has updated the metrics to include both smelters and refiners.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
			<p>.53 “The registrant shall calculate the percentage as: the number of tungsten, tin, tantalum, and gold smelters and/or refineries within its supply chain that are verified to be conflict-free divided by the total number of tungsten, tin, tantalum, and gold smelters or refineries within its supply chain.” While there is a defined list of verified conflict-free smelters or refiners to be the dividend for this equation, the known world of non-verified smelters or refiners is still amorphous which leads to an inaccurate divisor. We do not have a static number for these smelters, which may range from 600-1200. When aggregated, the number of smelters provided to one automaker this past year was over 100,000. The disproportionate number is due to suppliers compiling all of their own suppliers responses into forms sent to the automaker without removing duplicates. Moreover, the responses from suppliers would cover anywhere from 0-100% of their supply chain; therefore, obtaining an accurate quotient for the equation is impossible because obtaining an accurate number of non-verified smelters is impossible with our current abilities.</p>	<p>Comment noted. SASB believes that with appropriate traceability and controls that it will be possible to obtain this information.</p>
			<p>.54 “any other due diligence certification, audit, or program that meets the conflict minerals provisions of Dodd-Frank Section 1502”. Dodd-Frank Section 1502 and the rule promulgated by the SEC do not contain a smelter audit standard. This is an industry driven initiative created in response to Dodd-Frank. Therefore, it is inaccurate to state “...or program that meets the conflict minerals provisions of Dodd-Frank,” because Dodd-Frank does not have a standard to meet. Therefore, remove any mention of Dodd-Frank and leave it as an industry standard.</p>	<p>Comment noted. SASB has eliminated specific reference to Dodd-Frank. However, SASB has designed its disclosure to be complementary to systems and processes that will likely be implemented in response to Dodd-Frank Section 1502, Form SD compliance.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
			<p>.55 “A smelter or refinery is considered to be within the registrant’s supply chain if it supplies or is approved to supply 3TG that is contained in any products the registrant manufactures or contracts to be manufactured.” The rule requires for the materials to actually be contained in the product manufactured by the issuer, a smelter or refiner should only be considered a part of the supply chain when they actually are providing materials, not merely approved to do it. The approval line underlined above is creating standards not in the law and moreover will lead to inaccurate data and confusion.</p>	<p>SASB has removed reference to smelters or refiners that are approved to supply material to the company but did not do so during the fiscal year.</p> <p>SASB notes in the introduction to its standards: Disclosure under SASB Standards is voluntary. It is not intended to replace any legal or regulatory requirements that may be applicable to user operations. Where such laws or regulations address legal or regulatory topics, disclosure under SASB Standards is not meant to supersede those requirements. Disclosure according to SASB Standards shall not be construed as demonstration of compliance with any law, regulation, or other requirement.</p>
TR0101	Automotive Industry Action Group (AIAG)	Supply Chain Management (TR0101-13)	<p>b. TR0101-13 “Discussion of the management of risks associated with the use of critical materials and conflict minerals.” This section is asking for responses for two completely separate topics, conflict minerals and critical minerals have no relation to one another. By grouping them together, the similar names can lead to confusion in responses. If these questions are necessary, it should be split into two distinct sections. .56 “The registrant shall discuss its strategic approach to managing its risks associated with usage of critical materials and conflict minerals in its products, including physical limits on the availability, access, price, and reputational risks” First and foremost, there is nothing wrong with using “conflict minerals”. Conflict minerals are the term given to tin, tantalum, tungsten, and gold. The issues arise when the conflict minerals originate from the DRC or surrounding countries and directly or indirectly fund the armed conflict. If any issues arise with these conflict minerals it will be addressed in our Form SD and Conflict Minerals Report filed with the SEC, I do not think they need to be addressed again in a 10-K.</p> <p>The same assessment applies to .57 and .59. Companies cover these topics in their Form SD and CMR, but it is possible to relay the same information from those forms. .57 specifically conjoins the critical minerals and conflict minerals into the same sentence; these should not be mentioned in the same sentence, as they are two separate topics.</p>	<p>SASB’s research determined that critical materials and conflict minerals, although different categories of materials, may present similar supply chain risks to companies. SASB includes this topic in its standard for factors additional to the risks presented by achieving compliance with SEC regulation around Form SD disclosures. SASB’s research shows that sourcing materials from conflict prone regions may present sourcing risks including those related to availability, price volatility, and reputational harm. Similarly, critical materials may be subject to constraints in availability and/or price volatility. Therefore, SASB believes that it is relevant for a company to discuss how it is managing risk associated with both materials in the same disclosure section.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0101	Automotive Industry Action Group (AIAG)	Fair Lending (TR0101-14)	<p>As detailed below, the "Fair Lending" Standard contained in the Exposure Draft of the SASB Sustainability Accounting Standards for the Transportation Sector provides (i) a description of the indirect vehicle financing model that is pejorative, based on flawed and unsubstantiated assumptions, and incomplete; and (ii) accounting metrics that would distort, rather than clearly reflect, whether differences in the amount of dealer participation paid by different groups of consumers create liability exposure for captive finance companies. This, in turn, would not accurately reflect a material issue and thereby fail to accomplish the purpose of this exercise.</p> <p>The accounting metrics call for the disclosure of the "median discretionary interest rate mark-up on automotive loans for: (1) all borrowers, (2) women, and (3) minorities." This metric is similarly flawed in several regards. If adopted, it will produce disclosures that could suggest that a captive has exposure to liability for fair lending violations where none exists. ... requires that a single median dealer participation amount be provided for the category of "minorities" even though this general category is not recognized as a protected class under the Equal Credit Opportunity Act (ECOA). Rather, the protected demographic classes under ECOA are race, color, national origin, religion, gender, and age. Therefore, disclosing a median dealer participation figure for "minorities" does not reflect the existence of an ECOA violation.</p> <p>Second, the metric states that the method for classifying a consumer into a particular race or ethnicity category "shall be done by self-identification (e.g., during the loan application process)." However, Regulation B, which implements ECOA, states that a "creditor shall not inquire about the race, color, religion, national origin, or sex of an applicant" unless the creditor is conducting an optional self-test. Third, the metric requires that the dealer's earnings in a credit transaction be disclosed "in basis points," which excludes from the disclosure dealer earnings that are not calculated in basis points (e.g., a flat fee) even though this accounting metric is designed to measure and compare the amount the dealer earns for originating financing for different groups of consumers. Fourth, the accounting metric does not require the disclosure of, nor does it provide instructions for computing, the margin of error that applies to the median dealer participation amounts that would have to be reported for women consumers and minority consumers.</p>	<p>Comment noted. For the provisional standard, SASB has eliminated Fair Lending as a disclosure topic for the Automobiles industry.</p> <p>Comment noted. For the provisional standard, SASB has eliminated Fair Lending as a disclosure topic for the Automobiles industry.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
			Finally, the most glaring omission in the accounting metrics is the requirement that registrants disclose median dealer participation amounts for different groups of consumers without requiring the application of any analytical controls to ensure that subsequent comparisons between the disclosed amounts are limited to groups of consumers who are similarly-situated.	Comment noted. For the provisional standard, SASB has eliminated Fair Lending as a disclosure topic for the Automobiles industry.
TR0101	Bill Hall (Unaffiliated/Chrysler)	n/a	Water – Water is not currently listed as a topic on the SASB draft, presumably because it was judged to be lower in materiality than the other topics. Given that water scarcity and water quality are critical global issues, SASB may want to include it as a topic in its proposal along with energy, waste and emissions.	SASB conducts detailed research into water resource issues for each industry we cover. For industries with operations concentrated in water stressed areas, those that are highly dependent on water resources, and/or those that consume large quantities of water resources, However, SASB research did not determine that Water Management was likely to be a material sustainability topic for most companies within the Automobiles industry.
TR0101	Bill Hall (Unaffiliated/Chrysler)	Greenhouse Gas Emissions (TR0101-01)	There should be a threshold for which minor sources can go unreported (for example reported emissions should represent at least 95% of CO2e emissions). CO2e emissions values and basic requirements should mirror what is reported in Carbon Disclosure Project (CDP) and cover both normalized (i.e. volume-adjusted) emissions and absolute values. CO2 represents the vast majority of the greenhouse gas emissions from automotive plants; for this reason, I suggest that the standard use CO2 emissions as a proxy for CO2e emissions. Emission factor and heating value definitions should originate from country-specific regulatory reporting, if applicable.	Comment noted. For the provisional standard, SASB has eliminated GHG Emissions as a disclosure topic for the Automobiles industry.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0101	Bill Hall (Unaffiliated/Chrysler)	Energy Management (TR0101-02)	<p>Values and basic requirements should mirror what is reported in CDP and include normalized energy consumption as well as absolute values.</p> <p>.08 -- Any consumption of energy for purposes of manufacturing and operations should be included – for example compressed air is not listed, although some facilities purchase compressed air as an energy source.</p> <p>.09 -- Heating value definitions and conversion factors should originate from country-specific regulatory reporting, if applicable.</p> <p>.11-- Adoption of renewable energy alternatives is dependent on the cost tradeoffs between non-renewable and renewable energy; in that respect, grid electricity that is relatively low-cost frequently hinders adoption of renewable alternatives. This relationship is very regional and country-specific and should be considered in this standard.</p>	<p>Comment noted. For the provisional standard, SASB has eliminated Energy Management as a disclosure topic for the Automobiles industry.</p>
TR0101	Bill Hall (Unaffiliated/Chrysler)	Waste Management (TR0101-03)	<p>.16 -- Reused materials are difficult to track as they are typically reused for their intended original purpose, so there is little value in reporting them as waste. For example, a pallet that is reused is not waste until it stops being used as a pallet (e.g. shredded for use in some other product).</p>	<p>Comment noted. SASB continues to include reused materials a potential category of recycling to account for a range of waste minimization strategies.</p>
TR0101	Bill Hall (Unaffiliated/Chrysler)	Waste Management (TR0101-03)	<p>.17 -- Hazardous waste should be defined based on local regulations in order to make quantities congruent and traceable to existing values.</p> <p>Waste quantities should be normalized to account for fluctuations in the output volume of products or services.</p> <p>Strong consideration should be given to non-product outputs that serve as feeder stock to create other products, either inside or outside the company. These could be outputs that have a non-zero dollar value and recycled or directly incorporated into other products. For this reason, perhaps the best indicator is waste that has no value or drives disposal costs – these are typically wastes that are landfilled or treated.</p>	<p>SASB has eliminated the "hazardous waste" category from disclosure after further analysis showed that hazardous wastes do not generally present unique risks or opportunities to companies in the Automotive industry.</p> <p>SASB standards also include activity metrics that are operational indicators that can be used as normalization factors to account for the variation in performance based on company size, production, and other factors.</p> <p>SASB's disclosure guidance for metric TR0101-01, "Amount of total waste from manufacturing, percentage recycled" includes a wide range of possible material dispositions.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0101	Bill Hall (Unaffiliated/Chrysler)	Waste Management (TR0101-03)	Also, as mentioned earlier, water consumption per production unit could be a metric – water consumption is routinely measured by automotive companies and is an important indicator of efficiency and effective cost management, as well as environmental responsibility.	SASB conducts detailed research into water resource issues for each industry we cover. For industries with operations concentrated in water stressed areas, those that are highly dependent on water resources, and/or those that consume large quantities of water resources, SASB typically asks for the suggested metric. However, SASB research did not determine that Water Management was likely to be a material sustainability topic for most companies within the Automobiles or Auto Parts industries.
