



Financials Sector Standards

RECORD OF PUBLIC COMMENT

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Introduction

The following table outlines all formal comments received from stakeholders during two 45-day public comment periods (PCPs) for the draft Financials sector standards. The first PCP concluded on June 15, 2013 and the second - on December 30, 2013. The table includes the name and/or affiliation of the commenter, the relevant topic or section of the standard, the relevant comment excerpts, and how SASB addressed the comment. Please note that the "Topic (Metric Code)" column refers to the topic or section(s) in the draft standards at each stage at which comments were received, which may be different from the topic names or sections presented in the provisional standards issued on February 25, 2014 for the Financials sector.

Industry SICS number	Topic (Metric Code)	Name and/or Affiliation of Respondent	Comment Excerpts	SASB Response
FN0101 FN0102 FN0103 FN0201 FN0202 FN0203 FN0301	Training and Professional Development	Coro Strandberg (Strandberg Consulting)	Recommend for description and \$ value and number of staff trained in ESG issues relevant to the industry	SASB addresses employee training from a general perspective as an indicator of employee retention and development. SASB did not view training with respect to ESG to be specifically relevant to this issue.
FN0101 FN0102 FN0103 FN0201 FN0202 FN0203 FN0301	Systemic Risk Management	Coro Strandberg (Strandberg Consulting)	Reference to harmonization is good, but should require harmonized risk management across all business lines including asset management, insurance, banking and corporate enterprise risk management.	SASB intended harmonization to be across and among business verticals. SASB will provide clarifying language in the Technical Disclosure Protocols.
FN0101	Integration of Environmental, Social, and Governance Risk Factors in Credit Risk Analysis	Coro Strandberg (Strandberg Consulting)	Report on \$ value and % of loan portfolio turned down due to not meeting ESG criteria	SASB will consider incorporating this quantitative aspect into the discussion and analysis metric FN0101-15.
FN0101	Integration of Environmental, Social, and Governance Risk Factors in Credit Risk Analysis	Coro Strandberg (Strandberg Consulting)	Amount of lending to companies or projects with a high climate risk exposure: \$ value and % of portfolio	<p>Comment noted. SASB's standards typically include metrics that request disclosure of values on an absolute basis to foster comparability of data. SASB anticipates that companies may choose to additionally present data on a normalized (or efficiency or intensity) basis, just as users of the disclosure (e.g., investors) may choose to normalize data using a variety of factors.</p> <p>Additionally, SASB directs the respondent to guidance on Activity Metrics and Normalization contained in the introduction to its standards, which states: <i>SASB recommends that a registrant disclose any basic business data that may assist in the accurate evaluation and comparability of disclosure, to the extent that they are not already disclosed in the Form 10-K ... Where relevant, SASB recommends specific activity metrics that—at a minimum—should accompany SASB accounting metric disclosures.</i></p>

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FN0101	Integration of Environmental, Social, and Governance Risk Factors in Credit Risk Analysis	Coro Strandberg (Strandberg Consulting)	Number of EP projects screened: # and %	Please refer to the metric FN0101-17: Amount and percentage of lending and project finance that employs: (1) integration of ESG factors, (2) sustainability-themed lending or finance, (3) screening (exclusionary, inclusionary, or benchmarked), and (4) impact or community lending or finance.
FN0101	Integration of Environmental, Social, and Governance Risk Factors in Credit Risk Analysis	Coro Strandberg (Strandberg Consulting)	Number and % of projects turned down which did not meet EP criteria	Current technical protocol of the FN0101-17 metric does not specifically ask for the number and percent of projects turned down. SASB will consider inclusion of this aspect in the future.
FN0101	Integration of Environmental, Social, and Governance Risk Factors in Credit Risk Analysis	Coro Strandberg (Strandberg Consulting)	Amount of lending \$ and % of portfolio	Companies are required to disclose revenue generated from all their activities in their SEC filings. Commercial banks disclose the amount of loans issued to customers as assets on their balance sheets.
FN0101	Environmental footprint of branch networks	Coro Strandberg (Strandberg Consulting)	Energy consumption per FTE	This disclosure topic was withdrawn from the provisional SASB Commercial Banks Standard.
FN0101	Environmental footprint of branch networks	Coro Strandberg (Strandberg Consulting)	% of renewable energy	This disclosure topic was withdrawn from the provisional SASB Commercial Banks Standard.
FN0101	Talent recruitment, development, and retention	Coro Strandberg (Strandberg Consulting)	Employee turnover: %	This disclosure topic was withdrawn from the provisional SASB Commercial Banks Standard.
FN0101	Talent recruitment, development, and retention	Coro Strandberg (Strandberg Consulting)	Include employee incentives and compensation KPIs from assessment management, and include disclosure of non-financial metrics in performance compensation and if not why not	This disclosure topic was withdrawn from the provisional SASB Commercial Banks Standard.
FN0101 FN0102 FN0103	General comment	Divya Mankikar (Trucost)	The environmental metrics proposed by SASB should address a company's environmental performance in context: a) in context to the external environment in which a company	Where relevant, SASB creates contextual metrics (e.g., for water consumption).

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FN0201 FN0202 FN0203 FN0301			operates and b) in context to its sales and earnings. For example, the gallon of water a company uses from a water scarce region is more material than the gallon of water it uses from a water-rich region. As another example, a company that uses a unit of energy from a region where electricity is generated from coal-fired power is more at risk of greenhouse gas-related legislation than one that draws energy from natural gas. Putting a price on natural capital and measuring a company's dependence on natural capital provides this context and is a more relevant assessment of material risk than the measures of resource efficiency that are proposed in the standards. More background information on the relevance and tools for valuing natural capital is found here.	<p>SASB does not specify traditional normalization factors, assuming that analysts will create their own "multiples" using SASB indicators and financial metrics as necessary. SASB will consider this feedback important as it continues to revise metrics.</p> <p>Furthermore, SASB provides the following guidance to companies: <i>As appropriate—and consistent with Rule 12b -20—when disclosing a sustainability topic identified by this Standard, 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:</i></p> <ul style="list-style-type: none"> • <i>The registrant's strategic approach to managing performance on material sustainability issues;</i> • <i>The registrant's relative performance with respect to its peers;</i> • <i>The degree of control the registrant has;</i> • <i>Any measures the registrant has undertaken or plans to undertake to improve performance; and</i> • <i>Data for the registrant's last three completed fiscal years (when available).</i>
FN0101 FN0102 FN0103	Systemic Risk Management	Farha-Joyce Haboucha (Rockefeller & Co.)	We recommend an additional indicator to the section on Governance (Systemic Risk) that emphasizes the Board's oversight and the capacity building efforts to facilitate compliance with the new regulatory framework in the United States (e.g., Dodd-Frank regulation) and other international standards (e.g., Basel rules). Bearing in mind the stringent requirements of such new regulations, we believe that a mere description of risks and legal penalties is insufficient in addressing the soundness of business practices and the ethics of operations in investments and commercial banking. As a result, we believe that providing more information about companies' efforts to improve risk processes and their preparedness (e.g., "Action Plans") to mitigate future risks across operations is material to investors. In this regard, we believe that a qualitative disclosure of the Board's oversight of risk management practices would allow investors to better	SASB notes the comment. The metrics for the Systemic Risk Management disclosure topic were significantly revised after the public comment period. Please refer to the provisional standards for specific metrics. While all of the proposed metrics in the Systemic Risk Management topic are quantitative, registrants would have to provide qualitative disclosure, which could include a company's efforts to improve risk processes and preparedness to mitigate future risks.

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			<p>understand the quality of management and would help to enhance the transparency and accountability of governing structures and mechanisms. In conditions of post-financial crisis, such disclosures would also show how financial companies are working towards promoting a company-wide culture of risk mitigation and how they are raising awareness about those issues among their employees and managerial staff. We view such governance disclosure as material to investors as it signals business continuity and crisis prevention efforts of a well-governed business. All of these factors would help to provide greater value to society and shareholders.</p>	
FN0101 FN0102 FN0103	Systemic Risk Management /Employee Incentives & Risk Taking	Farha-Joyce Haboucha (Rockefeller & Co.)	<p>We recommend an addition to the sections Social and/or Governance of a qualitative indicator that addresses the promotion of a proper alignment between executive compensation structures and long-term shareholder value. We believe that a company's remuneration structures should give consideration to the integration of risk management with executive compensation. It would be helpful for financial services companies to provide information on the motivation that is behind their remuneration policies and practices. Such compensation disclosure should reference the level of long-term risk involved in generating profits so that investors have a better understanding of the steps that companies are taking to combat inappropriate risk taking and promote financial stability. It is material for investors to know how companies are complying with emerging regulations and requirements, and how they consider them as a benchmark for good business practices.</p>	<p>SASB notes the comment. The metrics for the Systemic Risk Management and Employee Compensation & Risk Taking disclosure topics were significantly revised after the public comment period. Please refer to the provisional standards for specific metrics, such as metric FN0102-01: Discussion of variable compensation policies and practices, which is qualitative and includes the discussion of the alignment of executives' compensation with long-term shareholder value.</p>
FN0101 FN0102 FN0103 FN0201 FN0202 FN0203 FN0301	General comment	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	<p>While data-drive reporting is important, where we as investors will come to understand substantive differences between companies is in how the KPIs are incorporated into strategic management. For example: training—Company A reports \$1,000/employee/year spent on training, Company B reports \$800/employee spent (or even \$500/employee). What do you really know or what can you meaningfully say? But if each company explains in what way they are incorporating training into their overall strategic management of the firm, how this training relates (or doesn't) to its overall sustainability goals, you will be able to see real differences.</p>	<p>While there is a prevalence of quantitative metrics in the standards, SASB recommends including a narrative description of any material factor necessary to ensure completeness, accuracy, and comparability of the data reported. The guidance states that where not addressed by specific accounting metrics, but relevant, the registrant should discuss its strategic approach to managing performance on material sustainability issues. Since receiving your comments, SASB has undertaken a careful review of the proposed issues and standards and revised some of the metrics.</p>

