



Infrastructure Sector Standards

RECORD OF PUBLIC COMMENT

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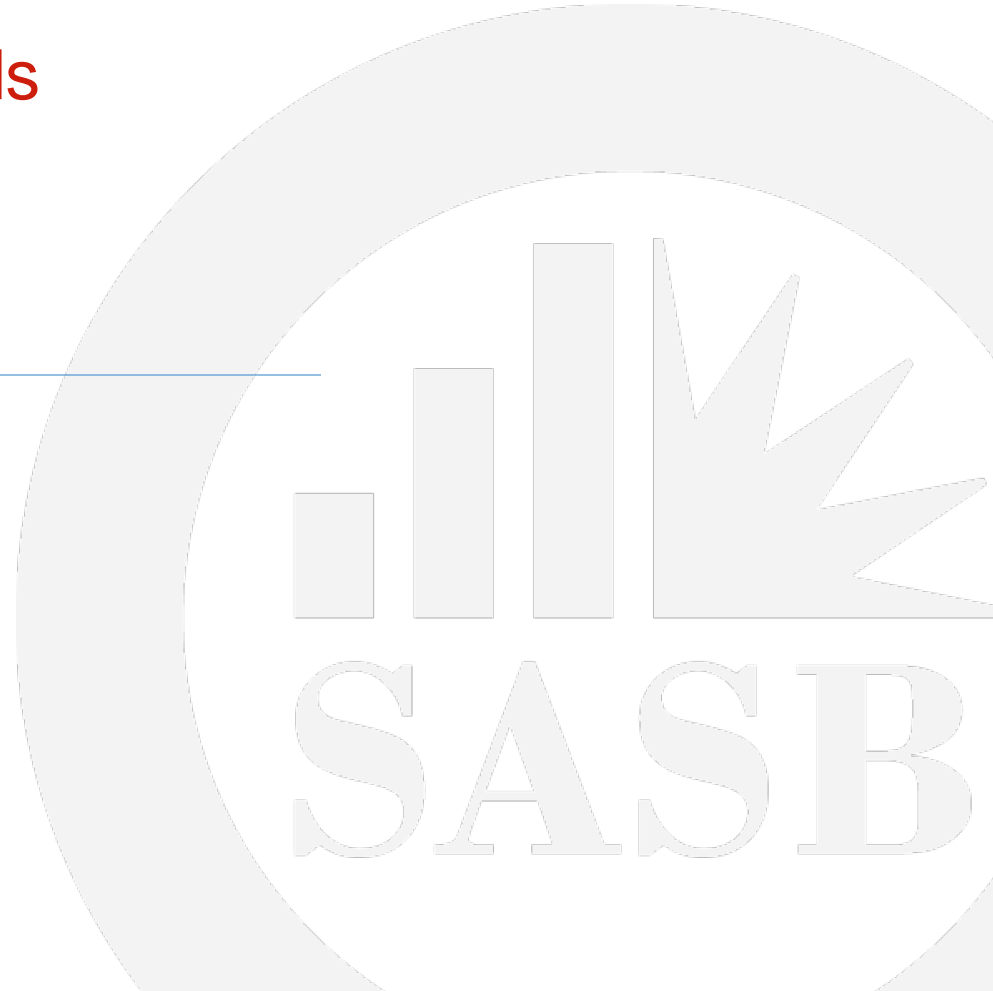


Table of Contents

Introduction	2
General Comments	3
Electric Utilities	5
Gas Utilities	37
Water Utilities	61
Waste Management	87
Engineering & Construction Services	105
Home Builders	115
Real Estate Owners, Developers & Investment Trusts	121
Real Estate Services	188

Introduction

The following table outlines all comments received during the 90-day public comment period for the draft Infrastructure standards, which officially concluded on January 5, 2016. The table includes the name of the commenter, the relevant section of the exposure draft, the relevant comment excerpts, and how SASB addressed the comment. Please note that the "Issue (Metric Code)" refers to the section(s) in the draft Infrastructure Sector standards issued for public comment, which may be different from the sections presented in the final provisional standards issued on March 30, 2016.

General Comments

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
General	CH2M	General - Alignment	First and foremost it would be beneficial for the SASB metrics standards to be aligned with the infrastructure guidelines for other reporting mechanisms, such as the Global Reporting Initiative (GRI), Carbon Disclosure Product (CDP), the Dow Jones Sustainability Index (DJSI), and International Organization for Standardization (ISO) frameworks. It would be ideal if the metrics and definitions from the various frameworks were coordinated.	<p>SASB works alongside and with multiple organizations seeking to advance corporate disclosure on sustainability issues. SASB complements global initiatives including the Global Reporting Initiative (GRI), the International Integrated Reporting Committee (IIRC), CDP, and others. When formulating accounting metrics for its disclosure topics, SASB considers the existing body of reporting standards and uses existing metrics whenever possible. Where current disclosure is inconsistent or not established SASB has developed new metrics.</p> <p>For more information on SASB's alignment with other reporting frameworks please visit: http://www.sasb.org/approach/key-relationships/</p>
General	CH2M	General - Topic Consistency	After doing a side-by side comparison of all industries, it seems that the following general issues were considered: resources consumed; resources impacted; compliance; impacts to workers; and community. However, not all issues were evaluated consistently. Terminology and parameters need to be consistent across sectors to allow comparison and we suggest that some of the parameters, such as management of the legal and regulatory environment, should be core to all industries. Additionally, parameters and companies that fall within various sectors should be clearly defined. Particularly, the demarcations between the industry sectors should be separated (home builders, engineering, and real estate).	SASB works to align its standards across industries, where industry specific issues do not create unique circumstances that need to be addressed in a unique manner. For instance, regarding the Management of the Legal & Regulatory Environment, SASB intends to capture performance on the specific regulatory issues (e.g., End-Use Efficiency in Gas Utilities). Where overarching relationships with regulators cannot be captured through specific issues, SASB works to capture performance more broadly.
General	CH2M	General - Topic Consistency	In reviewing the Supplement to Standards Outcome Report, the following issues were not considered consistently and should be added if missing: ethics, worker health and safety, public safety, and emergency management. These issues are relevant across sectors and at a minimum should be evaluated for materiality. We believe some parameters cover the same subject matter but use different terms. All data parameters need to be defined and where possible, the number/range of phrases used to label parameters rationalized.	SASB performs a heat map analysis of topics that are present across sectors, this process utilizes a proprietary algorithm to highlight areas with significant industry interest. Areas with significant industry interest are further researched and vetted throughout the standards development process. While SASB works to align topics across industries, where appropriate, SASB also intends to highlight unique industry drivers.