TR0101	Bill Hall (Unaffiliated/Chrysler)	Employee Health, Safety, and Well-Being (TR0101-04)	.18 -- TRIR is not consistent in definition in each country, even to the extent that the normalization factor is different. For example, in the US, recordable injury counts are normalized per 200,000 man-hours, whereas in the Europe it is per 100,000 worked. In order to create a global metric, a common factor will need to be selected; Fiat Chrysler, for example, uses 100,000 for its corporate reporting. .20 -- Near Miss should not include potential property or environmental damage and should focus only on personal injury; in addition, this metric can be very subjective, and consequently there is a high degree of variability of reporting and recording of near misses. .21 -- It is very important to distinguish between contract employees that are supervised by the OEM and those that are not, because injuries to independent contractors and those not supervised by the company may not be tracked by the company. I recommend that data for direct and contract employees under direct supervision be reported together and that data for non-supervised workers not be included in the standard.	Comment noted. For the provisional standard, SASB has eliminated Employee Health & Safety as a disclosure topic for the Automobiles industry.
TR0101	Bill Hall (Unaffiliated/Chrysler)	Product Safety (TR0101-05)	The challenge with this category is that a single set of global safety rating standards does not exist. * A suitable approach may include NCAP which “ aims to encourage the worldwide availability of independent consumer information about the safety of motor vehicles.” That being said, however, there is not yet a global NCAP standard. * Regarding the NHTSA rating, there are many reasons an OEM may choose to not design to a 5 star level, as it is not a federal mandate.	For the provisional standard SASB updated the scope of this metric to include NCAP ratings by region according to reportable geographic segments (determined by FASB Accounting Standards Codification Topic 280, Segment Reporting).

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0101	Bill Hall (Unaffiliated/Chrysler)	Product Safety (TR0101-06 and TR0101-07)	The methods, definitions, and regulations for identifying and monitoring complaints and managing vehicle recalls vary considerably across regions and markets. For this reason, I do not offer much confidence that a meaningful SASB standard can be established for use by the global automotive sector. · Given these many inconsistencies and variations, however, one possible starting point (albeit US-specific) may be the NHTSA website for recalls. We would need to focus only on the data already provided, which essentially is the number of vehicles involved in each recall and a brief description of the recall issue. Again, this would still be NHTSA based, with the attendant regional bias.	Comment noted. Although there are regional/country-specific requirements and different reasons for recalls, companies are still able to aggregate total amount of vehicles recalled.
TR0101	Bill Hall (Unaffiliated/Chrysler)	Fuel Economy and Use-Phase Emissions (TR0101-08)	While use-phase emissions is arguably one of the most material nonfinancial metrics in the automotive sector, the problem remains that there is no global standard for fuel economy and use-phase emissions. In Europe CO2 generation is emphasized, whereas in the US and Canada fuel economy is the focus (although with differences in fuel volume measurement units). There are also variations on the reporting years (calendar year versus model year). · A possible solution may be to report CO2 regionally; and given SASB's US orientation, it may also be acceptable to report the US domestic passenger car/import and light duty truck fuel economy in miles per gallon (for NHTSA model year). · Overall, given the high degree of regulations already existing in this area, SASB should focus its efforts on using existing, publicly available data.	Comment noted. For the provisional standard SASB updated the scope of this metric to include regional fuel economy standards for major automobile markets, with recommended disclosure according the reportable geographic segment, as determined by FASB Accounting Standards Codification Topic 280, Segment Reporting
TR0101	Bill Hall (Unaffiliated/Chrysler)	Fuel Economy and Use-Phase Emissions (TR0101-09)	Some OEMs may consider reporting the number of ZEV and PZEV vehicles sold worldwide as proprietary information.	SASB research shows that companies currently disclose similar types of information. For example, from Ford Motor Company's 10-K (filed 2/18/14): <i>We also offer six electrified vehicles—delivering the power of choice for leading fuel economy across our lineup—the Focus Electric, C-MAX Hybrid, C-MAX Energi, Fusion Hybrid, Fusion Energi, and Lincoln MKZ Hybrid. Our share of the U.S. electrified vehicle market more than doubled in 2013—up approximately 9 percentage points to 15.3 percent for 2013, compared with 2012. The increase contributed to our 0.5 percentage point increase in overall U.S. market share in 2013, the biggest gain of any full-line automaker.</i>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0101	Bill Hall (Unaffiliated/Chrysler)	Product End-of-Life Management (TR0101-10)	<p>Any efforts to standardize a reporting metric will be met with many complications. For example, determining the weight of remanufactured parts is difficult, as it could range from components that are reworked prior to original sale to parts that are subsequently rebuilt for resale. Additionally, other than Europe, where disclosures of recyclability and recoverability are mandatory, there are no systems in place to capture and report the necessary data.</p> <p>* That being said, in the U.S. there is a robust system of independent auto dismantling operators (approximately 9,000) that handle this function. Every year end-of-life vehicles produce more than 14 million tons of steel among other materials that can be reused and recycled (source: www.autoalliance.org).</p> <p>* .48 and .49 – Disclosing technologies and methods in the product development processes for optimizing vehicle recycling rates is proprietary and I do not support this requirement.</p> <p>* In summary, while I strongly support product end-of-life initiatives, I do not feel it needs to be a reporting topic for OEMs.</p>	<p>Comment noted. SASB's research shows that more than one automotive company is currently measuring and reporting this metric to some degree outside of Europe. SASB continues to believe that vehicle design for recyclability and recycling is a relevant topic outside of the EU, where it is regulated.</p> <p>SASB does not intend that companies disclose proprietary, technical information, but instead general strategic information that may be useful to investors.</p>
TR0101	Bill Hall (Unaffiliated/Chrysler)	Supply Chain Management (TR0101-11 TR0101-13)	<p>These two sections are both directed toward supply capability risk, which has a more direct and measurable impact on financial performance than does, for example, environmental or human rights concerns. For that reason, my feeling is that OEMs are already addressing these types of risks in the current 10K filings (under "Risk Factors").</p> <p>* In these filings, the types of parts supply concerns are cited and the means for mitigating the risks are described. It is unlikely that the degree of detail proposed by SASB is provided, however, as OEMs would view that information as proprietary.</p> <p>* For these reasons I do not believe these two sections should be included in the standard.</p>	<p>SASB recognizes that companies may already be disclosing some of the risk associated with material sourcing in their 10-K filings under "Risk Factors". SASB seeks to standardize some of this disclosure for the benefit of companies and investors.</p> <p>SASB disclosure should be approached through the same lens as all corporate disclosure; a company should not disclose sensitive information, competitive information, or information that would otherwise compromise a company.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0101	Bill Hall (Unaffiliated/Chrysler)	Supply Chain Management (TR0101-12)	<p>While I can appreciate why SASB is attempting to leverage the Dodd-Frank Conflict Minerals legislation to support the SASB standard, the fact is, at this stage our industry is still far from having accurate and comprehensive data to report. Below are specific areas of clarification and concern:</p> <ul style="list-style-type: none"> • The header sentence should state “smelters and/or refiners.” • .53 – Providing an accurate calculation for this standard is very unlikely at this time. While there is a defined list of verified conflict-free smelters or refiners, the total known group of non-verified smelters or refiners is still very much unclear; the figure may range from 600-1200. • .54 -- Dodd-Frank Section 1502 and the rule promulgated by the SEC do not contain a smelter audit standard. This is an industry driven initiative created in response to Dodd-Frank. Therefore it is premature to state, “or program that meets the conflict minerals provisions of Dodd-Frank.” • .55 -- A smelter or refiner should only be considered part of the supply chain when it is actually providing materials, not merely approved to do it. Therefore the statement, “or is approved to supply 3TG,” is not useful. · At some point in the future, when the Conflict Minerals procedures and metrics mature, we will want to avoid redundancy in the disclosure process; in other words, reporting firms should not be required to create a SASB-driven document as well as a Dodd-Frank CM submission that both convey the same data. 	<p>SASB has made several revisions to the metrics under the “Materials Sourcing” topic and makes several clarifications:</p> <p>SASB has updated the metrics to include both smelters and refiners.</p> <p>SASB believes that this information is decision-useful to investors and attainable by companies. SASB believes that with appropriate traceability and controls that it will be possible to obtain this information.</p> <p>SASB has eliminated specific reference to Dodd-Frank. However, SASB has designed its disclosure to be complementary to systems and processes that will likely be implemented in response to Dodd-Frank Section 1502, Form SD compliance.</p> <p>SASB has removed reference to smelters or refiners that are approved to supply material to the company but did not do so during the fiscal year.</p> <p>SASB notes in the introduction to its standards: Disclosure under SASB Standards is voluntary. It is not intended to replace any legal or regulatory requirements that may be applicable to user operations. Where such laws or regulations address legal or regulatory topics, disclosure under SASB Standards is not meant to supersede those requirements. Disclosure according to SASB Standards shall not be construed as demonstration of compliance with any law, regulation, or other requirement.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0101	Bill Hall (Unaffiliated/Chrysler)	Fair Lending (TR0101-14)	This metric is based on a false premise: "Automobile manufacturers have financial arms that provide loans for car purchases through dealerships." Not all OEMs have a captive finance company. · Even if there is an effort to report on fair lending, we would encounter difficulties in dealing with the voluntary nature of lender reporting for such elements as minority classifications. I recommend removing this measure from the proposed standard.	Comment noted. For the provisional standard, SASB has eliminated Fair Lending as a disclosure topic for the Automobiles industry.
TR0101	Bill Hall (Unaffiliated/Chrysler)	Activity Level	It is important to provide the specific definition of "Number of vehicles produced" and "Number of vehicles sold" as I have found that confusion can occur: * Vehicle production is typically counted when the vehicles exit the assembly line and receive final inspection and any required rework or repairs. Usually these vehicles are promptly prepared for shipping via truck or rail. The distinction is made between "production" and "shipments" because usually only when vehicles are shipped is revenue recognized by the manufacturer. * Vehicle sales can have a number of designations, including: units sold from the OEM to the wholesaler; units shipped from the plant to a third party shipper (for overseas shipments); units sold by a wholesaler/dealer to a consumer (in the US and Canada, this is the most common usage); units shipped to a rental car or leasing company (keeping in mind that some rental car company agreements entail the return of the vehicles to the OEM for auction). For financial reporting, the most common practice is to report vehicle shipments, defined as when the vehicle title transfers to the recipient, thereby creating the payment obligation. Additionally, retail sales (i.e. from a retailer to an end-consumer) is regularly used by OEMs and analysts, particularly in conjunction with dealer inventory, as a means of comparing relative vehicle popularity.	Comment noted. However, SASB has declined to provide specific definitions for "number of vehicles produced" and "number of vehicles sold" as SASB research has shown that companies generally have materially similar methods for reporting these figures currently.
TR0102	Felicita Irungu, FKA	Waste Management (TR0102-03)	There are many players in the informal sector who do not have good waste management processes and parts removed and used oils are sometimes disposed in open yards. Possibly there is need to recommend regulation in the sector.	Comment noted.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0102	Felicitas Irungu, FKA	Employee Health, Safety and Well-being (TR0102-04)	With many players in the informal sector the health risk to employees, customers and others is higher	Comment noted.
TR0102	Automotive Industry Action Group (AIAG)	Employee Health, Safety, & Well-being (TR0102-05)	d. Fines and Penalties. Currently, all material fines are reported already in the 10K report for publically held companies. It is not clear why SASB would have this only to apply to supply base and not to automakers as well. To be fair and consistent, there must be similar metrics across the industry and not just ask something of the supply base. If this metric will not be requested of the automakers, then remove this metric from the standard.	For the provisional standards, SASB has eliminated Employee Health, Safety & Well-being as a disclosure topic for the Auto Parts industry.