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			We want companies to be incorporating KPIs into strategic management—KPI issues won't be taken seriously unless top management is incorporating them systematically into its strategic management. So why not ask directly whether it has or has not incorporated them into strategic management or not? Make that a framing issue and encourage company's to act on it.	
FN0101	Integration of environmental, social and governance factors in credit risk analysis	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	How are the following nine sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice? 1. Incorporation of ESG factors into lending policies and practices, including consideration of both risks and upsides.	SASB captures this aspect of the issue in the metric FN0101-15: Discussion of how environmental, social, and governance (ESG) factors are integrated into the lending process.
FN0101	Financial Inclusion and Capacity Building	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	How are the following nine sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice? 2. Innovation to capture growth opportunities in underserved markets while supporting community development, empowerment and financial literacy.	While SASB does not include a stand-alone metric regarding a company's strategy in this area, the Guidance on Accounting of Material Sustainability Topics recommends providing such disclosure along with other quantitative information. Specifically, SASB directs the respondent to guidance on Accounting for Sustainability Topics contained in the introduction to its standards, which states: <i>As appropriate—and consistent with Rule 12b-20—when disclosing a sustainability topic identified by this Standard, 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:</i> <ul style="list-style-type: none"> • The registrant's strategic approach to managing performance on material sustainability issues; • The registrant's relative performance with respect to its peers; • The degree of control the registrant has; • Any measures the registrant has undertaken or plans to undertake to improve performance; and • Data for the registrant's last three completed fiscal years (when available).
FN0101	Talent recruitment,	Steve Lydenberg (Domini Social Investments,	How are the following nine sustainability factors integrated into your company's strategic management and how	The topic was withdrawn from the provisional standard.

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	development, and retention	Initiative for Responsible Investment)	successful has your company been in implementing them in practice? 3. Recruiting, developing and retaining a diverse and skilled base of employees.	
FN0101	Customer privacy and security	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	How are the following nine sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice? 4. Ensuring protection of customer information.	This issue is addressed by the metric FN0101-07: Discussion of management approach to identifying and addressing vulnerabilities and threats to data security.
FN0101	Employee Compensation	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	How are the following nine sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice? 5. Ensuring employee incentives and compensation are aligned with short- and long-term societal and corporate values and goals.	The topic was considered for the Commercial Banks industry but was not included due to lack of evidence. The Employee Compensation & Risk-taking disclosure topic is included in standards for the Investment Banking and Asset Management industries.
FN0101	Transparent information and customer responsibility	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	How are the following nine sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice? 6. Providing transparent information and fair advice to clients, engaging in responsible marketing and preventing abusive lending.	The topic was withdrawn from the provisional standard.
FN0101	Management of the legal and regulatory environment	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	How are the following nine sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice? 7. Putting in place governance structures to ensure that regulations are complied with and criminal activity is detected and dealt with.	Notes to metrics FN0101-08 and FN0101-09 ask registrants to disclose their management strategy and actions, including specific changes in operations, management, processes, products, business partners, training, or technology.
FN0101	Systemic Risk Management	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	How are the following nine sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice? 8. Developing robust processes for risk management at both company and systemic levels.	Registrants would provide disclosure on this topic per the Guidance on Accounting of Material Sustainability Topics included in SASB's standards.
FN0101	Environmental Footprint of	Steve Lydenberg (Domini Social Investments,	How are the following nine sustainability factors integrated into your company's strategic management and how	The topic was withdrawn from the provisional standard.

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	Branch Network	Initiative for Responsible Investment)	successful has your company been in implementing them in practice? 9. Reducing of the environmental impacts of the branch network.	
FN0102	Integration of Environmental, Social, and Governance Risk Factors in Advisory, Underwriting, and Brokerage Activities	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	How are the following seven sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice? 1. Incorporating environmental and social factors, considering both risks and upsides, in product structuring and origination and in services including: underwriting initial public offering and debt offerings; mergers and acquisitions; sell-side research; proprietary investments; and lending.	Please refer to metric FN0102-15: Discussion of how environmental, social, and governance (ESG) factors are incorporated into core products and services.
FN0102	Employee Inclusion/Talent recruitment, development, and retention	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	How are the following seven sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice? 2. Recruiting, developing and retaining a diverse and skilled base of employees.	While SASB does not include a stand-alone metric regarding a company's strategy in this area, the Guidance on Accounting of Material Sustainability Topics recommends providing such disclosure along with other quantitative information. Specifically, SASB directs the respondent to guidance on Accounting for Sustainability Topics contained in the introduction to its standards, which states: <i>As appropriate—and consistent with Rule 12b-20—when disclosing a sustainability topic identified by this Standard, 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:</i> <ul style="list-style-type: none"> • The registrant's strategic approach to managing performance on material sustainability issues; • The registrant's relative performance with respect to its peers; • The degree of control the registrant has; • Any measures the registrant has undertaken or plans to undertake to improve performance; and • Data for the registrant's last three completed fiscal years (when available).
FN0102	Employee Incentives & Risk Taking	Steve Lydenberg (Domini Social Investments,	How are the following seven sustainability factors integrated into your company's strategic management and how	When disclosing the FN0102-01 metric, registrants may choose to disclose how incentives and compensation are aligned with long-term shareholder value.

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		Initiative for Responsible Investment)	successful has your company been in implementing them in practice? 3. Ensuring employee incentives and compensation are aligned with short- and long-term societal and corporate values and goals.	SASB directs the respondent to guidance on Accounting for Sustainability Topics contained in the introduction to its standards, which states: <i>As appropriate—and consistent with Rule 12b-20—when disclosing a sustainability topic identified by this Standard, 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:</i> <ul style="list-style-type: none"> • The registrant’s strategic approach to managing performance on material sustainability issues; • The registrant’s relative performance with respect to its peers; • The degree of control the registrant has; • Any measures the registrant has undertaken or plans to undertake to improve performance; and • Data for the registrant’s last three completed fiscal years (when available).
FN0102	Transparent information and customer responsibility	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	How are the following seven sustainability factors integrated into your company’s strategic management and how successful has your company been in implementing them in practice? 4. Building strong client relationships through transparency and fair dealings.	The topic was withdrawn from the provisional standard.
FN0102	Management of the Legal & Regulatory Environment	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	How are the following seven sustainability factors integrated into your company’s strategic management and how successful has your company been in implementing them in practice? 5. Establishing policies and processes for compliance across multiple jurisdictions and ensuring non-compliance is detected and dealt with proactively.	Notes to metrics FN0102-07 and FN0102-08 ask registrants to disclose their management strategy and actions, including specific changes in operations, management, processes, products, business partners, training, or technology.
FN0102	Systemic Risk Management	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	How are the following seven sustainability factors integrated into your company’s strategic management and how successful has your company been in implementing them in practice? 6. Developing robust risk mitigation, detection and management processes at both the corporate and systemic levels.	While SASB does not include a stand-alone metric regarding a company’s strategy in this area, the Guidance on Accounting of Material Sustainability Topics recommends providing such disclosure along with other quantitative information. Specifically, SASB directs the respondent to guidance on Accounting for Sustainability Topics contained in the introduction to its standards, which states:

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				<p><i>As appropriate—and consistent with Rule 12b-20—when disclosing a sustainability topic identified by this Standard, 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:</i></p> <ul style="list-style-type: none"> • <i>The registrant’s strategic approach to managing performance on material sustainability issues;</i> • <i>The registrant’s relative performance with respect to its peers;</i> • <i>The degree of control the registrant has;</i> • <i>Any measures the registrant has undertaken or plans to undertake to improve performance; and</i> • <i>Data for the registrant’s last three completed fiscal years (when available).</i>
FN0102	Managing conflicts of interest	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	<p>How are the following seven sustainability factors integrated into your company’s strategic management and how successful has your company been in implementing them in practice?</p> <p>7. Managing effectively the conflicts of interest related to various investment roles and responsibilities.</p>	The topic was not included in the provisional standard. The issue of conflict of interest is covered in the Management of the Legal & Regulatory Environment disclosure topic.
FN0103	Employee Incentives and Compensation	Coro Strandberg (Strandberg Consulting)	include disclosure of non-financial metrics in performance compensation; if not why not	SASB was unable to identify non-financial metrics for remuneration decisions that meaningfully drive performance on this issue.
FN0103	Transparent information and fair advice for customers	Coro Strandberg (Strandberg Consulting)	include data privacy and security and measures/programs to support financial literacy	SASB’s metrics related to transparent information and fair advice for customers adequately address this issue. The topic of data privacy and security was considered for inclusion as a material issue for this industry following the Industry Working Groups, but sufficient evidence of materiality was not found at the time.
FN0103	Assets in management invested in companies that have a high climate risk exposure	Coro Strandberg (Strandberg Consulting)	include % of portfolio along with \$	<p>SASB intends that all disclosures allow for normalization with respect to traditional metrics such as size of AUM.</p> <p>SASB’s standards typically include metrics that request disclosure of values on an absolute basis to improve comparability of data. SASB anticipates that companies may choose to additionally present data on a normalized (or efficiency or intensity) basis, just as users of the disclosure (e.g.,</p>

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				<p>investors) may choose to normalize data using a variety of factors.</p> <p>Additionally, SASB directs the respondent to guidance on Activity Metrics and Normalization contained in the introduction to its standards, which states: <i>SASB recommends that a registrant disclose any basic business data that may assist in the accurate evaluation and comparability of disclosure, to the extent that they are not already disclosed in the Form 10-K ... Where relevant, SASB recommends specific activity metrics that—at a minimum—should accompany SASB accounting metric disclosures.</i></p>
FN0103	Environmental and social investment products	Coro Strandberg (Strandberg Consulting)	include % of portfolio along with \$	<p>SASB intends that all disclosures allow for normalization with respect to traditional metrics such as size of AUM.</p> <p>SASB's standards typically include metrics that request disclosure of values on an absolute basis to improve comparability of data. SASB anticipates that companies may choose to additionally present data on a normalized (or efficiency or intensity) basis, just as users of the disclosure (e.g., investors) may choose to normalize data using a variety of factors.</p> <p>Additionally, SASB directs the respondent to guidance on Activity Metrics and Normalization contained in the introduction to its standards, which states: <i>SASB recommends that a registrant disclose any basic business data that may assist in the accurate evaluation and comparability of disclosure, to the extent that they are not already disclosed in the Form 10-K ... Where relevant, SASB recommends specific activity metrics that—at a minimum—should accompany SASB accounting metric disclosures.</i></p>
FN0103	Employee turnover	Coro Strandberg (Strandberg Consulting)	include %	Turnover will be reported as a percentage. The indication of "#" as the unit of measure was an error.
FN0103	Integration of Environmental, Social, and Governance Risk Factors	Steve Lydenberg (Domini Social Investments, Initiative for	How are the following six sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice?	Please refer to the revised metric FN0103-15: Discussion of how environmental, social, and governance (ESG) factors are integrated into investment analysis and decisions and how this integration may intersect fiduciary duties. Note also the

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	in Investment Management & Advisory	Responsible Investment)	1. Consideration of social and environmental risks and opportunities in investment decisions and management of existing assets.	comment above regarding guidance on making disclosures around strategic management approaches.
FN0103	Environmental and social investment products	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	How are the following six sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice? 2. Offering of innovative investment products and services that create positive social and environmental impacts.	Please refer to the metric FN0103-16 in the Integration of ESG Risk Factors in Investment Management & Advisory disclosure topic, which specifically asks for disclosure of the amount and percentage of AUM that employ impact or community investing.
FN0103	Talent recruitment, development and retention / Employee Inclusion	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	How are the following six sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice? 3. Recruiting, developing and retaining a diverse and skilled base of employees.	The topic was revised after the Public Comment Period. SASB directs the respondent to guidance on Accounting for Sustainability Topics contained in the introduction to its standards, which states: <i>As appropriate—and consistent with Rule 12b-20—when disclosing a sustainability topic identified by this Standard, 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:</i> <ul style="list-style-type: none"> • The registrant's strategic approach to managing performance on material sustainability issues; • The registrant's relative performance with respect to its peers; • The degree of control the registrant has; • Any measures the registrant has undertaken or plans to undertake to improve performance; and • Data for the registrant's last three completed fiscal years (when available).
FN0103	Employee Incentives & Risk Taking	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	How are the following six sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice? 4. Ensuring employee incentives and compensation are aligned with short- and long-term societal and corporate values and goals.	When disclosing the FN0103-01 metric, registrants may choose to disclose how incentives and compensation are aligned with long-term shareholder value. SASB directs the respondent to guidance on Accounting for Sustainability Topics contained in the introduction to its standards, which states: <i>As appropriate—and consistent with Rule 12b-20—when disclosing a sustainability topic identified by this Standard, companies should consider including a narrative description of</i>

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				<p><i>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:</i></p> <ul style="list-style-type: none"> • <i>The registrant’s strategic approach to managing performance on material sustainability issues;</i> • <i>The registrant’s relative performance with respect to its peers;</i> • <i>The degree of control the registrant has;</i> • <i>Any measures the registrant has undertaken or plans to undertake to improve performance; and</i> • <i>Data for the registrant’s last three completed fiscal years (when available).</i>
FN0103	Transparent information and fair advice for customers	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	<p>How are the following six sustainability factors integrated into your company’s strategic management and how successful has your company been in implementing them in practice?</p> <p>5. Providing transparent information and fair advice to clients, including on the ESG characteristics of assets under management.</p>	<p>SASB addresses this issue in the metric FN0103-07: Description of procedure or programs to provide adequate, clear, and transparent information about products and services, including risks, suitability, and conflicts of interest.</p>
FN0103	Management of the legal and regulatory environment	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	<p>How are the following six sustainability factors integrated into your company’s strategic management and how successful has your company been in implementing them in practice?</p> <p>6. Putting in place governance and risk management structures to ensure that regulations are complied with and criminal activity is detected and dealt with.</p>	<p>Notes to metrics FN0103-08 and FN0103-09 ask registrants to disclose their management strategy and actions, including specific changes in operations, management, processes, products, business partners, training, or technology.</p>
FN0201	Financial Inclusion	Coro Strandberg (Strandberg Consulting)	<p>Revenue from products and services targeting minority groups: \$ and % of portfolio</p>	<p>Comment noted. SASB’s standards typically include metrics that request disclosure of values on an absolute basis to improve comparability of data. SASB anticipates that companies may choose to additionally present data on a normalized (or efficiency or intensity) basis, just as users of the disclosure (e.g., investors) may choose to normalize data using a variety of factors.</p> <p>Additionally, SASB directs the respondent to guidance on Activity Metrics and Normalization contained in the introduction to its standards, which states: <i>SASB recommends that a registrant disclose any basic business data that may assist in the accurate evaluation and comparability of disclosure, to the extent that they are not</i></p>

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				<i>already disclosed in the Form 10-K ... Where relevant, SASB recommends specific activity metrics that—at a minimum—should accompany SASB accounting metric disclosures.</i>
FN0201	Financial Inclusion	Coro Strandberg (Strandberg Consulting)	Revenue received from emerging markets: \$ and % of portfolio	<p>Comment noted. SASB's standards typically include metrics that request disclosure of values on an absolute basis to improve comparability of data. SASB anticipates that companies may choose to additionally present data on a normalized (or efficiency or intensity) basis, just as users of the disclosure (e.g., investors) may choose to normalize data using a variety of factors.</p> <p>Additionally, SASB directs the respondent to guidance on Activity Metrics and Normalization contained in the introduction to its standards, which states: <i>SASB recommends that a registrant disclose any basic business data that may assist in the accurate evaluation and comparability of disclosure, to the extent that they are not already disclosed in the Form 10-K ... Where relevant, SASB recommends specific activity metrics that—at a minimum—should accompany SASB accounting metric disclosures.</i></p>
FN0201 FN0202	Transparent Information & Fair Advice for Customers	Farha-Joyce Haboucha (Rockefeller & Co.)	We recommend an additional indicator to the Social section that stresses the role of consumer education and how companies seek to educate customers and the broader public on the risks and opportunities of their financial products and services. In consumer finance, such disclosure refers to educational efforts on risks and opportunities of debt-protection/insurance products, prepaid card products, including fees and interest charged. In mortgage finance, in addition to efforts to provide clear, transparent, and timely communication to customers on risks, terms and fees, companies should also report on how they facilitate educational activities for customers on the risks and opportunities in undertaking different kinds of mortgages.	<p>The comment was noted and considered during the revision of metrics. While SASB does not include a stand-alone discussion and analysis metric for a company's education efforts, registrants are recommended to disclose such information.</p> <p>Furthermore, SASB directs the respondent to guidance on Accounting for Sustainability Topics contained in the introduction to its standards, which states: <i>As appropriate—and consistent with Rule 12b-20—when disclosing a sustainability topic identified by this Standard, 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:</i></p> <ul style="list-style-type: none"> • <i>The registrant's strategic approach to managing performance on material sustainability issues;</i> • <i>The registrant's relative performance with respect to its peers;</i> • <i>The degree of control the registrant has;</i>