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General	CH2M	General - Consistency of Definitions	Another general point which applies to all sectors is that, as worded, some of the data parameters may be challenging to audit, other than at a very high level. We suggest that metrics be defined and explained for each parameter, including a generic description of governance, controls, and procedures related to each data parameter. If it is not possible to provide definitive metrics for each data parameter, it is questionable as to whether the disclosure should be mandatory (for cases in which the data parameter in question is required).	SASB intends to provide clear definitions of parameters and terms employed in its standards. SASB will address specific definitional concerns below, for each relating comment.
General	CH2M	General - Consistency of Definitions	Additionally, the guidance often refers to a material cost driver. We suggest providing a concise definition for this and guidance on the range of issues that should be considered when determining whether an area is a material cost driver. Some sustainability issues may not directly have an impact on costs. For example, reputational impacts associated with sustainability issues can have indirect, potentially material, impacts on financial performance of an organization.	SASB employs the same definition in its research process as that put forth by the SEC. For further evidence on why disclosure on each metric may constitute material information, please refer to the SASB industry research briefs available on the Infrastructure sector webpage.
General	CH2M	General	We also suggest having the option that a particular area or data parameter is not relevant and/or material and, therefore, organizations would not be required to report on it. For example, spent fuel ash is very specific to certain types of power generation and as such Coal Ash & Spent Fuel Management may not be applicable in all cases. This would make the reporting process more efficient. Examples for other sectors are cited in the comments below.	SASB understands that certain topics may not be relevant for a particular company. To address this concern, SASB states in the Purpose & Structure section of the standards that "SASB Standards identify sustainability topics at an industry level, which may constitute material information— depending on a company's specific operating context—for a company within that industry. SASB Standards are intended to provide guidance to company management, which is ultimately responsible for determining which information is material and should therefore be included in its Form 10-K or 20-F and other periodic SEC filings."

Electric Utilities

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0101	CH2M	General - Support	All of the issues currently presented are material in this industry. We agree with retaining reporting on distribution network resiliency, health and safety, and downstream emissions management. We suggest adding the following items to improve reporting in this industry:	SASB appreciates CH2M's support for inclusion of these issues.
IF0101	CH2M	Air Quality	Regarding air quality materiality, it is important to properly define relevant substances. Guidance on definitions relevant to substances and standards should be provided for reporting.	<p>SASB seeks to establish definitions for the relevant substances through the technical protocol by noting, in IF0101-04 that: ".26 The registrant shall disclose emissions released to the atmosphere by emissions type. Substances include:</p> <ul style="list-style-type: none"> • Oxides of nitrogen (including NO and NO2 and excluding N2O), reported as NOx. • Oxides of sulfur (SO2 and SO3), reported as SOx. • Particulate matter (PM10), reported as the sum of PM10, where: <p>§ PM10 is defined according to 40 CFR Part 51 as particulate matter with an aerodynamic diameter less than or equal to a nominal 10 micrometers, including both condensable and filterable particulate matter.</p> <ul style="list-style-type: none"> • Mercury and mercury compounds, reported as Hg. • Lead and lead compounds, reported as Pb. <p>.27 This scope does not include CO2, CH4, and N2O, which are disclosed in IF0101-01 as Scope 1 GHG emissions."</p>
IF0101	CH2M	Land Use	Land use may be material to certain markets and should be included. A number of water utilities own large quantities of land for operations. These land parcels represent an important part of ecological impacts and biodiversity. The size, type, and use of these land parcels should be included in reporting.	SASB has adjusted this topic to focus on the community impacts of project siting. As such SASB seeks to address this comment in IF0101-11 by noting that "The registrant shall discuss the following, where relevant: Its efforts to avoid and/or mitigate environmental and/or community impacts either before siting and permitting, through the course of permitting, and/or during its ongoing operations, including, as appropriate, a discussion on the use of Safe Harbor Agreements, habitat protection and restoration, use of rights-of-way for multiple uses, and meetings with impacted communities."

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IF0101	CH2M	Grid Resiliency	Confidentiality concerns with reporting on grid resiliency need further review. Concerns regarding transparent reporting are legitimate since they may expose the industry to the threats they are intending to prevent, and benchmarking or metrics may be difficult for reporting.	SASB understands and respects confidentiality concerns regarding the Grid Resiliency topic. SASB has worked to address this by adapting the metric to "IF0101-17 Number of incidents of non-compliance with North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection standards".
IF0101	CH2M	Water Use	Water use and water security should be included, especially water used for cooling purposes and access to secure water supplies.	SASB has included metrics to focus on water use including; "IF0101-05. (1) Total water withdrawn and (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress", IF0101-06. Number of incidents of non-compliance with water quality and/or quantity permits, standards, and regulations", and "IF0101-07. Discussion of water management risks and description of strategies and practices to mitigate those risks".
IF0101	CH2M	Energy Efficiency	We agree with the IWG on the retention of the downstream energy stewardship item, which would yield material information regarding grid usage and fluctuations. The group should also consider reporting on emergency/disaster recovery plans. Changes in weather patterns could have a large impact on energy resiliency and consistency. A business's development and implementation of an emergency/disaster recovery plan should be considered for reporting.	SASB intends to capture emergency and disaster recovery impacts through "IF0101-18. (1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days".
IF0101	CH2M	Worker Health & Safety	Workforce health and safety and safety management were issues proposed by IWG, evaluated as "Decision pending further review." Worker health and safety as well as commitments to public safety speak to governance and are relevant issues to this industry, which we suggest be included.	SASB appreciates this suggestion and has included "Workforce Health & Safety" as a topic for the industry.
IF0101	CH2M	GHG Emissions	For both electric and gas there should be some consideration of carbon and greenhouse gas (GHG) not just as an emission but also reported in terms of financial exposure and impacts on markets, including reporting carbon as both as a financial liability and an asset.	SASB seeks to provide a minimum set of disclosure topics and metrics that are likely to constitute material information. Because SASB's research does not suggest that such a standard would significantly enlighten an understanding of financial exposure SASB has not included this topic.
IF0101	CH2M	Exposure to Energy Markets	The parameter in construction labeled as exposure to shifting energy markets seems applicable also to electric and gas utilities and should be considered in these sectors as well.	SASB seeks to provide a minimum set of disclosure topics and metrics that are likely to constitute material information. Because SASB's research does not suggest that such a standard would significantly enlighten an understanding of financial exposure SASB has not included this topic.