TR0102	Automotive Industry Action Group (AIAG)	Product Stewardship (TR0102-07)	Supply chain. Under the definition, any product that reduces weight by a mere fraction could be classified as being designed to improve fuel efficiency and reduce emissions. A design change on a vehicle that reduces the size for a component would mean that that product now is being more fuel efficient, but it was simply the result of a vehicle design requirement. A supplier can offer green products, but it is how the OEM uses the product that determines whether it adds to the fuel economy. By simply allowing weight reduction to be used as a criteria, any part with a slight weight reduction would qualify as a fuel efficient part or component. A better measure of product stewardship is to simply define the percent of products that can be recycled and the average recyclability of categories of products (i.e., 100% recyclability for suspension products, 50% recyclability for electronic components). This would require that SASB and AIAG define the categories of parts and then have the supplier define the percent recyclability.	SASB notes that the disclosure guidance in its provisional standard includes the following language: " <i>The scope of disclosure excludes products that offer improved fuel efficiency and/or reduced emissions in an ancillary or indirect way (e.g., a conventional product that is slightly lighter than the previous generation of the product).</i> "
TR0102	Automotive Industry Action Group (AIAG)	Product Stewardship (TR0102-07)	In Europe, the End of Life Vehicle (ELV) reports the recyclability for vehicles sold in Europe only. This metric could be phased in over time for global use; however, will require substantial expansion of the processes and systems used to report in Europe.	SASB recognizes that ELV legislation has not been implemented in many major vehicles markets. However, SASB believes that the recyclability of vehicles - and by extension their constituent parts - is likely a material topic for companies throughout the automotive supply chain. This is due to increasing scarcity of key raw materials and growing expectation of extended producer responsibility grow.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0102	Motor & Equipment Manufacturers Association (MEMA)	Product Safety (TR0102-06)	The metrics outlined for product stewardship link product safety performance to the recall standards of the National Highway Traffic Safety Administration (NHTSA). This process was designed for a specific purpose unrelated to the charter of SASB and is therefore an imperfect measure for the purposes of this proposal. MEMA recommends that this metric be removed from the standards.	SASB believes that vehicle recalls serve as an accurate proxy for the safety of a company's products.
TR0102	WBCSD -Tire Industry Project (TIP) and Cement Sustainability Initiative (CSI)	general comment n/a	Confidentiality and Competitiveness Issues The TIP has strong concerns from a competition law perspective about the current draft SASB guidelines. As currently written, several sections request confidential information—for example, the Product Stewardship section asks for "Total addressable market and share of market for products aimed at improved fuel efficiency and/or reduced emissions," which is likely to be proprietary information. If US listed companies were required to disclose potentially sensitive business information that non-US listed companies do not disclose, this would constitute a competitive disadvantage for the US listed companies.	SASB disclosure should be approached through the same lens as all corporate disclosure; a company should not disclose sensitive information, competitive information, or information that would otherwise compromise a company. SASB notes that automotive companies, such as Ford Motor Company, disclose similar information in their Form 10-Ks. Auto Parts companies, such as Delphi and TRW Automotive discuss generally fuel economy, greenhouse gas emissions, and the environmental impact of vehicles as global consumer trends that drive demand for their products from OEMs. SASB believes that capital markets would benefit from more quantitative, comparable disclosure on this topic.
TR0102	WBCSD -Tire Industry Project (TIP) and Cement Sustainability Initiative (CSI)	Product Quality & Safety (TR0102-06)	Recalls and reporting requirements around recalls are covered by federal regulations managed by the National Highway Traffic Safety Administration (NHTSA). NHTSA's procedures are designed to encourage, not discourage, voluntary recalls. SASB guidelines could have the effect of discouraging voluntary recalls. Recalls need not be addressed by any potential SASB guidelines.	Comment noted. SASB continues to include vehicles recalls as a metric in its provisional standard.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0102	WBCSD -Tire Industry Project (TIP) and Cement Sustainability Initiative (CSI)	Supply Chain Management (TR0102-12 TR0102-13)	The SASB sustainability reporting should be harmonized with the SEC Conflict Mineral Rule and should not duplicate or expand the scope of that requirement.	<p>SASB includes this topic in its standard for factors additional to the risks presented by achieving compliance with SEC regulation around Form SD disclosures. SASB's research shows that sourcing materials from conflict prone regions may present sourcing risks including those related to availability, price volatility, and reputational harm.</p> <p>SASB has eliminated specific reference to Dodd-Frank. However, SASB has designed its disclosure to be complementary to systems and processes that will likely be implemented in response to Dodd-Frank Section 1502, Form SD compliance.</p>
TR0102	Pirelli	general comment n/a	We found the grouping of tires and other types of automotive suppliers together to be somewhat problematic given the diverse nature of products and businesses within the category. Some of the accounting metrics relate to the nature of a business, and therefore would not create comparative data among companies manufacturing the same product; instead creates non-equivalent comparisons between, for instance, a tire company and a brakes company. For further explanation, see below under "Product End-of-Life Management."	<p>SASB recognizes that its Standards may not represent the full diversity of companies within a Sustainable Industry Classification System (SICS) industry. SASB attempts to identify disclosure topics and accounting metrics that are relevant for most companies within an industry.</p> <p>SASB anticipates that users of disclosures (e.g. financial analysts) will recognize the inherent differences between companies, business models, and other operating parameters when comparing data, as they currently do with financial data.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0102	Pirelli	general comment n/a	In addition, many of the accounting metrics refer, as is of course necessary, to “negative” issues (percentage of critical materials, etc.), while we see opportunities for possible “positive” metrics as well.	<p>Comment appreciated. SASB believes that following metrics provide an opportunity for companies to disclose opportunities as well as risks:</p> <p>TR0102-01: Total energy consumed, percentage grid electricity, percentage renewable TR0102-02: Amount of total waste from manufacturing, percentage hazardous, percentage recycled TR0102-04: Total addressable market and share of market for products aimed at improved fuel efficiency and/or reduced emissions TR0102-05: Percentage of products sold that are recyclable or reusable TR0102-06: Weight of products and materials recycled or remanufactured</p>
TR0102	Pirelli	Activity Level	In our opinion it is important throughout for calculations to be based on weight of finished products and not on number of finished products, in line with GRI practices and, thus, the way most multinational companies worldwide are reporting.	In the provisional standard, SASB has added an activity level metric to disclose the total weight of finished products to allow for normalization of various sustainability metrics.
TR0102	Pirelli	n/a	We believe that WATER WITHDRAWAL is a material topic for the Auto Parts industry and should be included.	While Water Management may be material to certain segments of the Auto Parts industry, SASB research did not yield evidence to support inclusion of the topic for the entire Auto Parts industry. The SASB Auto Parts Standard contains topics that are likely to apply to companies across all Auto Parts segments.
TR0102	Pirelli	Product End-of-Life Management (TR0102-09)	While PRODUCT END-OF-LIFE MANAGEMENT is important for the tire industry, and the tire industry collectively is very active in proposing and managing solutions in this area, individual tire manufacturers have little or no control over the disposal of tires, as is also evident in the chapters dedicated to Tire industry responsibility, Government/community responsibility and free market approach in the “Managing End-of-Life Tires” Full Report published by World Business Council for Sustainable Development (http://www.wbcd.org/work-program/sector-projects/tires/end-of-life-tires.aspx).	Metric TR0102-06 relates to materials that the company has recycled itself or has contract third-parties to recycle, while metric TR0102-05 relates to efforts that the company has made to increase the recyclability of its products. SASB believes that automotive parts companies have control over performance on both of these metrics related to end-of-life management.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0102	Pirelli	Energy Management (TR0102-01)	Given that a significant majority of companies reporting on sustainability already utilize the GRI guidelines, it would be useful to align conversion indices and certifications. Specifically, we note that SASB indicates HHV rather than LHV for calculating energy consumption, and confines energy from biomass sources to Green-e Energy certified or eligible for a state Renewable Portfolio Standard	Comment noted. As SASB standards are designed for US-listed company, SASB uses US norms and references. SASB will continue to solicit input on this issue.
TR0102	Pirelli	Energy Management (TR0102-02)	In the United States greenhouse gas emissions are reported to the EPA under the Greenhouse Gas Reporting Rule; we would encourage alignment with EPA reporting as well as with CDP and CCRF.	For the provisional standards, SASB has removed GHG Emissions a disclosure topic for the Auto Parts industry.
TR0102	Pirelli	Waste Management (TR0102-03)	<ul style="list-style-type: none"> Percentage recycled: waste sent to energy-recovery facilities should be included (in line with GRI, European and United Nations norms and regulations). This is a material issue. 	Comment noted.