Industry SICS number	Topic (Metric Code)	Name and/or Affiliation of Respondent	Comment Excerpts	SASB Response
				<ul style="list-style-type: none"> • Any measures the registrant has undertaken or plans to undertake to improve performance; and • Data for the registrant’s last three completed fiscal years (when available).
FN0201 FN0202	Management of Legal and Regulatory Environment	Farha-Joyce Haboucha (Rockefeller & Co.)	We recommend an additional indicator to the section on Governance that emphasizes the Board’s oversight over governance of the public policy agenda with regard to existing and emerging consumer finance industry regulations (state and federal) and with regard to existing and emerging mortgage industry regulations.	<p>The comment was noted and considered during the revision of metrics. While SASB does not include a stand-alone discussion and analysis metric on the oversight a company’s board has over governance of its public policy agenda with regard to existing and emerging consumer finance industry regulations, registrants are recommended to disclose such information.</p> <p>Furthermore, SASB directs the respondent to guidance on Accounting for Sustainability Topics contained in the introduction to its standards, which states: <i>As appropriate—and consistent with Rule 12b-20—when disclosing a sustainability topic identified by this Standard, 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:</i></p> <ul style="list-style-type: none"> • The registrant’s strategic approach to managing performance on material sustainability issues; • The registrant’s relative performance with respect to its peers; • The degree of control the registrant has; • Any measures the registrant has undertaken or plans to undertake to improve performance; and • Data for the registrant’s last three completed fiscal years (when available).
FN0201	Financial Inclusion	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	<p>How are the following five sustainability factors integrated into your company’s strategic management and how successful has your company been in implementing them in practice?</p> <p>1. Innovation to capture growth opportunities in underserved markets while supporting community development, empowerment and financial literacy.</p>	<p>While SASB does not include a stand-alone metric regarding a company’s strategy in this area, the Guidance on Accounting of Material Sustainability Topics recommends providing such disclosure along with other quantitative information.</p> <p>Specifically, SASB directs the respondent to guidance on Accounting for Sustainability Topics contained in the introduction to its standards, which states: <i>As appropriate—and consistent with Rule 12b-20—when disclosing a sustainability topic identified by this Standard, companies should consider including a narrative description of</i></p>

Industry SICS number	Topic (Metric Code)	Name and/or Affiliation of Respondent	Comment Excerpts	SASB Response
				<p><i>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:</i></p> <ul style="list-style-type: none"> • <i>The registrant’s strategic approach to managing performance on material sustainability issues;</i> • <i>The registrant’s relative performance with respect to its peers;</i> • <i>The degree of control the registrant has;</i> • <i>Any measures the registrant has undertaken or plans to undertake to improve performance; and</i> • <i>Data for the registrant’s last three completed fiscal years (when available).</i>
FN0201	Talent recruitment, development, and retention	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	<p>How are the following five sustainability factors integrated into your company’s strategic management and how successful has your company been in implementing them in practice?</p> <p>2. Recruiting, developing and retaining a diverse and skilled base of employees.</p>	<p>The topic was considered for the Consumer Finance industry but was not included due to lack of evidence in the industry.</p>
FN0201	Customer Privacy and Security	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	<p>How are the following five sustainability factors integrated into your company’s strategic management and how successful has your company been in implementing them in practice?</p> <p>3. Ensuring protection of customer information.</p>	<p>Please refer to metric FN0201-05: Description of data security and fraud-prevention efforts related to new and emerging technologies and/or new and emerging threats.</p>
FN0201	Responsible Lending & Debt Prevention	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	<p>How are the following five sustainability factors integrated into your company’s strategic management and how successful has your company been in implementing them in practice?</p> <p>4. Engaging in responsible lending and debt prevention and reduction.</p>	<p>While SASB does not include a stand-alone metric regarding a company’s strategy in this area, the Guidance on Accounting of Material Sustainability Topics recommends providing such disclosure along with other quantitative information.</p> <p>Specifically, SASB directs the respondent to guidance on Accounting for Sustainability Topics contained in the introduction to its standards, which states: <i>As appropriate—and consistent with Rule 12b-20—when disclosing a sustainability topic identified by this Standard, 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:</i></p>

Industry SICS number	Topic (Metric Code)	Name and/or Affiliation of Respondent	Comment Excerpts	SASB Response
				<ul style="list-style-type: none"> • The registrant's strategic approach to managing performance on material sustainability issues; • The registrant's relative performance with respect to its peers; • The degree of control the registrant has; • Any measures the registrant has undertaken or plans to undertake to improve performance; and • Data for the registrant's last three completed fiscal years (when available).
FN0201	Management of the legal and regulatory environment	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	<p>How are the following five sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice?</p> <p>5. Putting in place governance structures to ensure that regulations are complied with and criminal activity is detected and dealt with.</p>	The topic was withdrawn from the provisional standard.
FN0202	Energy Efficient Mortgages	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	<p>How are the following seven sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice?</p> <p>1. Incorporating environmental performance considerations.</p>	The topic was withdrawn from the provisional standard, but was included on the "Emerging Issues" list. SASB will continue to research the issue and solicit stakeholder feedback, and may include the topic if it proves to be relevant to investors.
FN0202	Environmental Risk to Mortgaged Properties	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	<p>How are the following seven sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice?</p> <p>2. Accounting for the increased frequency of extreme weather events associated with climate change.</p>	Please refer to metric FN0202-02: Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting.
FN0202	Inclusion and Capacity Building	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	<p>How are the following seven sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice?</p> <p>3. Providing responsible access to historically underserved populations.</p>	The topic was withdrawn from the provisional standard.
FN0202	Transparent Information & Fair Advice for Customers	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	<p>How are the following seven sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice?</p> <p>4. Ensuring the availability of fair and transparent information and promoting financial literacy and education.</p>	While SASB does not include a stand-alone metric regarding a company's strategy in this area, the Guidance on Accounting of Material Sustainability Topics recommends providing such disclosure along with other quantitative information.

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				<p>Specifically, SASB directs the respondent to guidance on Accounting for Sustainability Topics contained in the introduction to its standards, which states: <i>As appropriate—and consistent with Rule 12b-20—when disclosing a sustainability topic identified by this Standard, 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:</i></p> <ul style="list-style-type: none"> • <i>The registrant’s strategic approach to managing performance on material sustainability issues;</i> • <i>The registrant’s relative performance with respect to its peers;</i> • <i>The degree of control the registrant has;</i> • <i>Any measures the registrant has undertaken or plans to undertake to improve performance; and</i> • <i>Data for the registrant’s last three completed fiscal years (when available).</i>
FN0202	Transparent Information & Fair Advice for Customers	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	<p>How are the following seven sustainability factors integrated into your company’s strategic management and how successful has your company been in implementing them in practice?</p> <p>5. Ensuring employee incentives and compensation are aligned with short- and long-term societal and corporate values and goals.</p>	<p>Please refer to metric FN0202-04: Description of variable compensation structure of loan originators.</p>
FN0202	Responsible Lending & Debt Prevention	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	<p>How are the following seven sustainability factors integrated into your company’s strategic management and how successful has your company been in implementing them in practice?</p> <p>6. Ensuring responsible lending and debt prevention and reduction programs. Working to prevent defaults.</p>	<p>While SASB does not include a stand-alone metric regarding a company’s strategy in this area, the Guidance on Accounting of Material Sustainability Topics recommends providing such disclosure along with other quantitative information.</p> <p>Specifically, SASB directs the respondent to guidance on Accounting for Sustainability Topics contained in the introduction to its standards, which states: <i>As appropriate—and consistent with Rule 12b-20—when disclosing a sustainability topic identified by this Standard, companies should consider including a narrative description of any material factors necessary to ensure completeness, accuracy, and comparability of the data reported. Where not</i></p>