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IF0101	CH2M	Fair Pricing	Energy security, fair pricing and fair access to energy should be considered for this industry sector. This should be considered an optional reporting item as it may only be applicable to certain markets.	SASB seeks to provide a minimum set of disclosure topics and metrics that are likely to constitute material information for the majority of an industry. Should such a topic likely present material information to a single market participant or subset of participants, these companies may choose to disclose on this topic.
IF0101	Center for Resource Solutions	Activity Metrics, IF0101-C	Regarding the activity metric for "Total electricity generated, percentage by major energy source, percentage in regulated markets" and Footnote 10, it is unclear whether this refers to generation by owned generation assets only or generation for total procured power used to supply customers, i.e. delivered electricity. If the latter, renewable energy certificates (RECs) must be owned for all renewable generation delivered.	SASB has adapted the footnote to address this concern, noting "Note to IF0101-C—Generation should be disclosed by each of the following major energy sources: coal, natural gas, nuclear, hydropower, other renewables, petroleum, and other gases. The scope includes owned and/or operated assets."
IF0101	Center for Resource Solutions	Downstream Energy Stewardship, IF0101-11 and -12	A new accounting metric should be added for voluntary renewable energy programs and products. Many utilities offer (and in some states are required to provide) voluntary renewable energy programs, often called utility green pricing programs. Participating customers pay a premium on their electric bills to cover the incremental cost of the additional renewable energy. These supplier products can be differentiated on the basis of whether it is a regulated or deregulated market—this can be a green pricing/power option from a regulated utility, or a competitive green power option in deregulated markets. To date, nearly 850 utilities, including investor-owned, municipal utilities, and cooperatives, offer a green pricing option. Qualifying programs can earn Green-e Energy certification. This metric can include disclosure related to number of participants and percent of customers participating, total MWh of RE delivered through the program, proof of REC retirement, and certifications (e.g. Green-e Energy certification).	SASB has reviewed this suggestion. Sab's research did not substantiate inclusion of an additional metric, however SASB has noted in "IF0101-02. Description of long-term and short-term strategy or plan to manage Scope 1 emissions, emission-reduction targets, and an analysis of performance against those targets" that ".14 The registrant may choose to discuss its involvement in green power markets, including the number of customers served and corresponding electricity generated, where: <ul style="list-style-type: none"> • Green power markets are defined as an optional utility service that allows customers the opportunity to support a greater level of utility company investment in renewable energy technologies. .15 If the registrant chooses to discuss green power markets, it should disclose instances where the use of green power markets are required by state renewable portfolio standards."

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			<p>Lack of Transparent, Representative Process Unfortunately, the process for development of the proposed Draft Standard was flawed from the outset in that it was developed without robust technical expertise and input from the utility industry. A thorough understanding of the diversity and technical parameters of the industry is critical to developing material and meaningful metrics and standards for any industry but was lacking in this instance and is reflected in the resultant proposal.</p> <p>Only a limited number of individuals employed by the electric utility industry were involved in or contributed to any aspect of the development of the Draft Standard. Thus, the input received to help craft the Draft Standard was extremely limited and does not represent “industry-informed” input. The process for developing the proposed disclosures was not transparent and was largely unknown to the industry at large. In particular, we are not aware that any of our members’ finance or accounting leadership—those responsible for the fair presentation of financial reports in accordance with Generally Accepted Accounting Principles and Securities and Exchange Commission (SEC) rules—were included in the development of a proposal self-described as “required” for those purposes. After reviewing the “Supplement to Standards Outcome Report – Infrastructure,” which documents the detailed input received from the SASB Industry Working Groups for the infrastructure sector and the current Draft Standard, EEI does not feel that input received from individual utility members of the Working Group was adequately reflected in the Draft Standard.</p> <p>Accordingly, although we are providing certain observations because the Draft Standard has come to our attention, these comments should not be construed as support for, endorsement of, or agreement with, the Draft Standard. Because of the overarching deficiencies in the process noted above, as well as the specific examples below illustrating the many problematic aspects of this document, neither EEI nor its members support the Draft Standard or any of its proposals.</p> <p>Consequently, the SASB shall refrain from any characterization of</p>	<p>Balanced participation among investors, industry, and market intermediaries (including accountants and lawyers) is SASB’s best mechanism to determine the appropriate topics and metrics for the SASB standards. In particular we benefit from the industry expertise as we develop the technical aspects of the sustainability accounting standards. The standards development process is iterative in nature, which provides multiple opportunities for input and engagement from key stakeholders, such as industry associations, companies, and investors. The release of the Provisional Standards will begin a period of in-depth industry and investor engagement—an implementation review—in a continuous effort to test the likely materiality of the topics and decision-usefulness and cost-effectiveness of the metrics in SASB standards. This will be a deeply consultative phase for a substantial period of time – through the remainder of 2016 and into 2017. The purpose of this upcoming engagement period is to continue to improve the standards in a manner consistent with their guiding principles and criteria, prior to the codification of the standards.</p> <p>In June, the SASB Industry Working Group survey for the Electric Utilities industry collected input from 45 professionals, including those from electric utilities, electric infrastructure companies, consultants, asset managers, and accounting firms among other relevant organizations. While IWG members participate as individuals, not representing the viewpoint of their companies, they leverage their experience and bring the perspective of their industry. For the eight disclosure topics put forward by SASB to the IWG, the vast majority of survey respondents agreed that these issues are likely to constitute material information for companies in the industry – ranging from 77% in agreement for issues such as Land Use & Community Relations and Downstream Energy Stewardship, to 98% in agreement for Greenhouse Gas Emissions & Energy Resource Planning. SASB also received five public comment letters, in addition to EEI’s contribution, which further guided the development of the provisional standards. Most importantly, SASB will look to deepen its engagement with industry experts as it begins a period of deep consultation.</p>