TR0102	Pirelli	Waste Management (TR0102-03)	<ul style="list-style-type: none"> The calculation formula described in point .15 is not clear to our technical experts – so this should be further clarified. Percentage hazardous: we recommend adopting the GRI definition of hazardous waste in addition to the EPA RCRA definition. 	<p>SASB has updated the calculation methodology, which should address this comment.</p> <p>SASB has updated its definition of hazardous waste to be defined by "...national legislation at the point of generation... In the absence of national legislation, the registrant shall categorize waste as hazardous if it meets the definition under Subtitle C of the U.S. Environmental Protection Agency's (EPA) Resource Conservation and Recovery Act (RCRA) and displays one or more of the following characteristics: ignitability, corrosivity, reactivity, or toxicity."</p>
TR0102	Pirelli	Product Quality & Safety (TR0102-06)	<ul style="list-style-type: none"> Transparency and early-response voluntary recalls are highly encouraged by NHTSA. Voluntary recalls are a good thing and manufacturers should be encouraged, not discouraged, from voluntary recalls. Therefore the SASB reporting standards should highlight voluntary recalls as a positive. (To clarify this point: if GM received more positive feedback from investors before revealing its safety issues than it did after, SASB would not be incentivizing transparency.) Some recalls are not for safety issues but have to do with, for example, mis-marking a product. SASB standards should highlight the difference. 	<p>SASB appreciates the viewpoint expressed here and notes that the inclusion of this metric is not intended to encourage or discourage the reporting of recalls. SASB anticipates</p> <p>SASB recognizes that some recalls may not be due to safety-related concerns.</p> <p>Related to both points above, SASB would encourage companies to follow the guidance contained</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0102	Pirelli	Product Stewardship (TR0102-07)	<ul style="list-style-type: none"> • “Total addressable market” for products aimed at improved fuel efficiency should be defined by an independent third party for all companies in a specific product category (different manufacturers could estimate this differently). • “Share of market” would likely constitute confidential business information, and disclosure of this information could put US-listed tire manufacturers at a competitive disadvantage with respect to competitors. • One of the indicative products in point.37 is “reduced rolling resistance tires” – but the specific definition is not clarified. Once US consumer information tire labeling is instituted by NHTSA, this could be defined according to a specific category indicated by the label. If not clearly defined, the resulting calculations based on market share of the total addressable market would not be particularly meaningful. • In addition, the accounting metrics (expressing a company’s market share of total fuel efficient product market) would appear to highlight large companies with a large share of a particular fuel efficient product market, even if the majority of the company’s products are not at all fuel efficient. A small company whose product portfolio is entirely fuel efficient might report a small market share, giving little recognition to its efforts and investments in the fuel efficient product category. 	<p>SASB disclosure should be approached through the same lens as all corporate disclosure; a company should not disclose sensitive information, competitive information, or information that would otherwise compromise a company.</p> <p>SASB notes that automotive companies, such as Ford Motor Company, disclose similar information regarding market share in their Form 10-Ks. Auto Parts companies, such as Delphi and TRW Automotive discuss generally fuel economy, greenhouse gas emissions, and the environmental impact of vehicles as global consumer trends that drive demand for their products from OEMs.</p> <p>SASB has eliminated the specific reference to “reduced rolling resistance tires”.</p>
TR0102	Pirelli	Product End-of-Life Management (TR0102-08 and 09)	<ul style="list-style-type: none"> • The percentage of products sold that are recyclable could be a valid indicator for many automotive components, but not for tires, because 100% of tires are recyclable. Indeed, although tire manufacturers do not have direct access to end-of-life tires (they are disposed of either by the consumer or by tire retailers), manufacturers act in coalitions to facilitate the recycling process. In the US, the Rubber Manufacturers’ Association (RMA) has been very active in helping to facilitate tire recycling for various applications (tire derived fuel, rubberized asphalt, artificial turf and playground surfaces, yard mulch, building materials etc.). • Similarly, “weight of products remanufactured” could be a valid indicator for many automotive components, but not for tires, because it is not possible to produce new tires from recycled old tires. Today, only negligible amounts of recycled material from old tires can be used in new ones. This indicator would therefore not be material for the tire industry. 	<p>SASB recognizes that its Standards may not represent the full diversity of companies within a Sustainable Industry Classification System (SICS) industry. SASB attempts to identify disclosure topics and accounting metrics that are relevant for most companies within an industry.</p> <p>As stated in the introduction to each standard, “SASB’s disclosure guidance identifies sustainability topics at an industry level, which may be material— depending on a company’s specific operating context— to a company within that industry. Each company is ultimately responsible for determining which information is material and is therefore required to be included in its Form 10-K or 20-F and other periodic SEC filings.”</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
	Pirelli	Supply Chain Management (TR 0102-11 TR 0102-12 TR 0102-13)	<ul style="list-style-type: none"> • Critical materials: We estimate that a very large majority of tires on the market contain trace quantities (intentionally added) of some of the materials listed. This makes listing revenue of products containing critical materials a KPI of questionable usefulness. • Conflict minerals: the SEC Final Rule implementing Dodd-Frank Section 1502, regarding Tin, Tungsten, Tantalum and Gold, requires that issuers “disclose annually whether any of those minerals originated in the Democratic Republic of the Congo or an adjoining country. If an issuer’s conflict minerals originated in those countries, Section 13(p) requires the issuer to submit a report to the Commission that includes a description of the measures it took to exercise due diligence on the conflict minerals’ source and chain of custody. The measures taken to exercise due diligence must include an independent private sector audit of the report ...” (see SEC Final Rule on Conflict Minerals: http://www.sec.gov/rules/final/2012/34-67716.pdf) Our understanding of this is that if a smelter is located in China, Indonesia or Bolivia it does not require a specific audit, because it is already “DRC conflict free.” And given that thus far the CFSP list only has, for example, a total of 13 certified smelters for Tin worldwide, it is unlikely under current conditions that any company in any industry is able to declare that all smelters used in its supply chain are on this list. It would be very onerous for a company to have specific audits carried out on all smelters in its supply chain – and not useful for compliance with Dodd-Frank. <p>Therefore, we would recommend SASB focus on DRC conflict minerals. It is expected, however, that it will take several years for companies to be able to verify this throughout 100% of their supply chains.</p>	<p>Comments noted. SASB recognizes that many companies may not already have conducted full traceability of their supply chains.</p> <p>SASB includes this topic in its standard for factors additional to the risks presented by achieving compliance with SEC regulation around Form SD disclosures. SASB’s research shows that sourcing materials from conflict prone regions may present sourcing risks including those related to availability, price volatility, and reputational harm. Similarly, critical materials may be subject to constraints in availability and/or price volatility.</p>
TR0201	Felicitas Irungu, FKA	general comment n/a	<p>a) Aircraft leasing and the foreign currency exposure is a Material Sustainability Issue which would need disclosure and may impact on pricing.</p> <p>b) Non compliance with lease agreements also threatens the going concern of the airline operations and any non-compliance with the lease agreements may need disclosure</p>	Comment noted.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0201	Felicitas Irungu, FKA	general comment n/a	The recent disappearance of the Malaysian airline without trace is an indication of something lacking to have enabled signaling to the airport control of a problem, even within a short distance from the airport, as was reported the plane disappeared soon after take off	Comment noted.
TR0201	Jarlath Molloy	general comment n/a	No mention of the corporate/executive jet sector which, although niche, is a growing sector and responsible for relatively high per passenger GHG emissions.	Comment noted. The scope of SASB's Airlines industry covers U.S. publicly listed corporations in the airlines industry. SASB will continue to monitor the growth of this industry.
TR0201	Jarlath Molloy	general comment n/a	There is no discussion on the interconnected nature of the sector, i.e. between airlines, air navigation service providers (ANSPs), airports, military users of airspace, ground handling and others. The sector is unlike any other and this complicates environmental mitigation (amongst many other regulatory issues).	Comment noted.
TR0201	Jarlath Molloy	Environmental footprint of fuel use - description	There should be some acknowledgement of additional radiative forcing from non-CO2 aviation emissions. Non-CO2 emissions are significant climate risk and are outside any prospective aviation mitigation policies or agreements. While aviation non-CO2 emissions are subject to on going scientific study, its impact is not uncertain.	A discussion of the airlines industry's contribution to radiative forcing and its impacts has been added to the Airlines Industry Research brief.
TR0201	Jarlath Molloy	Environmental Footprint of Fuel Use n/a	There is no mention of local air quality issues, although fuel use is an issue in the terminal manoeuvring area/airport.	SASB research determined that emissions of local air pollutants are not likely to be a material issue for most companies within the Airlines industry. SASB will continue to monitor this topic.
TR0201	Jarlath Molloy	Environmental Footprint of Fuel Use n/a	There is no reference to airspace issues affecting airlines and fuel efficiency. Airspace inefficiency is generally the biggest challenge to mitigating aviation's GHG emissions, due to congestion, closed military airspace, route inefficiency, terminal airspace management, airline operations and others.	Comment noted.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0201	Jarlath Molloy	Environmental Footprint of Fuel Use n/a	I recommend avoiding using percentages to describe the aviation industry's contribution to total GHG emissions, or at least doing so in the absence of absolute figures. The sector regularly cites its responsibility as 2% of global CO2 emissions. This figure originates from a 1992 NASA "tradeoff" study and has been regularly cited since then without reference or context. The use of the percentage measure disguises the massive growth both in total global CO2/GHG emissions and growth in the aviation sector since 1992.	The SASB Airlines Industry brief has been updated to include all the applicable citations.
TR0201	Jarlath Molloy	Environmental Footprint of Fuel Use n/a	<i>"The managing of environmental impacts from fuel usage includes both fuel efficiency and the use of alternative fuels."</i> There should at least be some reference to fleet and engine choice as a means to manage environmental impacts from fuel usage.	Comment noted.
TR0201	Jarlath Molloy	Environmental Footprint of Fuel Use n/a	<i>"Over 99% of airlines emissions are in the form of carbon dioxide."</i> This statement should be referenced. The statement is also potentially misleading on its own, as it could be interpreted that action is only required on CO2 emissions, whereas the reality is more complicated; i.e. non-CO2 emissions at altitude, noise and local air quality pollution.	Comment noted. SASB industry briefs include all relevant citations.
TR0201	Jarlath Molloy	Activity Level	Airlines already report a range of performance indicators to ICAO and/or IATA. (using the metric system - i.e. kilometers not miles!)	Comment appreciated. Where applicable, SASB seeks to harmonize with industry organizations and reporting programs, including those by ICAO and IATA. SASB has updated its Activity Metrics to SI units.
TR0201	Jarlath Molloy	Environmental Footprint of Fuel Use (TR0201-02)	Airline business models are tied to their fleet/engine choices and typically are the main factor affecting their environmental footprint. I recommend the addition of "aircraft fleet and engine management", in addition to the existing text on <i>Airlines already report a range of performance indicators to ICAO and/or IATA. (using the metric system - i.e. kilometers not miles!)upgrading of the fleet to new aircraft.</i>	Comment noted.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0201	Jarlath Molloy	Environmental Footprint of Fuel Use (TR0201-03)	.13 - The percentage renewable fuel used should be reported only for actual commercial flights (i.e. not research/test flights) undertaken.	Comment appreciated. SASB anticipates that renewable fuel from research and test flight will result in de minimis amount and therefore has not specifically excluded it from the scope of disclosure.
TR0201	Jarlath Molloy	Environmental Footprint of Fuel Use (TR0201-03)	I am unfamiliar with the specifics of Green-e Energy certified or Renewable Portfolio Standard. Organizations should be required to disclosure details of the source, type and details of the biomass crop used.	Comment noted.
TR0201	Jarlath Molloy	Environmental Footprint of Fuel Use (TR0201-03)	Air Freight & Logistics protocol line .14-.18 should equally apply to Airlines.	SASB research determined that emissions of NOx, SOx, and particulate matter are not likely to be a material issue for most companies within the Airlines industry. SASB will continue to monitor this topic.
TR0201	Jarlath Molloy	Passenger Safety n/a	Requirements to report on passenger safety issues already exist with reference to NTSB, FAA, EASA, ICAO and other requirements. I am concerned at the prospect of duplication of reporting and the scope for confusion with new metrics.	Comment appreciated. Where applicable, SASB seeks to harmonize with industry organizations and reporting programs, including those by ICAO, NTSB, and FAA. For example, SASB has updated metric TR0201-09 to align with ICAO definitions.
TR0201	Jarlath Molloy	Passenger Safety n/a	Passenger safety issues are already comprehensively addressed by US and International regulations. In the context of the three constituent elements of sustainability, i.e. economic, environment and social pillars, there is a tenuous link to the topic. However the justification for the inclusion of this topic and its metrics as sustainability-related material issue for a reasonable investor is incomplete.	SASB categorizes Accidents & Safety Management as a Leadership and Governance topic according to the SASB Conceptual Framework. Such topics include industry practices that are in potential conflict with the interest of broader stakeholder groups. Because this topic was shown through SASB's research to impact society as well as the financial health of companies in the industry, SASB determined Accident & Safety Management to be a sustainability disclosure topic. Please refer to the SASB Airlines industry brief for further information.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0201	Jarlath Molloy	general comment (TR0201-05)	typo in metric code	Comment noted.
TR0201	Jarlath Molloy	Passenger Rights & Regulatory Compliance n/a	In the context of the three constituent elements of sustainability, i.e. economic, environment and social pillars, there is a tenuous link to the topic. However the justification for the inclusion of this topic and its metrics as sustainability-related material issue for a reasonable investor is incomplete.	After additional research, SASB has eliminated Passenger Rights & Regulatory Compliance as a disclosure topic for the Airlines industry.
TR0201	Jarlath Molloy	Talent & Diversity n/a	In the context of the three constituent elements of sustainability, i.e. economic, environment and social pillars, there is a tenuous link to the topic. However the justification for the inclusion of this topic and its metrics as sustainability-related material issue for a reasonable investor is incomplete.	After additional research, SASB has eliminated Talent & Diversity as a disclosure topic for the Airlines industry.
TR0201	Jarlath Molloy	Competitive Behavior n/a	In the context of the three constituent elements of sustainability, i.e. economic, environment and social pillars, there is a tenuous link to the topic. However the justification for the inclusion of this topic and its metrics as sustainability-related material issue for a reasonable investor is incomplete.	SASB identifies Competitive Behavior as a sustainability issue under the category of Leadership and Governance. Such issues include industry practices that are in potential conflict with the interest of broader stakeholder groups. As an issue that has both an impact on consumers and also financial impact on companies, SASB analysis determines Competitive Behavior as a sustainability disclosure topic. Please refer to the SASB Airlines industry brief for further information.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0201	Jarlath Molloy	general comment n/a	I recommend that the air freight element of TR0202 should be integrated into TR0201 (Airlines). As well as enabling users of SASB reports being able to focus on a single mode, it also simplifies reporting from an operational perspective. Logistics organizations with air and surface transport operations will have very different regulatory requirements for each mode. By combining the air freight part of TR0202 in TR0201, the reporting burden will be minimized for airlines who have their own cargo operations which handle air freight directly with customers and have agreements with freight companies to use spare capacity in the holds of passenger aircraft. They would otherwise have to report for both TR0201 (airlines) and TR0202 (air freight & logistics) and devise a methodology for splitting passenger and freight results. Logistics organizations would still have to report to both TR0201 (airlines) and TR0202 (logistics), however they are likely to have individual operational units responsible for each respective mode and furthermore their aircraft do not carry passengers, thereby simplifying the reporting process.	SASB Airlines standard is intended for commercial airlines that generate mainly generate from providing passenger transportation services. However, such Airlines may also generate revenue from the transport of cargo. The scope of the Airlines standard include both these segments of airlines. SASB Air Freight & Logistics standard is intended for companies engages in air freight transportation, post and courier services, and transportation logistics services.