Industry SICS number	Topic (Metric Code)	Name and/or Affiliation of Respondent	Comment Excerpts	SASB Response
				<p><i>addressed by the specific accounting metrics, but relevant, the registrant should discuss the following, related to the topic:</i></p> <ul style="list-style-type: none"> • <i>The registrant’s strategic approach to managing performance on material sustainability issues;</i> • <i>The registrant’s relative performance with respect to its peers;</i> • <i>The degree of control the registrant has;</i> • <i>Any measures the registrant has undertaken or plans to undertake to improve performance; and</i> • <i>Data for the registrant’s last three completed fiscal years (when available).</i>
FN0202	Management of the Legal & Regulatory Environment	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	<p>How are the following seven sustainability factors integrated into your company’s strategic management and how successful has your company been in implementing them in practice?</p> <p>7. Putting in place governance structures to ensure that regulations are complied with and criminal activity is detected and dealt with.</p>	<p>While SASB does not include a stand-alone metric regarding a company’s strategy in this area, the Guidance on Accounting of Material Sustainability Topics recommends to provide such disclosure along with other quantitative information.</p> <p>Specifically, SASB directs the respondent to guidance on Accounting for Sustainability Topics contained in the introduction to its standards, which states: <i>As appropriate—and consistent with Rule 12b-20—when disclosing a sustainability topic identified by this Standard, 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:</i></p> <ul style="list-style-type: none"> • <i>The registrant’s strategic approach to managing performance on material sustainability issues;</i> • <i>The registrant’s relative performance with respect to its peers;</i> • <i>The degree of control the registrant has;</i> • <i>Any measures the registrant has undertaken or plans to undertake to improve performance; and</i> • <i>Data for the registrant’s last three completed fiscal years (when available).</i>
FN0203	Integration of Environmental, Social and Governance factors in disclosure requirements	Farha-Joyce Haboucha (Rockefeller & Co.)	<p>We recommend an additional indicator to the section on Governance that emphasizes the Board’s efforts in implementing the exchange’s policy for listing requirements on sustainability disclosures, and what actions they are taking to prepare issuers to comply with the new listing requirements. Such disclosure focuses on training and capacity-building among issuers, employees and managerial</p>	<p>The issue of listing requirements on sustainability disclosures is included in the Promoting Transparent & Efficient Capital Markets topic. Please refer to the metric FN0203-04: Description of policy to encourage or require listed companies to publicly disclose governance, social, and/or environmental information.</p>

Industry SICS number	Topic (Metric Code)	Name and/or Affiliation of Respondent	Comment Excerpts	SASB Response
			staff, as well as reporting on building multi-stakeholder and collaborative efforts by working with investors and regulators in seeking to achieve those goals.	
FN0203	Integration of Environmental, Social and Governance factors in disclosure requirements	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	How are the following five sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice? 1. Promoting or requiring material ESG disclosures by listed companies to provide relevant, decision-useful information for investors.	The topic was withdrawn from the provisional standard, although the concept is addressed in the Promoting Transparent & Efficient Capital Markets topic through metric FN0203-04: Description of policy to encourage or require listed companies to publicly disclose governance, social, and/or environmental information.
FN0203	Promoting environmental and social markets through new products and services	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	How are the following five sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice? 2. Offering products and services for emerging environmental and social markets.	The topic was withdrawn from the provisional standard.
FN0203	Managing Business Continuity & Technology Risks	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	How are the following five sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice? 3. Assuring the reliability of IT and trading systems to protect confidentially and prevent computer-driven discontinuous trading events.	Please refer to metric FN0203-07: Description of efforts to prevent technology errors, security breaches, and market disruptions.
FN0203	Promoting Transparent & Efficient Capital Markets	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	How are the following five sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice? 4. Facilitating equal access to information and exchange service to all investors.	Please refer to metric FN0203-01: Discussion of alert policy regarding timing and nature of public release of information.
FN0203	Managing Conflicts of Interest	Steve Lydenberg (Domini Social Investments, Initiative for Responsible Investment)	How are the following five sustainability factors integrated into your company's strategic management and how successful has your company been in implementing them in practice? 5. Managing conflicts of interest of interest between publicly traded, for-profit exchanges and the exchanges' role as self-regulatory organizations.	Please refer to metric FN0203-05: Description of process to identify and assess conflicts of interest between the exchange's regulatory obligations and the interests of its members, its market operations, its listed issuers, and, in the case of a demutualized self-regulatory organization (SRO), its shareholders.
FN0301	General comment	Marc van Weede (Aegon)	For a disclosure item to be material, it should be relevant for decision making purposes and help investors in forming an opinion as to how a broad range of non-financial elements	The provisional SASB Insurance Standard includes two disclosure topics that focus on insurance companies' investment management processes: Systemic Risk Management and

Industry SICS number	Topic (Metric Code)	Name and/or Affiliation of Respondent	Comment Excerpts	SASB Response
			have been included into the insurance company's business model and strategy. In looking at how ESG factors have been integrated, the focus seems to be on the investment management process rather than the overall corporate strategy.	Integration of Environmental, Social, and Governance Factors in Investment Management. There are three disclosure topics that relate to insurance companies' business strategies: Environmental Risk Exposure, Policies Designed to Incentivize Responsible Behavior, and Plan Performance.
FN0301	Policies Designed to Incentivize Responsible Behavior	Marc van Weede (Aegon)	The indicators selected in the research briefing focus more on environmental factors than social or governance issues and so may be of more use to assessing risks and opportunities for companies in property and casualty insurance rather than life insurance or pensions. Under the category "incentivizing social and environmental performance", companies are asked to describe programs to incentivize responsible behavior and energy efficiency; perhaps there is an opportunity to incorporate governance issues by asking companies to describe how they are using products such as directors and officers insurance products to promote responsible corporate governance.	SASB notes the participant's comment and will continue to analyze the topic as it reviews the provisional standards in 2016.
FN0301	Plan Performance	Marc van Weede (Aegon)	Under the heading plan performance, the focus on customer satisfaction and persistency will help investors in modelling future profitability and cash flows. One area that could also be considered would be asking customers describe their processes to ensure that they are selling appropriate products and services to their customers. Such information would help an investor in assessing the quality of the products that are being sold, how companies are keeping up with changing customers needs, matching the complexity of their products with the ability of their customers to understand the features and benefits of what is being sold to them.	The comment was considered. Based on this feedback, SASB changed the FN0301-11 metric from a quantitative indicator to discussion and analysis.
FN0301	Management of the Legal & Regulatory Environment	Marc van Weede (Aegon)	The performance indicator selected for the governance/regulatory issue will deliver more historical than future looking information by asking for details of legal and regulatory fines associated with compliance with regulations. A key issue that financial services companies have been struggling with since the crisis has been regaining trust and rebuilding reputations. To some extent this trust has been damaged by perceptions of excessive risk taking and a decoupling of executive pay from responsible management. Some indicators that would help investors assess management's commitment to improving corporate	This disclosure topic was withdrawn from the provisional SASB Commercial Banks Standard.

Industry SICS number	Topic (Metric Code)	Name and/or Affiliation of Respondent	Comment Excerpts	SASB Response
			governance and incorporating a broader range of factors into decision making rather than just financial results could be worth considering.	
FN0301	Aligning internally and externally reported metrics	Marc van Weede (Aegon)	The performance indicators that are reported externally should be closely aligned and matched with those that are used internally to manage the business, that way investors are making decisions based on the same information as management, resulting in greater alignment. A risk in establishing a list of indicators for an industry is it may be more relevant for some sub-sectors than others, e.g. the environmental factors would have a greater influence on the profitability of a property and casualty insurer than a life insurer. Standard setters have a choice in being principle based or more prescriptive where both options have advantages and disadvantages.	In its standard-setting process, SASB has worked to harmonize its standards with those currently used, where relevant and appropriate. Its standards incorporate direct reference to numerous sustainability, industry, regulatory, and other initiatives, methodologies, standards, and frameworks. To reduce confusion, SASB has not created additional general guidance on its alignment with other reporting frameworks within its standards. For more information on SASB's alignment with other reporting frameworks, please see: http://www.sasb.org/approach/key-relationships/ .
FN0301	Cost-efficiency of reporting	Marc van Weede (Aegon)	Some of the performance indicators represent information that is easily defined and should be readily available, e.g. customer retention rates, timeliness of claim processing etc. Other indicators are more judgmental, may be open to interpretation, and therefore would be more difficult and costly to collect, e.g. effectiveness of products and programs to incentivise responsible behaviour, probably maximum loss from environmental risks. For the indicators to be useful to investors they should be consistently compiled and comparable across the industry which would require clear definitions on what information should be included and excluded. Insurance companies are by their nature risk averse, also when it comes to reporting. Potentially there would be so some investment required internally to ensure that the requested information was being compiled based on sound reporting procedures with adequate controls to ensure the accuracy and reliability of the information.	SASB has worked to harmonize its standards with those currently used, where relevant and appropriate. The standards incorporate direct reference to numerous sustainability, industry, regulatory, and other initiatives, methodologies, standards, and frameworks. SASB believes that this will help to ensure that metrics are cost effective.
FN0301	Integration of Environmental, Social, and Governance Risk Factors in Investment Management	Coro Strandberg (Strandberg Consulting)	Integration of ESG: \$ and % of assets	SASB intends that all disclosures allow for normalization with respect to traditional metrics. Clarifying guidance will be provided in SASB documents upon release of the standards.