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			<p>these comments as providing any form of electric utility industry support or validation of the proposed disclosures, including any inference that industry input was satisfactorily considered in the development of the proposed disclosures or that the Draft Standard represents a “consensus” view on such disclosures.</p> <p>In particular, the SASB should not include in any final Standard statements similar to those included when the SASB issued Provisional Standards for industries in the renewable resources and alternative energy sector¹. As part of that release, the SASB included the following statement: SASB’s standards development process is rooted in evidence and shaped by consensus. The 258 individuals participating in the industry working groups for the Renewable Resources & Alternative Energy sector included professionals from publicly traded companies with \$694 billion market capitalization and investment firms with \$8.7 trillion in assets under management.</p> <p>While employees from a few utilities participated in the standards working group, SASB states in its industry surveys that the participants give their personal views based on their professional experience and knowledge and that their responses do not represent the views of the company that employs them. Therefore, it is misleading to assert that these individuals represent the market capitalization of the companies for whom they work or the industry at large. Furthermore, it is inappropriate to promote standards with assertions that imply the assistance and/or support of a large share of the potential user market when, in fact, this is not the case. If the SASB finalizes the Draft Standard, such statements should not be included with respect to EEI or its member companies.</p> <p>Overall, the process for development of the standard was irreparably flawed from the beginning because it did not begin with soliciting the interest and expertise from the companies that would consider using the standard.</p>	<p>SASB has put forth its Rules of Procedure, which is a proposed governance structure that will dictate SASB’s standards development going forward. In it we propose creating an independent, balanced Council to vote to approve SASB’s standards and any changes to them in the future. EEI is welcome to provide comments on this proposal through July 6th, 2016.</p>

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IF0101	Edison Electric Institute	General	<p>EI does not agree with the Draft Standard’s proposal to include voluminous, prescriptive disclosures for nine sustainability topics in financial reports filed with the SEC, contending that such disclosures are required under the SEC reporting rules concerning material information.</p> <p>Our member companies have a long history of transparently presenting all required information that is material to their financial reports filed with the SEC, including relevant environmental and sustainability information. The SEC disclosure rules cited by the Draft Standard have been in existence for many years and our members have complied in both form and substance with the all of the provisions of the SEC’s rules. Further, independent accounting firms have audited and/or reviewed all disclosures included in satisfaction of those requirements. Periodically, as required by law, the SEC staff has reviewed all of our members’ filings, made comments where the staff questioned the appropriateness of such disclosures, and resolved those issues through their existing processes. At no time prior to the development of the Draft Standard has the SEC or any independent accounting firm asserted that the disclosures that the SASB seeks are universally required in order to align with the SEC’s reporting rules concerning materiality. The SASB has no authority to declare unilaterally otherwise.</p>	<p>SASB standards are voluntary. Any reference to “required” as seen in the EEI public comment letter is inaccurate. SASB does not imply that any publicly listed companies, including your organization’s members, are out of compliance with SEC regulations. Sustainability disclosures are an evolving area. As the SEC stated in its Climate Change guidance, “Improvements in technology and communications in the last two decades have significantly increased the amount of financial and non-financial information that management has and should evaluate, as well as the speed with which management receives and is able to use information.” In other words, MD&A and related disclosures tend to change and evolve over time, based on investor interest, availability and usefulness of information, as well as access to relevant and meaningful disclosure or accounting standards, such as the voluntary standards developed by SASB. The SASB standards are voluntary and are designed to operate within current corporate disclosure requirements, in order to increase disclosure-effectiveness. We encourage EEI to review the SASB Implementation Guide to assist in establishing clarity on the SASB standards, including how they are designed to be incorporated into the 10-K (http://using.sasb.org/implementation-guide-for-companies/).</p>

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IF0101	Edison Electric Institute	General	<p>Below is a description of applicable SEC requirements that already address the SASB’s proposed disclosure topics in a focused, relevant way tailored to financial reporting:</p> <ul style="list-style-type: none"> · Item 303 - MD&A disclosures require discussion of any known trends or uncertainties that have had, or that the registrant reasonably expects will have, a material favorable or unfavorable impact on net sales or revenues or income from continuing operations. The focus is on material events and uncertainties known to management, and analysis of whether disclosure is required is based on probability and magnitude of impact on financial metrics that differs from the historical financial information. · Item 101 - Description of the business and subsidiaries requires disclosures regarding certain costs of complying with environmental laws. Description of the business would consider any regulations that the company has to comply with including any that may have the potential of a material impact, even if that impact cannot be evaluated at the time. · Item 103 - Legal proceedings requirements include briefly describing any material pending or contemplated legal proceedings with specific requirements for administrative or judicial proceedings arising from laws and regulations that target discharge of materials into the environment or that are for the purpose of protecting the environment. · Item 503(c) - Risk Factors should include discussion of the most significant factors that make an investment speculative or risky, clearly stating the risk and specifying how a particular risk affects the particular filing company. · Requirement to comply with Generally Accepted Accounting Principles, which includes numerous provisions such as those related to loss contingencies for environmental remediation, fines, penalties, etc., that are material. <p>Therefore, there is no need to promulgate, nor for our industry to adopt, a new set of disclosures purportedly required to assure compliance with SEC rules. By making the disclosures less effective, as discussed in more detail below, such actions would obscure, not clarify, relevant matters. This is particularly true with respect to the Draft Standard’s requirement to include quantitative non-financial information such as pertinent</p>	<p>SASB standards are designed to help companies comply with existing SEC reporting requirements. The standards are designed to be integrated into the MD&A and other relevant sections of mandatory SEC filings such as the Form 10-K and 20-F, so that information is reliable and all investors have access to material, comparable information without the need to source it from questionnaires or purchase it from commercial vendors. SASB’s analysis shows that of the topics in the Electric Utilities standard, 14% have no disclosure in current 10-K filings, 26% have boilerplate disclosure, and 33% have an industry-specific yet generic disclosure. These disclosures are not quantitative, comparable, or decision-useful to investors. SASB’s standards provide industry-level guidance, that has previously been unavailable, that will facilitate issuers in providing more effective disclosure.</p> <p>In its standards SASB notes that in addition to the MD&A, it may be relevant to integrate SASB disclosures into Item 101, Item 103, or Item 503(c) (see pages 3-4 of the Electric Utilities Standard).</p>