TR0201	A4A	Environmental Footprint of Fuel Use	Fuel is the single biggest cost for airlines, accounting for over one-third of operating costs. Given that reduced fuel use directly translates to GHG reductions, airlines' economic and environmental interests in minimizing fuel use are perfectly aligned. A4A members have a strong record of GHG reductions through fuel efficiency improvements and have committed to further 1.5% average annual fuel efficiency improvements through 2020 and carbon neutral growth from 202, subject to critical aviation infrastructure and technology advances achieved by government and industry..... Additional reporting metrics for fuel use will not further contribute to investor understanding....	SASB recognizes and applauds A4A membership in their efforts. Furthermore, SASB recognizes that fuel usage, cost, and projections are disclosed to varying degrees in current financial reporting. SASB research and investor engagement continues to show that disclosure of greenhouse gas emissions and fuel usage are relevant and decision-useful metrics. Therefore, SASB has retained this topics and metrics.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0201 TR0202	A4A	Environmental Footprint of Fuel Use (TR0201-01 TR0202-01)	TR0201-01: proposed metric would be duplicative of info already reported elsewhere and would not provide decision-useful information to investors. A4A members are required to report total jet fuel use, which accounts for the vast majority of airline GHG emissions, to the US Dept. of Transportation on Form 41. Reporting of gross scope 1 emissions will vary significantly according to size of airline operations.... Not useful metric due to large variability in emissions that can occur due to yearly traffic and market share fluctuations.	SASB agrees with the comment. SASB standards include activity metrics that are operational indicators that can be used as normalization factors to account for the variation in performance based on company size, production, and other factors. Additionally, the introduction to the SASB standard suggests that, "As appropriate—and consistent with Rule 12b-20—for each sustainability topic, companies should consider including a narrative description of any material factors necessary to ensure completeness, accuracy, and comparability of the data reported."
TR0201	A4A	Environmental Footprint of Fuel Use (TR0201-02)	TR0201-02- In the short term, A4A members are part of a global aviation coalition that has committed to 1.5% average annual fuel efficiency improvements through 2020 and is closely tracking performance against this goal. In the longer term, A4A members support the shared global aviation industry and International Civil Aviation Organization (ICAO) goal of carbon neutral growth from 2020. To extent that A4A members determine on a company-specific basis that this info is material to investors, the information is included in SEC filings.	Comment noted.
TR0201 TR0202	A4A	Environmental Footprint of Fuel Use (TR0201-03 TR0202-02)	...While A4A and its members are working hard to lay the groundwork for alternative aviation fuels, as customers, A4A members have little control over the supply of alternative aviation fuels, which currently are not available in significant quantities (and are not price competitive). Thus, whether a U.S. airline uses renewable fuel and the degree of any such use currently is not material for SEC purposes. In addition, we believe a standard directing that renewable fuel use be reported would invite unfair comparisons between the airline industry (which has extremely limited access to renewable fuel) and other industries that can readily obtain significant quantities of renewable fuel. Finally, the proposed metric inappropriately focuses on the percentage of renewable fuel without regard to the GHG performance of those fuels.	SASB acknowledges that there may be supply constraints associated with alternative aviation fuels, but recognizes the role that demand plays in creating a viable market. SASB anticipates that users of the standards, such as investors and analysts, will have an understanding of the similarities and differences between the airlines industry and other industries with regards to alternative fuel usage. Lastly, the SASB believes that any positive or negative effects on the greenhouse gas profile of a company that are associated with the use of alternative fuel will be reflected in TR0201-01.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0201 TR0202	A4A	Passenger Safety (TR0201-04 TR0202-10)	<p>The US airline industry in conjunction with the FAA today operates under a philosophy that voluntary reporting and comprehensive risk analysis, enhanced by innovative technologies, leads to optimal safety strategies and continuous improvements. Many of our members have adopted Aviation Safety Action Programs (ASAP) and Safety Management Systems (SMS) to identify safety risks and design process improvements to mitigate those risks. Several issues would arise if such information was disclosed, even in aggregate form: First, between each company distinctions exist as to segment participation, terminology, process, and system software which could lead ASAP or SMS program to identify a safety risk that another system does not. These distinctions could obscure comparability and may create misleading data points. Second, b/w systems the threshold of information disclosed under ASAP or identified as an unacceptable risk under a company's SMS program varies, which could create misleading data as to the company's safety record. Third, underpinning effective ASAP and SMS programs is confidential safety reporting culture, which this metric would undermine. Public disclosure of ASAP data is protected by law on the grounds that FAA finds that disclosure of the info would inhibit the voluntary provision of that type of information. Fourth, safety risk data has no meaning without context and experience... would mislead investors. Finally, SASB proposal overlooks the critical fact that the FAA ultimately determines if an airline is meeting its obligation to operate safely. An airline either maintains an FAA operating certificate or it does not. Reporting on a group of safety metrics, out of context, will create confusion not only about the safety of a company, but also about the role of the FAA and its oversight of publicly traded US airlines.</p>	<p>SASB acknowledges this comment and has removed this metric from the standard. For the provisional standards, SASB has replaced this metric with TR0201-07, which includes a discussion and analysis for companies to disclose on the implementation and outcomes of their Safety Management System.</p>
TR0201 TR0202	A4A	Passenger Safety (TR0201-05 TR0202-11)	<p>Many of A4A's members share FOQA data under Implementation and Operation plans with the FAA. An effective FOQA program relies on a confidential safety reporting culture, which this metric undermines. The FAA itself describes such confidentiality as "a cornerstone of this program". Public disclosure of FOQA data is protected by law.</p>	<p>SASB acknowledges this comment and has removed this metric from the standard.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0201	A4A	Passenger Safety (TR0201-06)	Such information is captured by existing reporting mechanisms requiring companies to report accident and incident data to the NTSB. The NTSB provides a searchable form available to the public to disclose this information. Those accidents or incidents below the threshold of NTSB reporting are available through the FAA's Aviation Safety Information Analysis and Sharing database. Consequently, SASB's proposed metric is duplicative of companies' current reporting requirements. Any material information related to accidents or incidents reported to the NTSB is reported in the ordinary course of a company's securities filings.	SASB acknowledges the role of the NTSB investigating accidents and maintaining a publicly available database. SASB believes that the capital markets will benefit from standardized, comparable accident and safety data disclosed in the Form 10-K.
TR0201	A4A	Passenger Safety (TR0201-07)	Here, we assume SASB means customer complaints received by airlines. This is a particularly uninformative metric as such reporting is, in the first instance, completely subjective. One customer's definition of a safety or security issue may differ significantly from another's. Moreover, there is no industry standard for tracking and reporting such complaints. Developing and implementing such a standard just for this function would be an inefficient use of resources. Additionally, such complaints standing alone, much less reported without context, would not provide meaningful information for investors about the safety of an airline. And because such reports are subjective in nature, they do not provide a rational basis for attempting to compare one airline to another.	SASB has removed this metric from the Airlines Standard.
TR0201 TR0202	A4A	Passenger Safety (TR0201-08 TR0202-12)	Such information is disclosed by the FAA and compiled on a quarterly basis. The FAA's enforcement database captures "all enforcement actions against aviation entities that involve safety issues and are closed with a civil penalty or issuance of an order of certificate suspension or revocation." Consequently, SASB's proposed metric is duplicative of current disclosure mechanisms. Any material information related to FAA enforcement actions is reported in the ordinary course of a company's securities filings.	SASB acknowledges the role of the FAA in enforcing regulations and maintaining a publicly available reports on its actions. SASB includes the number of governmental enforcement actions of aviation safety regulations as a proxy for performance.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0201	A4A	Passenger Rights (TR0201-09)	Such information is disclosed by the DOT and compiled on a monthly basis in the Air Travel Consumer Report. Consequently, SASB's proposed metric is duplicative of current disclosure mechanisms. Any material information related to the number of airline service complaints is reported in the ordinary course of a company's securities filings.	After additional research, SASB has eliminated Passenger Rights & Regulatory Compliance as a disclosure topic for the Airlines industry.
TR0201	A4A	Passenger Rights (TR0201-10)	Such info is disclosed by the DOT. Consequently, SASB proposed metric is duplicative of current disclosure mechanisms. Any material info related to number of enforcement orders regarding passenger rights is reported in the ordinary course of a company's security filings.	After additional research, SASB has eliminated Passenger Rights & Regulatory Compliance as a disclosure topic for the Airlines industry.
TR0201	A4A	Talent & Diversity (TR0201-11)	Pilot hiring projections are speculative and unreliable. Companies consider a variety of factors in making pilot hiring decisions including: economic growth in the US and in foreign markets, military engagements requiring reserve pilots, higher utilization and load factors, and shifts in marketing and fleet. Even within these factors, significant distinctions remain between companies that would make this metric of little utility. Moreover, A4A's members benefit from a large pool of qualified candidates with air transport certifications. In recent years, pilot hiring by A4A members dropped below 200 per year versus an estimated pool of 50,000 active pilots.	After additional research, SASB has eliminated Talent & Diversity as a disclosure topic for the Airlines industry.
TR0201	A4A	Talent & Diversity (TR0201-12 TR0201-13)	To the extent that A4A members determine on a company-specific basis that this information is material to investors, the information is included in SEC filings.	After additional research, SASB has eliminated Talent & Diversity as a disclosure topic for the Airlines industry.
TR0201	A4A	Competitive Behavior (TR0201-14)	To the extent A4A members determine on a company-specific basis that this information is material to investors, the information is included in SEC filings.	Comment noted.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0202	A4A	Environmental Footprint of Fuel Use (TR0202-03)	A4A members only fly aircraft that are fully compliant with relevant engine standards developed by ICAO and adopted by the U.S. Environmental Protection Agency (EPA). Accordingly, this metric will not be of material significance to investors. Also, it is a relatively meaningless metric out of context. NOx, SOx and PM are emissions that can have local air quality impacts. Whether those impacts are significant in either regulatory or environmental terms depends not only on the quantity of the emissions but on the status of the area in which they are emitted in terms of the National Ambient Air Quality Standards, area-specific conditions, dispersion and other factors. Thus, the SASB proposal for reporting these emissions would not provide useful information to investors - to the contrary, reporting these emissions as suggested is likely to foster confusion.	SASB applauds the efforts of A4A members. We note that the scope of this industry includes road-based post and courier services and transportation logistics services in addition to air freight operations. SASB acknowledges that context is important for metrics like this and directs users to its general disclosure guidance, which is contained in the Introduction to the Air Freight & Logistics Standard: <i>As appropriate—and consistent with Rule 12b-20—for each sustainability topic, companies should consider including a narrative description of any material factors necessary to ensure completeness, accuracy and comparability of the data reported.</i>
TR0202	A4A	Talent & Diversity (TR0202-06)	Air carriers are exempted from many of the provisions of the Fair Labor Standards Act, including the minimum wage and maximum hours requirements. TO the extent A4A members determine on a company-specific basis that this information is material to investors, the information is included in SEC filings. <i>(Amount of legal and regulatory fines and settlements associated with labor law violations)</i>	We note that the scope of this industry includes road-based post and courier services and transportation logistics services in addition to air freight operations.