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FN0301	Add Issue	Coro Strandberg (Strandberg Consulting)	Add social risk exposure to environmental risk exposure (e.g. infectious diseases, obesity and diabetes, air pollution, aging, advances in medical technology, gender and genetic discrimination, food security and safety, terrorism)	Social risk was considered, but was ultimately determined not to be cost effective for reporting. Many of these issues are addressed in the SASB Managed Care industry standard.
FN0301	Add Issue	Coro Strandberg (Strandberg Consulting)	Describe measures to promote access to and affordability of insurance to underinsured individuals, businesses, sectors, communities and regions	An issue of "financial inclusion" was included in the initial set of disclosure topics, but was removed due to lack of support from the Industry Working Group (approval for the issue scored below 75%).
FN0301	Environmental Risk Exposure	Coro Strandberg (Strandberg Consulting)	% of insured products susceptible to environmental and social risks -% and \$ value	Many P&C products are exposed to environmental and/or social risks to a certain extent. SASB research indicated that investors could benefit from specific disclosure on potential losses from natural catastrophes. SASB will continue research to develop metrics that will provide decision-useful information to investors.
FN0301	Environmental Risk Exposure	Coro Strandberg (Strandberg Consulting)	PML from environmental and social risks: \$ and %	PML is captured by metric FN0301-01.
FN0301	Environmental Risk Exposure	Coro Strandberg (Strandberg Consulting)	Total insurance payout: \$ and %	Companies currently report catastrophe losses in their SEC filings and state the impact these losses have on combined ratio.
FN0301	Policies Designed to Incentivize Responsible Behavior	Coro Strandberg (Strandberg Consulting)	Incentivizing social and environmental performance – describe products/programs to incentivize responsible behavior or minimize social and environmental risks for businesses and retail customers; # and % of clients which used the program	SASB will consider incorporating a quantitative aspect into this metric.
FN0301	Policies Designed to Incentivize Responsible Behavior	Coro Strandberg (Strandberg Consulting)	Describe insurance products to incentivize environmental and social responsibility : \$ and %	SASB will consider incorporating a quantitative aspect into this metric.
FN0301	Policies Designed to Incentivize Responsible Behavior	Coro Strandberg (Strandberg Consulting)	Describe insurance products to support innovative energy, low-carbon and social purpose business models: # and % of portfolio	SASB will consider incorporating a quantitative aspect into this metric.
FN0301	Add Issue	Coro Strandberg (Strandberg Consulting)	Customer privacy measures	SASB considered this topic for the standards, but our research did not show enough evidence of financial impact on companies in the industry or sufficient interest from

Industry SICS number	Topic (Metric Code)	Name and/or Affiliation of Respondent	Comment Excerpts	SASB Response
				stakeholders. SASB will continue to explore this topic and may include it in the standards in the future.
FN0301	Add Issue	Coro Strandberg (Strandberg Consulting)	Measure to improve the social and environmental impacts of the claims process	SASB considered this topic for the standards, but our research did not show enough evidence of financial impact on companies in the industry or sufficient interest from stakeholders. SASB will continue to explore this topic and may include it in the standards in the future.
FN0301	Environmental Risk Exposure	Coro Strandberg (Strandberg Consulting)	# and % of premium of companies denied insurance coverage due to not meeting ESG criteria	This issue is addressed in metric FN0301-04: List of markets, regions, and/or events for which the registrant declines to voluntarily write coverage for weather-related natural catastrophe risks.
FN0301	Add Issue	Coro Strandberg (Strandberg Consulting)	Include employee incentives and compensation KPIs from assessment management, and include disclosure of non-financial metrics in performance compensation and if not why not	Because of the lack of evidence of interest and financial impact, SASB did not deem the Employee Incentives and Compensation topic relevant to investors and was not able to include it in the standards for this industry. SASB currently addresses employee compensation and risk-taking issues in the Investment Banking & Brokerage and Asset Management & Custody Activities industries. SASB will continue to explore the topic and may include it in standards for other industries if it becomes more relevant to investors.
FN0301	Incentivizing Social and Environmental Performance / Environmental Risk Exposure	Farha-Joyce Haboucha (Rockefeller & Co.)	We recommend an additional indicator to the Social section that stresses the role of consumer education and how insurance companies seek to educate customers and the broader public on climate change risks and opportunities. These include efforts to raise awareness on the economic and social impacts of climate change, and how insurance products and services can help build environmental and economic resilience and adaptation.	The comment was noted. While this aspect is currently not captured by disclosure topics, SASB will continue to research the topic and solicit stakeholder input, and will consider whether it warrants inclusion.
FN0101	Systemic Risk Management	Dov Fischer	<p>FN0101-17B Notional amounts of written credit derivatives</p> <p>FN0101-17C Purchased written derivatives with the same underlying notionals</p> <p>FN0101-17D Written credit derivatives not offset by purchased credit derivatives with identical underlying notionals</p> <p>The Standards require disclosure of notional values of OTC derivatives but do not address credit derivatives. GAAP currently requires the disclosure of maximum notional payout of written credit derivatives (in italics). However, Basel III proposals will also require the disclosure of (in bold):</p>	The comment was addressed, and the metric was updated from "Notional amount of over-the-counter (OTC) derivative positions" (FN0101-17) to the "Net exposure to written credit derivatives" (FN0101-12).

Industry SICS number	Topic (Metric Code)	Name and/or Affiliation of Respondent	Comment Excerpts	SASB Response
			<p>Paragraph 31: In order to capture the credit exposure to the reference entity... the full effective notional value referenced by a written credit derivative is to be incorporated into the Exposure Measure. The effective notional amount of a written credit derivative may be reduced by the effective notional amount of a purchased credit derivative on the same reference name and level of seniority if the remaining maturity of the purchased credit derivative is equal to or greater than the remaining maturity of the written credit derivative.</p> <p>Maximum Notional Payout of Written Credit Derivatives Less: Purchased Credit Derivatives with identical underlying notionals Equal: net exposure to written credit derivatives</p> <p>My recommendation is that Standards include the bolded items above.</p> <p>Five of the six largest U.S. banks currently provide the items in bold, but one bank does not. The following represent exposures to derivatives, as of December 2012</p>	
FN0102	Systemic Risk Management	Dov Fischer	<p>FN0102-17B Notional amounts of written credit derivatives FN0102-17C Purchased written derivatives with the same underlying notionals FN0102-17D Written credit derivatives not offset by purchased credit derivatives with identical underlying notionals</p> <p>The Standards require disclosure of notional values of OTC derivatives but do not address credit derivatives. GAAP currently requires the disclosure of maximum notional payout of written credit derivatives (in italics). However, Basel III proposals will also require the disclosure of (in bold):</p> <p>Paragraph 31: In order to capture the credit exposure to the reference entity... the full effective notional value referenced by a written credit derivative is to be incorporated into the Exposure Measure. The effective notional amount of</p>	The comment was addressed, and the metric was updated from "Notional amount of over-the-counter (OTC) derivative positions" (FN0101-17) to the "Net exposure to written credit derivatives" (FN0101-12).

Industry SICS number	Topic (Metric Code)	Name and/or Affiliation of Respondent	Comment Excerpts	SASB Response
			<p>a written credit derivative may be reduced by the effective notional amount of a purchased credit derivative on the same reference name and level of seniority if the remaining maturity of the purchased credit derivative is equal to or greater than the remaining maturity of the written credit derivative.</p> <p>Maximum Notional Payout of Written Credit Derivatives Less: Purchased Credit Derivatives with identical underlying notionals Equal: net exposure to written credit derivatives</p> <p>My recommendation is that Standards include the bolded items above.</p> <p>Five of the six largest U.S. banks currently provide the items in bold, but one bank does not. The following represent exposures to derivatives, as of December 2012</p>	
FN0102	Employee Incentives and Risk-Taking (FN0102-06)	Felikar and Associates	<ol style="list-style-type: none"> 1. Performance measurement per employee category and their contribution to profitability 2. HR has a crucial role to transform organisations and driving the strategy, hence impact on sustainability and Success of the organisation: inclusion of assessment of the HR function could be considered as a material issue - processes, governance structure of the function and performance measurement criteria 	The suggested metrics were not incorporated in the provisional set of metrics for the Employee Incentives & Risk Taking disclosure topic. The suggested measure does not fall within the scope of SASB definition of sustainability.
FN0101	Add Issue	Felikar and Associates	<ol style="list-style-type: none"> 1. Brand management and reputation risk: consider inclusion of processes and measurement criteria as a material issue 	The suggested topic was not included as a stand-alone disclosure topic. SASB considers reputational risk to be one of the potential impacts of mismanaging any of the topics included in the SASB Commercial Banks Standard.
FN0103	Add Issue	Felikar and Associates	<ol style="list-style-type: none"> 1. Regulator Compliance and Quality Control: consider including issues arising from regulatory compliance and quality control audits and how the mechanism in place to address them 	This issue is captured by the Management of the Legal & Regulatory Environment disclosure topic.
FN0101 FN0102 FN0103 FN0201 FN0202 FN0203	Add Issue	Felikar and Associates	<ol style="list-style-type: none"> 1. Most corporate failures have been due to poor governance: consider disclosures of governance structure/mechanism, evaluating performance for instance compliance with governance codes, and how non-compliance is dealt with 	SASB currently addresses regulatory compliance in the Management of Legal & Regulatory Environment disclosure topic which is included in the Commercial Banks, Investment Banking, Asset Management, and Mortgage Finance industries.