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			<p>environmental and social statistics. Such information is distinct from economic information contained in audited financial documents. EEI members voluntarily disclose many sustainability metrics in separate reports (other than SEC filings) specifically designed to discuss these matters for stakeholders who find them relevant.</p>	

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IF0101	Edison Electric Institute	General - Materiality Cannot be Divorced from Context	<p>In addition to the deficiencies cited above, the Draft Standard utilizes an incorrect understanding of materiality. Specifically, it defines materiality based on a category of information or specific issues (such as emissions) rather than in the context, and for the purpose of, reporting and explaining historical financial results. Although it purports to adhere to the SEC definition of materiality, by characterizing the disclosures in the Draft Standard as "required," it effectively attempts to supersede management's judgment in making that determination.</p> <p>The overall context of SEC filings, and the purpose for which they exist, is to provide materially correct financial information, material disclosures necessary to understand that information, explanations of the reasons for material changes from period to period, and explanations of material known trends or uncertainties that would cause the historical information not to be representative of the future. A transaction, event, contingency, or policy required to be reported is only relevant within this context: to support and explain the historical financial results and to indicate to what extent, if any, they would need to be adjusted by investors for known trends and uncertainties in order for investors to project future results.</p> <p>Given this context, the content of such reports includes only those matters that are financially material. The definition of materiality does not focus on the nature or category of an issue, but rather on whether it could affect an investor's assessment of the reported financial information, leading to an impact on the investor's decisions. The requirements of the existing SEC financial reporting disclosure regime, therefore, necessitate company-specific judgment about individual circumstances, events, and transactions that consider the context of the entity's operations.</p> <p>Management appropriately uses its judgment to report on matters that it determines are material to investors and other users of its financial statements. These judgments by management are considered by the company's independent auditors and the SEC staff. As a result, and to the extent necessary, environmental matters are discussed in SEC filings in</p>	<p>SASB uses the Supreme Courts definition of materiality and applies context through its topics such as emissions. Further any reference to "required" as seen in the EEI public comment letter is inaccurate. The SASB standards are voluntary and are designed to operate within current corporate disclosure requirements, in order to increase disclosure-effectiveness.</p> <p>Additionally, SASB notes in the "Guidance for Disclosure of Sustainability Topics in SEC Filings" section of its provisional standards that "Sustainability disclosures are governed by the same laws and regulations that govern disclosures by securities issuers generally. According to the U.S. Supreme Court, a fact is material if, in the event such fact is omitted from a particular disclosure, there is "a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of the information made available."3,4</p> <p>SASB has attempted to identify those sustainability topics that are reasonably likely to have a material effect on the financial condition or operating performance of companies within each SICS industry. SASB recognizes, however, that each company is ultimately responsible for determining what information should be disclosed within the context of Regulation S-K and other guidance."</p>

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			<p>a focused manner that considers whether each specific issue is material to that registrant's financial information. This approach fully satisfies the applicable requirements for those filings, which are designed to provide only material financial information.</p>	

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IF0101	Edison Electric Institute	General - Reduced Effectiveness	<p>Additionally, the approach proposed by the Draft Standard is inconsistent with the focus and direction of current disclosure effectiveness initiatives by the SEC and the Financial Accounting Standards Board (FASB) to update disclosure reporting. Both of those regulators have heard from numerous stakeholders that voluminous disclosure is often unintelligible and obscures the reader's ability to focus on specific matters that are material. Given this shortcoming, they each have issued proposals designed to improve the effectiveness of financial disclosures and to minimize duplication with other existing disclosure requirements.</p> <p>These proposals target improving the effectiveness of disclosure reporting by having such reporting focus on the information most meaningful and material for investors to make informed decisions, and avoiding information overload. It is likely that many standardized disclosures will be reconsidered and possibly eliminated, though that is not an explicit objective of these initiatives.</p> <p>FASB in particular has proposed to eliminate from its standards all minimum disclosure requirements (phrases such as "disclose, at a minimum, the following information") and to adopt the SEC definition of materiality for determining whether a portion or all of the disclosures it recommends need to be included. By contrast, the SASB's proposal would have the opposite effect by requiring broad-based, voluminous disclosures of various "accounting metrics" regardless of whether some or all of the recommended content is material, important, or relevant to understanding the financial results of an individual company's business.</p>	<p>SASB's suggested metrics are not structured to be line item disclosure mandates across all issuers. Rather, they are voluntary industry-specific standards that can guide issuers as they themselves determine what topics are material and thus warrant disclosure in SEC filings. SASB agrees that current methods of sustainability reporting are costly for companies and do not meet investor needs. SASB aims to improve this situation by identifying the minimum set of disclosure topics likely to be material for a company, and whenever possible, including metrics already in use by industry. The SEC also acknowledges the need to improve the state of ESG information, and is examining sustainability disclosure as part of its disclosure effectiveness initiative. In an April 2016 concept release on disclosure reform, the SEC includes 11 pages of discussion of sustainability disclosure, and poses eight questions for feedback.</p>
IF0101	Edison Electric Institute	General - Chosen Disclosure Topics and Metrics	<p>The selected disclosure topics and metrics in the Draft Standard do not accurately reflect the priorities outlined by the working group. For example, community relations and land use—that ranked seventh and eighth, respectively, out of the eight issues considered—were retained, whereas workplace safety and community safety issues that were ranked much higher were not added. This illustrates two important concerns with the Draft Standard. First, it may be based on input from working group members who did not have the proper background to judge whether concerns are material. Second, it suggests a flawed, or at least non-transparent, process that arrived at an</p>	<p>SASB has adapted the community relations and land use topic to focus on community impacts of project siting. Additionally SASB has included a "Workforce Health & Safety" topic.</p>

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			unexplainable result that diverges from the available supporting evidence.	
IF0101	Edison Electric Institute	General - Context, Resolution & Definitions	Environmental metrics are notoriously difficult to define in a way that is meaningful and comparable. Oftentimes this is, in part, attributable to the very nature of the environmental concern. The measurement and definition of emissions (water, air, and solid waste) are often governed by both federal and state laws with differing rules on reporting specifics. Trying to shape these requirements with which companies must comply into universal one-size-fits-all precepts almost always falls short. This is the case with the Draft Standard.	SASB understands that regulations may vary by state and locale, however compliance with such regulations have impacts on business operations and as such performance is important to consider to understand a company's ability to maintain compliance and avoid costs associated with non-compliance.