TR0202	Global Logistics Emissions Council (GLEC)	Environmental Footprint of Fuel Use (TR0202-01 TR0202-02)	<ol style="list-style-type: none"> 1. The focus on overall total scope 1 emissions is a sensible starting point. 2. It is good also to see reference made to emissions of pollutants that have a negative influence on local air quality 3. It is somewhat surprising that you only ask for a description of a long term plan to reduce emissions of the airlines. This sort of plan can and should be in place for all transport sectors. 4. The inclusion of biofuels in the reporting is essential. However, our feeling is that more clarity is required as to which biofuels are considered as 'acceptable' or 'sustainable', given the ongoing debate about indirect emissions due to land use change. Also, the amount of biofuel consumed as a percentage of the total by energy does not fully quantify the impact because different biofuels have different emissions life-cycle impacts. It would be good if this point could be clarified. 	Comment noted. SASB acknowledges that different biofuels have different lifecycle impacts. However, part of SASB's mission is to foster transparent disclosure of sustainability practices without making a judgment on what is "acceptable", particularly when there are trade-offs associated with a practices. SASB anticipates that users of the disclosure (e.g., investors and analysts) will use the disclosure as a starting point to engage with companies around practices like the use of biofuels.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0202	Global Logistics Emissions Council (GLEC)	Environmental Footprint of Fuel Use (TR0202-01 TR0202-02)	6. In respect of these metrics it is somewhat surprising that reference to calculation methodologies is limited to the GHG Protocol and CDP. There are well-established methodologies and industry programmes such as SmartWay, originally only for US road freight transport but now expanding to other modes and active in Canada and the recommended practice for airlines to calculate their carbon footprint recently published by IATA	SASB makes reference to the GHG Protocol and CDP because they are widely used, robust methodologies. Metrics TR0202-01 and TR0204-04 may overlap with SmartWay reporting. Where possible, SASB has attempted to define limited approaches for disclosure of metrics to enhance comparability of data.
TR0301	Chamber of Shipping of America (CSA)	general comment n/a	<ul style="list-style-type: none"> Marine transportation is a global industry and companies which engage in marine transportation must necessarily interface with a number of legal jurisdictions and thus any process or program which would apply to the marine transportation industry as a whole should be normalized and standardized with respect to the global nature of this industry. For example, a company's securities may be traded on more than one global exchange, its vessels may be owned or operated by specific subsidiaries with headquarters in different nations, its vessels may be flagged (registered) in multiple flag states, its crews may be of different nationalities and, of course, by the very nature of our business, its vessels will call in countries world-wide. 	Comment noted. SASB's standards development process has attempted to account for the global nature of the Marine Transportation industry.
TR0301	Chamber of Shipping of America (CSA)	general comment n/a	The commercial agreements which govern the carriage of goods by sea vary widely. Vessels may run a fixed transit loop set by its owner as is typically the case with container ships. Other vessels may be chartered to another party on either a voyage or time basis ("spot charter" or "voyage charter") in which case the route of the vessel, its operational parameters and generally the control of that vessel and its cargo is determined by the 3rd party charterer.	Comment noted. The SASB Marine Transportation Industry Brief includes brief discussion on contract types.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0301	Chamber of Shipping of America (CSA)	general comment n/a	We understand that a number of shipping companies are involved in the Clean Cargo Working Group. We have reviewed their environmental performance survey (2011) and note that it is a qualitative system that identifies certain key criteria. We would suggest that review of this document would be a good starting point for the development of a quantitative measurement system such as that proposed here and ensure that the necessary marine transportation expertise is included to ensure appropriateness of proposed topics and metrics. Engaging the necessary maritime expertise would also ensure that others involved in only the standards setting side of the equation can be informed on the status of similar initiatives worldwide and benefit from those discussions and developing knowledge base.	SASB has engaged with the Clean Cargo Working Group (CCWG) and has updated its standards to complement reporting in which member companies currently engage. Metrics TR0301-01 and TR0301-04, accompanied by Activity Level metrics TR0301-B (distance traveled), TR0301-G (TEU) allow for harmonization with CCWG metrics.
TR0301	Chamber of Shipping of America (CSA)	Environmental Footprint of Fuel Use (TR0301-02)	This metric would require scoring using the World Port Climate Initiative's Environmental Ship Index (ESI). There are hosts of people trying to develop an accurate and realistic environmental indexing program for shipping. The facts indicate that this is not an easy task particularly as regards establishing baselines across the various ship types and taking into account operating scenarios e.g. liner trades, time charters typically associated with bulk (dry/wet) carriers and other operating parameters out of the control of the ship owner and crew. We would suggest that before a decision is taken to use the ESI referenced above, a review of other initiatives occurring worldwide aimed at establishing a reality based environmental indexing system is the prudent way forward.	After additional research, SASB has removed this metric from the Marine Standard.
TR0301	Chamber of Shipping of America (CSA)	Environmental Footprint of Fuel Use (TR0301-03)	This metric would require data be provided on total fuel consumed and a percentage breakdown between heavy fuel oil and renewables. There is absolutely no recognition here of the use of any other fuel types other than heavy fuel oil and renewables again leading to the conclusion that the drafters of this document were not familiar with current and future clean fuel requirements as promulgated by the IMO MARPOL Annex VI, including emissions control area clean fuel requirements that require use of fuel oil with no more than 1% sulfur at the initial stages and moving to a mandate for fuel oil with no more than 0.1% sulfur (Note the North American Emissions Control Area is now at 1% sulfur and will mandate use of 0.1% sulfur effective 1 January 2015). In addition, the global cap for sulfur in marine fuel will move to 0.5% in either 2020 or 2025 (depending on	SASB recognizes that companies may use fuels other than heavy fuel oil and renewable fuel and is familiar with current and future regulations related to fuel content. The SASB Standard includes heavy fuel oil and renewables as separate categories of disclosure due to anticipated changes in the marine fuel mixture driven by regulations and environmental trends. The sulfur content of fuel used will be reflected in the disclosure of SOx emissions (TR0301-02).

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
			<p>an IMO fuel availability study). Any environmental performance measurement system must take into account use of these cleaner fuels.</p>	<p>As SASB notes in the introduction to its standards: Disclosure under SASB Standards is voluntary. It is not intended to replace any legal or regulatory requirements that may be applicable to user operations. Where such laws or regulations address legal or regulatory topics, disclosure under SASB Standards is not meant to supersede those requirements. Disclosure according to SASB Standards shall not be construed as demonstration of compliance with any law, regulation, or other requirement.</p>
TR0301	Chamber of Shipping of America (CSA)	<p>Environmental Footprint of Fuel Use (TR0301-04)</p>	<p>This metric would require calculation of the EEDI for both new and existing vessels. While note .21 indicates acknowledgement of the IMO decision to adopt EEDI only for new ships, it would be applied by this standard to existing ships anyway, without any knowledge or appreciation of why IMO could not agree to an EEDI for existing ships at the present time. While an EEDI can be done for existing ships, there is no standardized way to calculate this value for existing ships and absent any globally agreed upon EEDI measurement standard for existing ships (as we now have for new ships), the reported results from covered entities would likely be based on different perspectives on how to accurately create an EEDI for existing ships. Recalling basic accounting principles, the goal of creating generally accepted accounting practices is standardization in measurement and absent any global standard for EEDI as applied to existing ships, this metric would provide anything but comparable results across multiple vessel EEDI calculations.</p>	<p>Comment noted. In the provisional Marine Standard, SASB has limited the scope of this metric to apply to new ships.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0301	Chamber of Shipping of America (CSA)	Ecological Impacts (TR0301-05)	<p>This metric relates to compliance with the IMO Ballast Water Convention and details provided at pg. 7 of the draft suggest a lack of understanding of the real issues surrounding ballast water management compliance issues. First if this draft standard would eventually apply to US publically traded companies, it would seem to us that compliance with US ballast water laws and regulations is the appropriate baseline for measurement as opposed to the proposed metric which would use compliance with the IMO Convention which has not yet entered into force and may never be ratified by the US. Second, note .23 lists 6 bullets, all of which it appears would have to be met to be considered "in full compliance". The legal requirements do require a plan, record book and a certificate. However, a system which has been approved by a Flag Administration (other than the US) is not necessarily compliant with US regulations nor is a system that has been approved per IMO Regulation D-2 (actually one in the same) unless it has either received an Alternative Management System approval or a US type approval from the US Coast Guard. Also, the USCG and EPA regulations do not require ballast water exchange plus treatment. The federal requirements require that either exchange or treatment is compliant with requirements until such time as the implementation schedule is in effect for a particular ship at which point, only treatment is compliant. In the interest of full disclosure, it may be noted that states that border the Great Lakes have included an exchange plus treatment provision in their state specific 401 certifications to the EPA's vessel general permit which also applies to their coastlines, but this state specific requirement is not the national standard.</p>	<p>In an effort to clarify this disclosure and address this comment, SASB has revised the metric (TR0301-07) to: Percentage of fleet implementing (1) ballast water exchange and (2) ballast water treatment.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
TR0301	Chamber of Shipping of America (CSA)	Ecological Impacts, Accident and Safety Management (TR0301-07 TR0301-14)	These metrics require a description of policies and procedures to ensure compliance with MARPOL, SOLAS and the International Safety Management (ISM) Code. Aside from the lack of quantitative focus of these metrics, we would suggest that a reasonable interpretation of this metric would provide no benefit to the general public or investor for several reasons. First, compliance programs both for shoreside management and for crews onboard vessels take up entire bookshelves. Assuming this is not the desired output, a short summary of these compliance programs would provide no real value since it would not be specific enough to inform decisions of those using the information. The more relevant question relating to compliance with these and any other requirements would be the status of vessel certifications and other documentation and easily accessible via flag state and port state records.	SASB acknowledges the validity of this comment and has removed this metric from the provisional Marine Transportation Standard.
TR0301	Chamber of Shipping of America (CSA)	Business Ethics (TR0301-08)	This metric requires the reporting of Time Charter Equivalents (TCEs) from voyages to/from countries with the 20 lowest Transparency International's Corruption Perception (TICP) index rankings. First, we believe that it is less important where you do business than how you conduct your business in an ethical manner. Any metric that requires reporting of geographic location seems meaningless to us. While the shipping industry in general is not familiar with the TICP, it is important to recognize as summarized above, that a number of commercial relationships relating to the movement of cargo by sea, put the control of the vessel in the hands of the charterer with regard to ports of call and operating conditions during transits. With this in mind, negative implications which may rest with a ship-owners reporting of vessel calls in the lowest TICP countries is really not a reflection on his management decisions but rather on the business needs of the entity which chartered his vessel. This is yet another example of how the business arrangements inherent in the marine transportation industry present unique challenges not otherwise occurring in more traditional transportation modes. With respect to this item, we would respectfully recommend it be deleted as a metric for this standard.	<p>SASB recognizes the sentiment that, "...it is less important where you do business than how you conduct your business in an ethical manner." However, SASB believes that operating in countries known to have a higher corruption risk (benchmarked to the TCIP Index) may present a higher risk to companies. Therefore, SASB retains this metric in a slightly modified format to provide a proxy for corruption risk.</p> <p>SASB acknowledges that operating context is important for metrics like this and directs users to its general disclosure guidance, which is contained in the Introduction to the Marine Transportation Standard:</p> <p>As appropriate—and consistent with Rule 12b-20—for each sustainability topic, companies should consider including a narrative description of any material factors necessary to ensure completeness, accuracy and comparability of the data reported. Where not addressed by the specific accounting metrics, but relevant, the registrant should discuss the following related to the topic:</p> <ul style="list-style-type: none"> • the registrant's strategic approach to managing performance on material sustainability issues;

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
				<ul style="list-style-type: none"> • the registrant’s competitive positioning; • the degree of control the registrant has; • any measures the registrant has undertaken or plans to undertake to improve performance; and • data for registrant’s last three completed fiscal years (when available).