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FN0301				
FN0201	Customer Privacy and Security	Felikar and Associates	1. Consider disclosure for existence of Know Your Customer (KYC) programs and how monitored	The suggested metric was not included in the Customer Privacy and Security disclosure topic. SASB research found that Know Your Customer program is focused on preventing identity theft, financial fraud, money laundering and terrorist financing, rather than ensuring customer privacy and data security. Therefore, it was not determined to be applicable to this disclosure topic.
FN0202	Responsible Lending and Debt Prevention	Felikar and Associates	1. Consider extending to include responsible lending and social responsibility: disclosure for mechanisms in place to ensure mortgaged projects financed comply with technical standards (architectural/structural engineering requirements etc) before funds are approved to ensure safety of users and general public	The Responsible Lending and Debt Prevention disclosure topic in the Mortgage Finance industry does not capture the structural safety of mortgaged properties. This issue is considered for inclusion in the Home Builders industry in the Infrastructure sector, but was ultimately not included in the provisional standards due to the lack of evidence of financial impact or evidence of interest.
FN0202	Transparent Information and Fair Advice for Customers (FN0202-05)	Felikar and Associates	Consider including in the compensation for loan officers the performance of loans they originate as an incentive in their variable compensation	The metric "Description of how variable compensation of loan originators is related to terms and conditions of loans" (FN0202-05) was updated to the "Description of variable compensation structure of loan originators" (FN0202-04), which Performance of loans would be reported by mortgage finance companies in their financial disclosure.
FN0103	Employee Development and Inclusion (FN0103-04)	Felikar and Associates	1. Measurement of employee level of engagement: consider extending to include level of engagement and contribution to growth and profitability	SASB research determined that employee development and engagement was not likely to be a material factor for most companies within the Asset Management & Custody Activities industry, so the associated metrics were withdrawn from the standard. The provisional standard for the Asset Management & Custody Activities industry includes the Employee Inclusion disclosure topic.
FN0203	Promoting Transparent and Efficient Capital Markets (FN0203-01)	NASDAQ OMX	NASDAQ OMX Listing Rules already stipulate the criteria and disclosure of material public information. Companies listed on The NASDAQ Stock Market, for example, are subject to regulations regarding the disclosure of material news, or any information that would reasonably be expected to affect the value of a company's securities or influence investors' decisions. NASDAQ-listed companies are required to disclose material news promptly to the public through any Regulation FD-compliant method or combination of methods, including: broadly disseminated press releases; furnishing to or filing a Form 8-K or Form 6-K with the SEC (may also include Forms 10-Q and 10-K; conference calls, press conferences, or	The comment was noted.

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			<p>webcasts (as long as the public is provided adequate notice and granted access); company websites; social media channels; or company announcements (again, only if investors themselves are properly alerted).</p> <p>Our MarketWatch group constantly reviews all material news notifications and may, when appropriate, implement a temporary trading halt to permit the public dissemination of the material news. A complete record of our current and historical trading halts—along with the reasons for the action—is already made available to the public via our trading website (NasdaqOMXTrader.com).</p> <p>Even if NASDAQ OMX determines that it is appropriate to halt trading in a security, this (in and of itself) may not be an appropriate sustainability performance indicator. A trading halt benefits current and potential shareholders by halting all trading in a security until there has been an opportunity for material information to be disseminated to the public. This decreases the possibility of some investors acting on information known only to them. A trading halt provides the public with an opportunity to evaluate the information and consider it properly in their investment decisions; it also alerts the marketplace to the fact that news has been released. Furthermore, the length of a trading halt can vary and there may be no value inferred by merely knowing its duration.</p> <p>While NASDAQ OMX recognizes that a trading halt can disadvantage existing investors, our primary regulatory responsibility is to prospective investors.</p>	
FN0203	Promoting Transparent and Efficient Capital Markets (FN0203-02)	NASDAQ OMX	<p>A complete record of our current and historical trading halts— along with the reasons for the action —is already made available to the public via our trading website (NasdaqOMXTrader.com).</p> <p>Comments made above in reference to Code: FN0203-01 apply similarly to Code: FN0203-02.</p>	The comment was noted
FN0203	Promoting Transparent and Efficient Capital Markets (FN0203-03)	NASDAQ OMX	<p>NASDAQ OMX has commented extensively on this issue in other forums, including in testimony before the U.S. Congress—from which much of the content below is adapted. Our estimation of the value (and risk) associated with electronic, algorithmic, and high-frequency trading is part of the public record.</p>	The comment was noted. The qualitative metric FN0203-03 “Discussion of risks and opportunities (short and long term) associated with algorithmic or high frequency trading, and percentage of algorithmic or high frequency trades occurring on exchange(s)” was replaced with the quantitative metric

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			<p>Computer trading is a fact of life and has been the default method of trading for billions of trades over the past several years. It has a proven track record of delivering benefits for investors and market participants that specifically address sustainability concerns: Bringing new investors into the markets, equalizing the information advantage that used to be the staple of manual markets, lowering trading costs, and giving the market expanded abilities to handle the kind of trade and message traffic growth that would freeze manual markets.</p> <p>High Frequency Trading ("HFT") has attracted much of the media attention, but it is not the only "fast" player in the marketplace. Exchanges, dark pools, and broker systems are all connected and all use sophisticated technology. These systems communicate in slices of time that approach the speed of light. Though a great technical achievement, previously minor events may now represent profound risks that can tangibly affect investor confidence. NASDAQ OMX is not immune to this issue, and therefore committed to assisting SASB in its search for an appropriate sustainability metric.</p> <p>NASDAQ OMX believes that technological developments must be implemented in a manner that ensures all investors a fair deal. Average investors must not be placed at a disadvantage to professional traders by rules that permit selective disclosure of information, preferential access to trading interest, or the appearance of a two-tiered market. All markets that trade the same securities should be equally transparent about their operations, including the rules governing their trading systems, the criteria for admission, and the prices of comparable services. SASB and other concerned parties should regularly examine the application of new trading technologies for signs of regulatory arbitrage. We caution SASB against isolating HFT as a business model issue or a core indicator of sustainability performance. HFT tightens spreads and adds valuable liquidity, which are positive market forces. The academic evidence about HFT supports the fact that they generally add value to the market. Although we recognize that all market participants have a profit motive, that fact tends to incentivize innovation and</p>	<p>"Percentage of trades generated from automated trading systems" (FN0203-03).</p>

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			<p>healthy competition among participants. In our industry, no matter the business model, individual players will try to cross the line—and NASDAQ OMX, the other exchanges, FINRA (the Financial Industry Regulatory Authority) and the SEC works diligently to expose them.</p>	
FN0203	Promoting Transparent and Efficient Capital Markets (FN0203-04)	NASDAQ OMX	<p>NASDAQ OMX has been a vocal proponent of this effort for a number of years. Through the World Federation of Exchanges, we have promoted sustainability dialogue and consensus with fellow stock markets and exchanges. Via the UN Sustainable Stock Exchanges Initiative, we entered into a historic agreement with other key exchanges to develop and promote sustainability guidelines—and that list of committed exchanges has grown ever since. We regularly assist listed companies with their ESG and CR disclosures, enabling them to better manage sustainability as an aspect of their own operation. And we also lead by example, reporting our own ESG metrics to various established reporting channels (Carbon Disclosure Project, Global Reporting Initiative, and the UN Global Compact).</p> <p>NASDAQ OMX, in its listing rules, has the authority to request any additional information or documentation, public or non-public, deemed necessary to make a determination regarding a company's continued listing. A company may be denied continued listing if it fails to provide such information within a reasonable period of time or if any communication to NASDAQ OMX contains a material misrepresentation or omits material information.</p> <p>Listed companies must provide full and prompt responses to requests by NASDAQ OMX (or by FINRA acting on our behalf) for information related to unusual market activity or to events that may have a material impact on trading of its securities.</p> <p>In addition to annual and quarterly statements filed with the SEC, NASDAQ OMX already requires companies to disclose a great deal of information to us—information that may not be appropriately made public. Thus the focus on public disclosure, rather than on regulator transparency, might undermine market stability. Such disclosures may include:</p>	The comment was noted.