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IF0101	Edison Electric Institute	General - Context, Resolution & Definitions	<p>Many of the chosen metrics lack context, which is needed for the data to be "decision useful" for stakeholders including and beyond the investor community. For example, the SASB developed absolute metrics (tons) for GHG emissions and other air quality emissions; however, absolutes do not provide the reader important context about how a company is generating electricity or the size of the company compared to competitors.</p> <p>Absolute or total measures of an environmental parameter do not necessarily provide material information and context. Comparability and context is crucial information to include in order for the information to be meaningful to investors. The electric power industry is quite diverse. The sector is made up of different size companies, operating in diverse geographies with differing customer bases. This diversity is magnified when considering the different fuel mix companies use. Some are primarily coal, some gas, some hydroelectric, etc. Some companies are primarily engaged in generation while others are solely transmission and distribution companies. Complicating matters, some companies operate in regulated markets while others operate in more competitive open markets. The proposed metrics included in the Draft Standard do not attempt to normalize or account for in any way these significant differences that can and do fundamentally affect each company's environmental footprint. Without such context and normalization the Draft Standard, if applied, would only add confusion and complexity to the information it purports to provide.</p> <p>During the industry working group process, we understand that the SASB was encouraged to adopt rate-based metrics for air, water, and waste topics, in addition to absolute metrics, to improve comparability of data between companies and to adequately provide investors with context for company size and efficiency. These comments were not addressed in any of the SASB forums or documents, which challenge the claim that this has been an open and transparent process.</p>	<p>SASB directs the respondent to guidance contained in the introduction to its standards on Activity Metrics and Normalization, which states, "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" and that, "Where relevant, SASB recommends specific activity metrics that—at a minimum—should accompany SASB accounting metric disclosures".</p> <p>Furthermore SASB guides companies to, "As appropriate—and consistent with Rule 12b-06—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:</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)."

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0101	Edison Electric Institute	General - Context, Resolution & Definitions	The definitions of many of the components of the selected metrics are not articulated clearly and specifically. This further harms the decision-usefulness of the proposed disclosures. Some examples include the use of the term "regulatory program" in the GHG metric, which is ambiguous. The standard calls for the registrant to disclose the percentage of its emissions that are covered under a "regulatory program" and goes on to list initiatives, some of which are voluntary. The mandatory U.S. Environmental Protection Agency (EPA) reporting program is not referenced in the Draft Standard. Therefore, this leaves room for misinterpretation by the registrant, which will be magnified by the public. Decision useful information is not likely to be generated under this ambiguous metric.	<p>SASB has adapted this metric and the language used in the standard based on this suggestion. The metric now reads "(1) Gross global Scope 1 emissions, (2) percentage covered under emissions-limiting regulations, and (3) percentage covered under emissions-reporting regulations". The standard further elaborates " The registrant shall disclose the percentage of its emissions that are covered under a regulatory program that is intended to limit or reduce GHG emissions, such as the European Union Emissions Trading Scheme (E.U. ETS), Quebec Cap-and-Trade (Draft Bill 42 of 2009), California Cap-and-Trade (California Global Warming Solutions Act), or other regulatory programs.</p> <ul style="list-style-type: none"> • Regulatory programs include cap-and-trade schemes, carbon tax/fee systems, and other emissions control (e.g., command-and-control approach) and permit-based mechanisms. • Disclosure shall exclude emissions covered under voluntary trading systems and reporting-based regulations (e.g., the U.S. Environmental Protection Agency (EPA) Greenhouse Gas Reporting Program). <p>.05 The registrant shall disclose the percentage of its emissions that are covered under emissions reporting based regulations (e.g., the U.S. EPA Greenhouse Gas Reporting Program)</p> <ul style="list-style-type: none"> • Emissions-reporting regulations are defined as regulations that demand the disclosure of data to authorities and/or to the public, but for which there is no limit, cost, target, or controls on the amount of emissions generated." Please see the full standard for further changes.
	Edison Electric Institute	General - Context, Resolution & Definitions	Another example is the inclusion of particulate matter (PM) reporting. PM can, and usually is, represented in a variety of formats based on size (i.e., PM10, PM2.5, etc.) and disposition (directly emitted versus condensable). These distinctions do not seem to be included in the Draft Standard. Therefore, the potential for comparability would be lost.	<p>SASB has clarified the measurement and language in this standard to read "Particulate matter (PM10), reported as the sum of PM10, where:</p> <p>§ PM10 is defined according to 40 CFR Part 51 as particulate matter with an aerodynamic diameter less than or equal to a nominal 10 micrometers, including both condensable and filterable particulate matter.</p>
	Edison Electric Institute	General - Context, Resolution & Definitions	Another example can be found in the coal ash & spent fuel management disclosure topic. It is not clear whether the metric of total waste discussed refers only to coal ash or other wastes.	<p>SASB has adapted the standard to focus on coal ash, the standard now reads " Amount of coal combustion residuals (CCR), percentage recycled"</p>