TR0301	Chamber of Shipping of America (CSA)	Accident and Safety Management (TR0301-10)	This metric requires reporting of total recordable injury rate and near miss frequency rates for both employees and contractors. The first relevant point to make here is that the vast majority of vessels and crews calling in US ports are foreign flagged and crewed and are not subject to OSHA reporting requirements e.g. not US flagged, although the company that owns them may be traded on US exchanges and thus subject to SEC reporting requirements. Although not recognized in the drafting of this document, most international incident reporting systems that are used by the maritime industry are based on the number of events per 1,000,000 hours. While most shipping companies attempt to capture near misses, their definitions and measurement methods may well vary as to what is or is not included. With no specific definition or recordkeeping program, the results here will be all over the board based upon how strict the reporting system is managed and thus neither consistency in measurement nor comparability between reporting entities can be expected.	SASB has revised the metric to reflect Lost Time Injury Rate based on a 1,000,000 hour normalization factor.
TR0301	Matson	Environmental Footprint of Fuel Use (TR0301-02)	We agree with statements made in the description that fuel consumption has a fundamental impact on the profitability of a marine transportation company. The environmental impacts from vessel fuel consumption may also be significant. Air quality in port areas may be affected by priority pollutants, and emissions of greenhouse gases impact global climate change. The draft standards currently contain 4 topic-related and 5 activity-related metrics all geared towards measuring this impact. We strongly encourage SASB to adopt a single metric for GHG emissions based on Clean Cargo Working Group (CCWG) methodology. Reporting metric for NOx should be gNOx/kw-hr as recorded on the International Air Pollution Prevention (IAPP) certificate, and metric for SOx should be annual average sulfur content of fuel burned.	SASB acknowledges this comment and has updated its standards to complement, though not duplicate, Clean Cargo Working Group (CCWG) metrics and reporting. Metrics TR0301-01 and TR0301-04, accompanied by Activity Level metrics TR0301-B (distance traveled), TR0301-G (TEU) allow for harmonization with CCWG metrics.

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TR0301	Matson	Environmental Footprint of Fuel Use (TR0301-01)	There are currently no methodologies for calculating emissions of GHG emissions other than CO2 from ocean-going vessels. The contribution of GHG emissions from activities such as use of terminal equipment is small compared to burning of fuel in ocean-going vessels. Also there are currently no standardized methodologies for calculating GHG emissions from these smaller sources.	Comment noted.
TR0301	Matson	Environmental Footprint of Fuel Use (TR0301-02)	We are very much opposed to the use of the ESI score. Matson currently does not operate any ships in ports using the ESI so we do not have firsthand knowledge of its use, however we have heard from other shipping companies that it is very cumbersome and does not accurately reflect environmental performance. This is due to many factors including entering of Bunker Delivery notes for each vessel is time-consuming, NOx score is based on engine power rating not the IAPP, and too much weighting is given for ships that have been retrofitted for shore power whether or not it is used.	Comment noted. SASB has removed this metric from the provisional Marine Transportation Standard.
TR0301	Matson	Environmental Footprint of Fuel Use (TR0301-03)	We do not see any benefit in reporting total fuel consumed since this is obviously primarily influenced by the size of a company's fleet. It is assumed that by asking for the 5 activity level metrics, it may be possible to calculate overall carbon efficiency, but this will not lead to standard methodology and could result in gross misrepresentations. Although we do not agree with requiring this metric, if it is mandated it should be in SSI units.	Comment noted.
TR0301	Matson	Environmental Footprint of Fuel Use (TR0301-04)	There are many documents available from the IMO Marine Environment Protection Committee (MEPC) that indicate that the Energy Efficiency Design Index is to be used only for newbuildings and is not suitable for evaluating existing vessels.	Comment noted. In the provisional Marine Transportation Standard, SASB has limited the scope of this metric to apply to new ships.

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TR0301	Matson	Ecological Impacts n/a	There are several incorrect and misleading statements in the description. Many ocean-going vessels do not generate significant water and waste pollution during the normal course of operations. Specifically, modern containerships operate with small crews of around 20 so there is very little waste from accommodation spaces. Most wastewaters from accommodation spaces and engine room are minimized and untreated sewage is routinely discharged is incorrect. Open water ballast exchange is used to minimize introductions of invasive species in port areas; it is not the cause of introduction as stated.	Comment noted. The SASB Marine Transportation research brief has been updated to clarify these points.
TR0301	Matson	Ecological Impacts (TR301-05)	The proposed metric is flawed bc it requires a company to disclose that it is not in compliance with the as yet unratified International Ballast Water Convention. In addition, the US Coast Guard has not approved any ballast water treatment systems. Finally, open water exchange is an interim ballast water management method and will eventually be superseded by use of treatment systems. Open water exchange and onboard treatment will not be used concurrently.	In an effort to clarify this disclosure and address this comment, SASB has revised the metric (TR0301-07) to: Percentage of fleet implementing (1) ballast water exchange and (2) ballast water treatment.
TR0301	Matson	Ecological Impacts (TR301-06)	We do not foresee any issues with reporting # of spills which result in significant harm to the environment.	Comment noted.
TR0301	Matson	Ecological Impacts (TR301-07)	MARPOL Annexes I-VI are lengthy, complex standards governing all aspects of environmental impacts from ocean-going vessels. Therefore, the management systems governing compliance with these standards are also comprehensive. The description of such management systems required by this proposed metric would be very lengthy and will not provide a measurable indication of a company's environmental impact.	SASB acknowledges the validity of this comment and has removed this metric from the provisional Marine Transportation Standard.

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TR0301	Matson	Business Ethics (TR0301-08 TR0301-09)	Metrics proposed for this category appear to be very cumbersome. We encourage alignment with BSR's Marine Anti-Corruption Network.	<p>SASB has reviewed research and publications from BSR's Marine Anti-Corruption Network.</p> <p>Additionally, SASB has made an attempt to simplify reporting for this topic to the following metrics:</p> <p>TR0301-09 - Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index</p> <p>TR0301-10 - Amount of legal and regulatory fines and settlements associated with bribery or corruption</p>
TR0301	Matson	Business Ethics (TR0301-08)	Matson owns and operates its fleet of vessels so we are unfamiliar with the time charter equivalent metric. Also basing the metric on whether a vessel originates or departs from a low ranked country for corruption does not give an accurate representation of how long, or how often, these countries are visited.	<p>In an effort to address this comment, SASB has revised the metric as follows:</p> <p>TR0301-09 - Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index</p>
TR0301	Matson	Business Ethics (TR0301-08 TR0301-09)	These 2 proposed metrics require disclosures of illegal activities which are already required by SEC filings	SASB agrees with Matson's characterization of SEC requirements (i.e., in Reg. S-K). In fact, many topics in SASB's standards are already regularly disclosed in the Form 10-K in some form or another by many companies. However, SASB believes the capital markets will benefit from standardized disclosure on these topics from all companies for which the topic is material.
TR0301	Matson	Accident & Safety Management (TR0301-10)	The proposed metric should be restricted to serious marine incidents. The definition of marine casualty or accident in 46CFR 4.03-1 is subject to interpretation, and the US Coast Guard has recently taken a very conservative approach to 2692 reporting. Specifically, they have been requiring reporting for auto slowdowns which are not unusual events and usually pose little threat to the vessel's propulsion or steering capability. Disclosure of all 2692 reporting would be cumbersome and would give an exaggerated impression of the number of accidents.	In the provisional Marine Transportation Standard, SASB has limited the scope of this metric to apply serious marine incidents, as defined by U.S. Code of Federal Regulations 46 CFR 4.03-2.

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TR0301	Matson	Accident & Safety Management (TR0301-11)	This proposed metric relies on the standards from OSHA which are not applicable to the marine transportation sector. The commonly used metric is lost time incident (LTI) rate which is number of LTIs per 1 million working hours where LTI is defined as an incident which results in absence from work beyond the date or shift when it occurred.	SASB has revised the metric to include Lost Time Injury Rate.
TR0301	Matson	Accident & Safety Management (TR0301-12)	We do not believe that these 2 proposed metrics are meaningful indications of accident and safety management. Conditions of class and port state control deficiencies can range from significant structural integrity violations to very minor paperwork discrepancies.	<p>Comment noted. SASB agrees that other factors may affect safety management. However, SASB chooses to retain the focus of disclosure on port state control deficiencies and conditions of class as proxies for safety management, as our research showed that these are likely to elicit decision-useful disclosures.</p> <p>SASB acknowledges that context is important for metrics like this and directs users to its general disclosure guidance, which is contained in the Introduction to the Marine Transportation Standard:</p> <p><i>As appropriate—and consistent with Rule 12b-20—for each sustainability topic, companies should consider including a narrative description of any material factors necessary to ensure completeness, accuracy and comparability of the data reported.</i></p>
TR0301	Matson	Accident & Safety Management (TR0301-14)	Our comments on this proposed metric are the same as for TR0301-07, and the policies and procedures specified for MARPOL compliance would be part of the same Safety Management system (SMS). All ocean going vessels must maintain a Safety Management Certificate indicating that there is an effective SMS in place.	Comment noted. After additional research, SASB has eliminated this metric from the Provisional Standards.