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			<p>Financial-related disclosures, including quarterly or yearly earnings, earnings restatements, pre-announcements or guidance</p> <p>Corporate reorganizations and acquisitions, including mergers, tender offers, asset transactions and bankruptcies or receiverships</p> <p>New products or discoveries, or developments regarding customers or suppliers (e.g., significant developments in clinical or customer trials, and receipt or cancellation of a material contract or order)</p> <p>Senior management changes of a material nature or a change in control</p> <p>Resignation or termination of independent auditors, or withdrawal of a previously issued audit report; events regarding the listed company's securities (defaults on senior securities, calls of securities for redemption, repurchase plans, stock splits or changes in dividends, changes to the rights of security holders, or public or private sales of additional securities)</p> <p>Significant legal or regulatory developments</p> <p>Any event requiring the filing of a Form 8-K</p>	
FN0203	Managing Conflicts of Interest (FN0203-07)	NASDAQ OMX	<p>NASDAQ OMX enforces integrity and ethical business practices in order to enhance investor confidence, and it already has a mechanism in place to deal with potential ethical violations at listed companies. Listed companies, from new public companies to companies of international stature, are subject to our broad discretionary authority in order to maintain the quality of (and public confidence in) our market, to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and to protect investors and the public interest.</p> <p>NASDAQ OMX may use such discretion to deny initial listing, apply additional or more stringent criteria for the initial or continued listing of particular securities, or suspend or delist particular securities based on any event, condition, or circumstance that exists or occurs that makes initial or continued listing of the securities inadvisable or unwarranted, even if the securities meet all enumerated criteria for initial or continued listing on the market.</p>	<p>The comment was noted. SASB believes that the technical protocol to the metric FN0203-05 "Description of process to identify and assess conflicts of interest between the exchange's regulatory obligations and the interests of its members, its market operations, its listed issuers, and, in the case of a demutualized self-regulatory organization (SRO), its shareholders" does not overprescribe disclosure on this topic.</p>

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			Exchanges should be allowed some latitude in the analysis and enforcement of this standard, as they are subject to the needs of various geographic, cultural, and regulatory imperatives. An attempt by SASB to overprescribe disclosure guidance related to this metric may be met with resistance.	
FN0203	Managing Business Continuity and Technology Risks (FN0203-08)	NASDAQ OMX	<p>Our business continuity plans are robust and take into consideration real time failovers of our market trading platforms, and protect us against intentional or malicious attempts to disrupt our businesses. Information assurance at NASDAQ OMX addresses information security-designed life cycle practices and controls necessary to secure our systems. Although some of our security measures are discussed in public, many are not—nor should they be, for a potential attacker might gain an unfair advantage.</p> <p>This SASB metric must take into account an exchange operator’s absolute need to protect its critical systems from public view.</p>	The comment was noted. Technical protocol to the metric FN0203-07 “Description of efforts to prevent technology errors, security breaches, and market disruptions” states: “All disclosure shall be sufficient such that it is specific to the risks that the registrant faces but disclosure itself would not compromise the registrant’s ability to maintain data privacy and security.”
FN0203	Managing Business Continuity and Technology Risks (FN0203-09)	NASDAQ OMX	<p>NASDAQ OMX CEO Bob Greifeld recently addressed many of these issues in an open letter to customers, clients, and other stakeholders. The comments below are adapted from that letter.</p> <p>As market leaders, we view our experiences as opportunities to learn and improve. Through our years of focus on continuous improvement, NASDAQ OMX has compiled a consistent track record, maintaining open, reliable markets with 99.999 percent uptime. Fostering a culture that rewards excellence and promotes taking all necessary steps to keep the markets fair, orderly, and well-functioning, we have contributed to the resiliency of our global capital markets during some of the most challenging circumstances. Additionally, we have put in place innovative safeguards and taken a number of steps to help ensure that NASDAQ OMX continues to deliver the world’s best trading technology, including:</p> <ul style="list-style-type: none"> • Within technology, we created dedicated positions for Chief Information Officer and Global Head of Market Systems, and filled those important jobs with widely respected and experienced executives; • We changed our IPO and opening and closing crosses; 	The comment was noted.

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			<p>We deployed new global processes for changing our technology; and</p> <p>We established a dedicated engineering team to monitor and analyze daily system performance, and a new quality assurance organization focused on testing our trading systems.</p> <p>By the end of 2013, after a thorough review by our Board of Directors and executives, we will certify our compliance with each of the commitments we made to the SEC, many of which we have already completed as outlined above.</p>	
FN0203	Managing Business Continuity and Technology Risks (FN0203-09)	NASDAQ OMX	<p>NASDAQ OMX CIO Mark Graff testified before the U.S. Congress on cybersecurity and data breach issues. Our comments in relation to this metric are adapted from that testimony.</p> <p>NASDAQ OMX is committed to a vigorous defense of our infrastructure. We dedicate substantial capital and human resources, both internal and external, to ensure our systems are protected against a wide variety of attacks. While many of the services we deliver to customers worldwide are housed on Internet-facing web servers, our trading and market systems are safely tucked away behind several layers of carefully arranged barriers, such as firewalls and network isolation zones.</p> <p>It may occasionally prove difficult to reach one of our outward-facing websites for a few minutes as a result of electronic vandalism, such as a denial-of-service attack, but our core trading and market systems remain protected. Thus, the SASB standard is insufficiently vague as to the nature and scope of a "data security breach."</p> <p>We encourage SASB to make a sustainability performance distinction between security breaches that compromise critical (market operations, customer financial data storage, material non-public information) and non-critical functions (informational websites).</p> <p>This metric does not properly value the positive aspect of a preventative effort, but rather seems to focus on negative outcomes.</p> <p>If you have any questions about the comments above, or if you require anything further, please do not hesitate to contact me. We wish SASB the best of luck with its continued</p>	<p>The comment was noted. The metric FN0203-10 "Number of data security breaches, including:</p> <p>(1) Percentage that resulted in a business process deviating from the expected outcomes with respect to confidentiality, integrity, and availability</p> <p>(2) Description of corrective actions" was updated to the "Number of data security breaches and percentage involving customers' personally identifiable information" (FN0203-09). The technical protocol that accompanies the metric provides a distinction between the types of security breaches mentioned by the commenter. Specifically, it states that "disclosure shall include incidents of unauthorized acquisition or acquisition without valid authorization, resulting from people, process, or technology deficiencies or failures" and that "disclosure shall exclude disruptions of service due to equipment failures." The technical protocol further defines "Personal Identifiable Information".</p>

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			promotion of good sustainability standards and pledge our continued support to its mission.	
FN0101	Financial Inclusion and Capacity Building	Yoshihiro Fujii	FN0101-05 .30, it said [The scope of disclosure excludes residential and commercial mortgage activities] But in FN0101-06 .32 and FN0101-07. 36, both said [The LTD shall be calculated and disclosed for the registrant’s lending to underserved and/or underbanked business segment] Compared with both phrases, it seems to be complicated how to disclose mortgage loan as a whole. Or do you want to intend to classify between quantified amounts of mortgage lending and lending activities? If so, I think it is necessary to make difference clear.	The scope of disclosure for metric FN0101-05 “Loan default rates for: (1) Overall domestic lending (2) Underserved and underbanked business segments” excludes residential and commercial mortgage activities, because these activities are covered in the Mortgage Finance industry as opposed to the Commercial Banks industry.
FN0101	Financial Inclusion and Capacity Building	Yoshihiro Fujii	In FN0101-06 .32 and FN0101-07 .35, you ask non-US domicile registrants to include all lending within the registrant’s country of domicile. If so, their activities for underserved and underbanked business should be included in their activities. But their domestic needs and requests for those activities might be different with US ones. I think this points should be also classified in FN0101-05.	The comment was noted. SASB will continue researching this topic to determine international applicability of the term.
FN0101	Employee Development and Inclusion	Yoshihiro Fujii	FN01001-09 .43. In case of global financial institutions, is this format of the Race and Ethnicity category limited only US activities or whole of their global activities? Especially for non-US domiciled registrants, their composition of race and ethnicity are quite different with US domiciled ones.	This disclosure topic was withdrawn from the provisional SASB Commercial Banks Standard.
FN0301	Systemic Risk Management / Management of Legal and Regulatory Environment	Yoshihiro Fujii	In Europe and Japan, major insurance companies have already adopted with Solvency 2 regulation for insurance companies and ERM (Enterprise risk management) as their new risk management methods. Especially, ERM provides a framework of balanced risk management for insurance companies both financial and non-financial factors. Therefore I think you should also mention how insurance companies deal with their ESG factors in ERM calculations and disclosures.	The comment was noted. The enterprise risk management framework was incorporated into the metric FN0301-03 “Description of how environmental risks are integrated into: (1) The underwriting process for individual contracts (2) The management of firm-level risks and capital adequacy” in the Environmental Risk Exposure disclosure topic.