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IF0101	Edison Electric Institute	General - Context, Resolution & Definitions	Terminology means a great deal for user clarity. For example, the use of the term "project delays" without a clear definition is too ambiguous to be meaningful. Project delays can be influenced by many factors, only some of which are under the company's control. Measuring impacts of "delays" is highly subjective. Likewise, the term "smart grid" is poorly defined. Specifically, one metric asks for the percentage of customers served through smart grid technology. The term smart grid can apply to all sorts of deployed technology on both sides of the meter. No definition is provided, thereby guaranteeing disparate results. Further, no discussion or inclusion of energy efficiency incentives is included in the Draft Standard. These are just some illustrative examples and are not an exhaustive list. The lack of clarity in these and other terms used throughout the Draft Standard demonstrate that the proposal was developed with without a thorough understanding of the business it proposes to address and regulatory regime in which the business operates.	SASB has adapted this standard to read "Number of projects requiring environmental or social modification, percentage of modifications resulting from formal public interventions or protests". SASB intends to provide definitions and scope to each standard through the technical protocol section, please review the adapted technical protocol in IF0101-10 for clarifications.
	Edison Electric Institute	General - Context, Resolution & Definitions	Likewise, the term "smart grid" is poorly defined. Specifically, one metric asks for the percentage of customers served through smart grid technology. The term smart grid can apply to all sorts of deployed technology on both sides of the meter. No definition is provided, thereby guaranteeing disparate results. Further, no discussion or inclusion of energy efficiency incentives is included in the Draft Standard. These are just some illustrative examples and are not an exhaustive list. The lack of clarity in these and other terms used throughout the Draft Standard demonstrate that the proposal was developed with without a thorough understanding of the business it proposes to address and regulatory regime in which the business operates.	SASB has worked to improve its definition of "smart grid", please review the updated technical protocol for IF0101-13 "Percentage of electric load served by smart grid technology" for a bolstered definition of "smart grid".
IF0101	Edison Electric Institute	General Comment - Duplicative Nature of Reporting	The Draft Standard also does not attempt to reconcile duplicative or conflicting reporting requirements with other reporting constructs such as the Global Reporting Initiative (GRI) and the Carbon Disclosure Project (CDP), among others. These competing approaches already create confusion and reporting inconsistencies. Adding another approach that layers on and does not integrate and simplify this information would increase this confusion rather than provide focused, effective disclosures and is not needed by users of sustainability reports.	When formulating accounting metrics for its disclosure topics, SASB considers the existing body of reporting standards and uses existing metrics whenever possible. Where current disclosure is inconsistent or not established SASB has developed new metrics. For more information on SASB's alignment with other reporting frameworks please visit: http://www.sasb.org/approach/keyrelationships/

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IF0101	Edison Electric Institute	General Comment - Duplicative Nature of Reporting	<p>Several of the proposed metrics for the electric utility sector are already reported to federal or state agencies, such as EPA and the Nuclear Regulatory Commission, and incorporating it into SEC reporting would be unnecessary and duplicative. This information includes:</p> <ul style="list-style-type: none"> · Gross global Scope 1 emissions; · Air emissions; · Total water withdrawn; · Total water consumed, number of incidents of non-compliance with water quality permits, standards, and regulations; · Coal ash combustion residuals; · Total amount of spent radioactive fuel stored on site; · Total storage capacity [for spent fuel]; · Customer electricity savings from efficiency measures, percentage required by regulations; · System Average Interruption Duration Index (SAIDI), System Average Interruption Frequency Index (SAIFI), and Customer Average interruption Duration Index (CAIDI). 	<p>When formulating accounting metrics for its disclosure topics, SASB considers the existing body of reporting standards, and it harmonizes and makes reference existing metrics whenever possible. Alignment with existing data collection schemes helps to ensure that the SASB standards are cost-beneficial to use.</p>
IF0101	Edison Electric Institute	General Comment - Duplicative Nature of Reporting	<p>Another example of duplicative reporting is found in Accounting Metrics IF0101-09 & 10 addressing land use and community relations. These metrics would call for disclosure of every energy facility expansion or energy infrastructure project undertaken by an investor-owned utility (IOU). Such disclosure would imply that a pending project or one requiring a modification, whether environmental or societal in nature, signals an inherent uncertainty which translates to excessive or above average risk for the sponsoring utility; this is simply not the case. We fail to see how the disclosure of every project would accurately communicate or aid in understanding a company's risk profile. In fact, we believe the forced disclosure of energy projects under the SASB's proposed metrics would misstate the true measure of the risk involved. We believe the Accounting Metrics are redundant since many of the items covered in the metrics such as the process for public engagement and the various impacts addressed through this process—are already fully disclosed and publicly available in the project's application and accompanying National Environmental Protection Act (NEPA) reviews.</p>	<p>When formulating accounting metrics for its disclosure topics, SASB considers the existing body of reporting standards, and it harmonizes and makes reference existing metrics whenever possible. Alignment with existing data collection schemes helps to ensure that the SASB standards are cost-beneficial to use.</p>

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IF0101	Edison Electric Institute	General - Conclusion	The SASB Draft Standard is flawed for the reasons discussed above and will lead to more burdensome reporting responsibilities that will not provide the reasonable investor with material, decision-useful information. Many of the disclosure topics included in the Draft Standard would be considered under existing SEC reporting requirements and voluntary disclosures sufficient to meet the objective of safeguarding capital markets and provide sustainability reporting to the stakeholder community. For all of these reasons, EEI and its members do not believe the SASB Draft Standard is needed, sufficiently refined, or consistent with existing and future trends in the financial and sustainability reporting subject areas. Therefore, EEI and its members cannot and do not endorse the finalization of the Draft Standard.	SASB acknowledges the comment and views expressed by EEI, and we invite EEI to engage with the standards development process to provide feedback on the proposed disclosure topics and accounting metrics.
IF0101	Elizabeth Conners, Ph.D	General - Support	I have been contacted and asked to comment on the Infrastructure – Electric Utilities draft standards. I am pleased with the draft standards, especially as they pertain to my areas of concern – coal ash and water management. The metrics are good and encompass the areas of high risk such as CRR impoundments that are both active and closed. Congratulations on a job well done!	SASB appreciates your review and support of the standards.
IF0101	Electric Power Research Institute		EPRI believes that to achieve the best result for society, any regulation or standard – whether mandatory or voluntary – should be based in technical information and scientific principles in a transparent manner to allow stakeholders to vet the work for the benefit of the public. Also, transparency would permit further improvements in the future as entities have more experience with reporting and academics as well as other stakeholders conduct additional research.	SASB intends to develop standards that are based on technical information and scientific principles in a transparent manner and greatly appreciates the time and efforts put forth by EPRI to inform this process.
IF0101	Electric Power Research Institute		From EPRI's standpoint, the sustainability efforts of all sectors, including the utility sector, are vital. However, if standards, even voluntary, are not based in science and are not informed by a wide set of stakeholders, the results could be suboptimal. EPRI believes that the Exposure Draft would be substantially improved with further technical work and with broader stakeholder input.	Industry participation is our best mechanism to benefit from the depth of industry expertise as we develop sustainability accounting standards. As described more fully below, the standards development process is iterative in nature, which provides multiple opportunities for input and engagement from key stakeholders, such as industry associations, companies, and investors. The release of the Provisional Standards will begin a period of in-depth industry and investor engagement—an implementation review—in a continuous effort to test the likely materiality of the topics and decision-usefulness and cost-effectiveness of the metrics in SASB standards. This will be a