TR0301	BSR/CCWG	Environmental Footprint of Use (TR0301-04)	COMMENT 1: CCWG METHODOLOGY IS THE ONLY INDUSTRY-APPROVED AND WIDELY ADOPTED MEASURE FOR CO2 IN MARINE CONTAINER TRANSPORT. CCWG has developed a standardized CO2 calculation methodology to enable CO2 benchmarking, drive improvements, and improve data quality over time. The methodology measures CO2 emissions in g/TEU-km. The calculation methodology for dry containers is based on International Maritime Organization (IMO) guidance for emissions and carbon contents of fuels. The CCWG CO2 methodology is, to the extent possible, based on central principles of internationally recognized	<p>SASB acknowledges this comment and has updated its standards to complement, though not duplicate, Clean Cargo Working Group (CCWG) metrics and reporting. Metrics TR0301-01 and TR0301-04, accompanied by Activity Level metrics TR0301-B (distance traveled), TR0301-G (TEU) allow for harmonization with CCWG metrics.</p> <p>In the provisional Marine Transportation Standard, SASB</p>

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			<p>standards such as the GHG Protocol supply chain guideline, the European EN 16258 standard and the IMO Energy Efficiency Operational Indicator (EEOI) guidelines, but is tailor made for container shipping and must be simple to apply and follow. The basic principles include:</p> <ul style="list-style-type: none"> » CO2 emission calculations should be credible, verifiable, comparable and as precise as possible, yet practical for carriers and shippers. » Total CO2 emissions related to container transportation must be captured (incl. emissions from empty back haul sailing/re-positioning of containers) and allocated to full container loads. » Allocation must to the extent possible be based on capacity limiting factors, which for container ships can be defined in container (TEU) capacity and DWT restrictions. <p>The group continuously improves the methodology to increase the accuracy of data. Improvements are based on factors such as: changes to IMO protocols, new GHG standards, availability of better emissions factors, availability of more accurate data, utilization adjustments, and stakeholder expectations.</p> <p>Furthermore, the EEDI is a measure of design efficiency, whereas the CCWG methodology and the IMO EEOI guidelines are measures of operational efficiency. EEOI data may be a better indicator for tanker, bulk, and other types of maritime cargo transport for investors. As the standard used by 85 percent of the maritime container industry, we recommend SASB use CCWG as the "Accounting Metric" and g/TEU-km as the "Unit of Measure" in its measure of CO2 for container shipping, and consider other relevant measures such as the IMO EEOI for other types of maritime transport.</p>	<p>has limited the scope of EEDI disclosure to apply to new ships.</p>
TR0301	BSR/CCWG	Environmental Footprint of Use (TR0301-02)	<p>COMMENT 2: ELIMINATE THE MEASURE FOR THE "MEDIAN FLEET WORLD PORT CLIMATE INITIATIVE (WPCI) ESI SCORE". The Environmental Ship Index (ESI) is a voluntary system designed to improve the environmental performance of sea going vessels. However, its reach and methodology would not provide meaningful environmental performance information at the rigor required by investors, and results could actually be misleading. ESI evaluates the amount of nitrogen oxide (NOX), sulfur oxide (SOX) that is released by a ship and includes a reporting scheme on the greenhouse gas emission of the ship. Currently, none of our members that represent 85 percent of the maritime container industry report their entire fleet to the ESI. Several of our carriers do not report any of their vessels to ESI. Yet the data that they do report is used to</p>	<p>Comment noted. SASB has removed this metric from the provisional Marine Transportation Standard.</p>

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			<p>develop an index rating for the entire fleet and in some cases, the entire company. The results are not representative of the performance of the entire fleet, nor of management of material sustainability issues, and can therefore be misleading. Additionally, we have concerns about using the methodology for environmental performance evaluation. For example, NOx performance is based on engine design instead of performance and points are awarded for cold ironing retrofits whether operational or not. Carriers have expressed to us these and other legitimate concerns about the rigor of the methodology as a basis for environmental performance evaluation. We recommend SASB eliminate the "Median fleet World Port Climate Initiative (WPCI) Environmental Ship Index (ESI) Score" metric or clarify the material issue it is designed to measure.</p>	
TR0301	BSR/CCWG	Environmental Footprint of Use (TR0301-02)	<p>ADD NOx, SOx, AND PARTICULATE MATTER DUE TO REGULATORY MATERIALITY. Emissions of SOx, NOx, and particulate matter generated by combustion of marine distillates are known health hazards regulated by agencies and municipalities around the world. From the European Maritime Safety Agency: "Globally, air pollution is regulated by IMO through its International Convention for the Prevention of Pollution from Ships (MARPOL) and its Annex VI. MARPOL Annex VI, first adopted in 1997, limits the main air pollutants contained in ships exhaust gas, SOx and NOx, and prohibits deliberate emissions of ozone depleting substances. Under the revised MARPOL Annex VI, the global sulphur cap is reduced initially to 3.50% (from the current 4.50%), effective from 1 January 2012; then progressively to 0.50 %, effective from 1 January 2020, subject to a feasibility review to be completed no later than 2018. The limits applicable in Emission Control Zones (ECAs) for SOx and particulate matter were reduced to 1.00%, beginning on 1 July 2010 (from the original 1.50%); being further reduced to 0.10 %, effective from 1 January 2015. Progressive reductions in NOx emissions from marine diesel engines installed on ships are also included, with a "Tier II" emission limit for engines installed on or after 1 January 2011; then with a more stringent "Tier III" emission limit for engines installed on or after 1 January 2016 operating in ECAs." These pollutants are of special concern to the port regions of the world, and recent actions by all California ports and others require emissions reduction beyond ECA regulations. These existing and future regulations impose compliance costs and may result in</p>	<p>In the provisional Marine Transportation SASB has replaced the "Median fleet World Port Climate Initiative (WPCI) Environmental Ship Index (ESI) score" metric with disclosure of NOx, SOx, and particulate matter emissions.</p>

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			granting of or loss of access to specific ports of entry that are material to maritime businesses and investors. We recommend SASB add priority pollutants as an "Accounting Metric" and use industry accepted operational measures as "Unit of Measure" for SOx, NOx, and Particulate Matter	
TR0401	Felicita Irungu, FKA	Competitive Behavior (TR0401-04)	Joint ventures and concession arrangements for rail operations is a Material Sustainability Issue which would need to be disclosed. The effectiveness of the joint venture or concession arrangement impacts on the sustainability of the rail operations	Comment noted. SASB industry standards are intended for publicly-traded corporations listed in U.S. exchanges.
TR0401	Riax Ahmed (consultant)	Environmental Footprint of Fuel Use (TR0401-03)	Besides total fuel consumed, fuel consumed per unit load mile may a more appropriate metric for differentiation and acknowledge efforts for more sustainable operations.	The SASB Rail Transportation Standard includes Activity Metrics that are operational indicators (e.g., track miles, revenue ton miles, etc.) that can be used as normalization factors to account for the variation in performance based on company size, production, and other factors.
TR0401	Riax Ahmed (consultant)	Accident and Safety Management (TR0401-06)	It will be difficult for railroads to secure TRIR data for contractors for work associated with railroads only. Many contractors work across the industry and their numbers are calculated for the company and not for work specific an industry sector.	In the provisional Rail Transportation Standard, SASB has revised the metric to focus on full time employees.
TR0401	Riax Ahmed (consultant)	Accident and Safety Management (TR0401-07)	Spill and accidents range over a broad spectrum. Funds spent in responding to spills provide a better assessment of the overall attention by companies to minimize spills and accidents.	SASB believes that the number of accidents (TR0401-06), accident release, and non-accident releases (TR0401-08) provide an adequate proxy for the safety performance, environmental impacts, governance, and other factors related to Accidents & Safety Management in the Rail Industry.

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TR0401	Riax Ahmed (consultant)	Accident and Safety Management (TR0401-08)	Environmental compliance should be a metric. Amounts paid for noncompliance with environmental regulations should be a metric.	Comment noted. SASB believes that the metrics it has included in the provisional Rail Transportation Standard will provide the most relevant and decision-useful information to investors. SASB notes that Reg S-K, Item 103- Legal Proceedings currently requires the disclosure of environmental legal proceedings.
TR0401	AAR	Environmental Footprint of Fuel Use (TR0401-03)	Scope 1 emissions typically are not limited to emissions resulting from the use of diesel fuel. Accordingly, it is unclear whether this section is intended to require disclosure of all Scope 1 emissions or merely those related to locomotive diesel fuel use.	As per SASB's technical guidance: <i>These emissions include direct emissions of GHGs from stationary or mobile sources that include, but are not limited to, equipment, production facilities, office buildings, and transportation activities.</i>
TR0401	AAR	Environmental Footprint of Fuel Use (TR0401-04)	Railroads already disclose fuel use and emissions data in a number of publicly available reports and thus this duplicative metric imposes unnecessary and burdensome requirements on railroads. Moreover, the "financial control" test being prescribed for this calculation and disclosure is not consistent with current practices. Both the GHG protocol and CDP allow companies discretion in deciding whether their disclosure should be based upon financial or operational control. The proposed SASB metrics do not allow companies the same level of discretion.	SASB has determined the "financial control" boundary to be appropriate for disclosure in the Form 10-K and other SEC filings. SASB has updated the technical protocol for metric TR0401-03 to include reference to the Surface Transportation Board's Form R-1
TR0401	AAR	Competitive Behavior (TR0401-04)	AAR strongly disagrees with the suggestion that railroads face "heightened risks from antitrust laws" compared to other industries. Railroads compete aggressively with each other in a transportation market where there is extensive intramodal competition. Even where shippers are served by only one railroad, fierce intermodal, product, and geographic competition are factors.	Comment noted.
TR0401	AAR	Competitive Behavior (TR0401-04)	The Exposure Draft states that railroads "face potential material impacts from government action." This statement is extremely vague and appears to suggest that the railroad industry again is unique from other industries in this regard. AAR strongly disagrees with this implication.	Comment noted.

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TR0401	AAR	Accident and Safety Management (TR0401-05 TR0401-06 TR0401-07 TR0401-08 TR0401-09)	Metrics are redundant, burdensome, unnecessary since such data are publicly available elsewhere. Information regarding train accidents, personal injuries, accidental releases and non-accidental releases is already reported to the DOT and or NRC. Info regarding "violation defects" is available in the Federal Railroad Administration's Annual Enforcement Report that is publicly available on the web. Moreover, many of these proposed metrics (e.g. number of FRA-reportable incidents, which can include minor derailments, number of FRA recommended violation defects, etc.) require substantial context and technical understanding to be meaningful to investors, and such context and technical information is not provided. Thus, such info would be meaningless, confusing, and distracting for investors without the addition of even more burdensome, redundant, and unnecessary reporting requirements. For example, information on railway integrity inspections would distract from data on train accidents, which is a more meaningful, uniform, and comprehensible standard, and which is already reported to the DOT.	SASB recognizes that various voluntary and compulsory reporting programs have different goals. SASB is focused on the sustainability issues related to shareholder value and accounting metrics that are decision-useful to investors. Where possible, SASB seeks to harmonize with other reporting programs and uses accounting metrics requiring data that may already disclosed on company websites, sustainability reports, regulatory filings, or already collected by companies. SASB's first priority is to achieve a focused, simple disclosure around material sustainability issues, according to the criteria outlined in SASB's Conceptual Framework.
TR0401	AAR	Accident and Safety Management (TR0401-05 TR0401-06 TR0401-07 TR0401-08 TR0401-09)	Reporting of near miss data should not be required. Such info could dissuade some employees from self-reporting near miss incidents. Each railroad has its own process and standards for tracking near miss incidents. Although proposed standard would require each railroad to disclose its process for classifying, identifying and reporting these incidents, the resulting data would not be consistent or comparable among railroads. Proposed definition for near miss incident is vague and would result in variant and inconsistent interpretation of slight circumstantial shift.	Comment noted. SASB believes that an understanding of how a company defines and categorizes near misses, the frequency with which they are reported, and the ratio of near misses to accidents will be decision-useful to investors. SASB notes that many studies show the benefits of <i>increased</i> near miss reporting (e.g., reduced costs, reduced accidents); although education may be necessary so that investors understand this correlation, SASB anticipates that over time near miss metrics will be beneficial.
TR0402	Felicitas Irungu, FKA	Accident and Safety Management (TR0402-10)	a) The assumption is that all or most of the vehicles belong to a transport company while in reality there are many individual players operating in this industry who may not have any formal arrangements for instance for drivers and other operators training. b) Possibly there is need to recommend some regulation for the industry players as this ensures even the individual vehicle owners are obliged to comply with the regulation, thus reduce the number of accidents. This would include inspections of vehicles, limiting age of vehicles for commercial transport to reduce emissions and risk of accidents etc.	Comment noted. SASB industry standards are intended for publicly-traded corporations listed in U.S. exchanges. Where relevant, the scope of certain reporting metrics include third-party contractors.

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TR0402	Global Logistics Emissions Council (GLEC)	Environmental Footprint of Fuel Use (TR0402-03)	<p>5. In respect of road transportation, is there a clear reason why light vans are excluded from the calculation as the trend appears for this type of vehicle to be used in ever increasing numbers for urban distribution as a result of the impact of internet shopping?</p> <p>6. In respect of these metrics it is somewhat surprising that reference to calculation methodologies is limited to the GHG Protocol and CDP. There are well-established methodologies and industry programmes such as SmartWay, originally only for US road freight transport but now expanding to other modes and active in Canada and the recommended practice for airlines to calculate their carbon footprint recently published by IATA</p>	SASB has removed metric TR0402-04 from the Road Transportation Standard for public comment. The provisional Road Transportation Standard includes activity metrics TR0402-A (revenue ton miles) and TR0402-B (load factor) and sustainability metric TR0402-03 (Total fuel consumed). Although it does not include specific reference, metric TR0402-04 (Air emissions for the following pollutants: NOx, SOx, and particulate matter (PM)) is aligned with SmartWay reporting. SASB hopes that these revisions address GLEC's comments.
TR0103	Felicita Irungu, FKA	general comment n/a	Leasing arrangements to include maintenance of vehicles including regulatory compliance for instance regarding inspections etc.	Comment noted.