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				<p>deeply consultative phase for a substantial period of time – through the remainder of 2016 and into 2017. The purpose of this upcoming engagement period is to continue to improve the standards in a manner consistent with their guiding principles and criteria, prior to the codification of the standards.</p>
IF0101	Electric Power Research Institute	General - Technical Evidence vs Opinion	<p>EPRI suggests clarifying that SASB metrics are partially based on opinions rather than scientific evidence. The process utilized by SASB seems to rely on limited stakeholder opinions, term use frequency (weighted word search), and a small number of industry interviews. Further, it may be important for SASB to clarify they are not suggesting causal links between issues and financial relevance. In a literature review of existing research aimed at understanding the link between sustainability and financial performance, EPRI found that studies found a statistically significant correlation between financial performance and proxies that are used to measure sustainability (The Electric Power Industry Business Case for Sustainability: Literature Review and Executive Rationale. Report 3002005759). EPRI is unaware of any existing research that has clarified a causal link between specific sustainability issues and financial profits/loss. The credibility of the voluntary standards offered in the Exposure Draft would, in EPRI's opinion, be enhanced if clarity was provided regarding use of stakeholder opinion, assumptions on correlations, and the extent to which peer-reviewed and technical research was used.</p>	<p>SASB outlines the evidence and relating research that was used to develop its standards through its industry research briefs, which can be found here for the Infrastructure sector: http://www.sasb.org/approach/our-process/industry-briefs/infrastructure-sector-industry-briefs/</p>

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IF0101	Electric Power Research Institute	Use of Normalization Denominators	<p>The normalization factor, or denominator, used in metrics are important to developing a meaningful metric. For example, when normalizing Scope 1 emissions for an electric power company, the utilization of MWh would not be a representative normalization factor because MWh only accounts for electricity generation. Scope 1 emissions actually have a broader operational boundary, which would also include emissions from company fleet vehicles and fugitive emissions from electrical equipment, among others. For this reason, a denominator such as revenues may be more appropriate, providing perspective on company size and representing full company operations.</p>	<p>SASB recognizes that normalizing accounting metrics is important for the analysis of SASB disclosures. 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 (e.g., revenue, EBITDA, etc.). Such data—termed “activity metrics”—may include high-level business data such as total number of employees, quantity of products produced or services provided, number of facilities, or number of customers. It may also include industry-specific data such as plant capacity utilization (e.g., for specialty chemical companies), number of transactions (e.g., for Internet media and services companies), hospital bed days (e.g., for health care delivery companies), or proven and probable reserves (e.g., for oil and gas exploration and production companies).</p> <p>SASB understands that other information such as traditional financial measures may provide normalization factors, however such measures are not included in SASB’s Activity Metrics as these figures are already widely reported in financial filings.</p>

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IF0101	Electric Power Research Institute		<p>The normalization of the metrics proposed by SASB is not explicit in the Exposure Draft. Instead, a list of activity metrics is identified, providing stakeholders the opportunity to normalize a metric any way they see fit. This is not a technically rigorous approach, as this has the potential to result in inappropriate analysis. For example, normalizing Scope 1 emissions using the activity metric kilometers of transmission and distribution lines are unlikely to be informative as they are unrelated measures. Similarly, normalization of the "coal ash management" metrics the provided activity metrics may not be appropriate, as the Exposure Draft metrics either refer to waste from specific generation or overall operations beyond generation. For a metric to be technically meaningful, there should be a normalization factor that aligns with the initial measure of interest. A mismatched of numerator and the normalizing denominator is a technical area that SASB might consider addressing. EPRI has spent several years on this specific challenge of normalizing denominators, with results shared in Metrics to Benchmark Sustainability Performance for the Electric Power Industry (EPRI Report 3002007228).</p>	<p>SASB provides a section, in its Provisional Standards, titled "Activity Metrics and Normalization". This section states "SASB recognizes that normalizing accounting metrics is important for the analysis of SASB disclosures. 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 (e.g., revenue, EBITDA, etc.). Such data—termed "activity metrics"—may include high-level business data such as total number of employees, quantity of products produced or services provided, number of facilities, or number of customers. It may also include industry-specific data such as plant capacity utilization (e.g., for specialty chemical companies), number of transactions (e.g., for Internet media and services companies), hospital bed days (e.g., for health care delivery companies), or proven and probable reserves (e.g., for oil and gas exploration and production companies).</p> <p>Activity metrics disclosed should:</p> <ul style="list-style-type: none"> • Convey contextual information that would not otherwise be apparent from SASB accounting metrics. • Be deemed generally useful for an investor relying on SASB accounting metrics in performing their own calculations and creating their own ratios. • Be explained and consistently disclosed from period to period to the extent they continue to be relevant. However, a decision to make a voluntary disclosure in one period does not obligate a continuation of that disclosure if it is no longer relevant or if a better metric becomes available." <p>The activity metrics set forth are considered minimal set of metrics and companies are encouraged to include other normalization factors that are relevant to their business.</p>

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IF0101	Electric Power Research Institute	General - Proposed Issues & Metrics	EPRI suggests it is important for SASB to consider how SASB identifies the issues themselves. For example, determining relevance of an issue based on its effectiveness of management is a selection criterion that is not consistently communicated. SASB has no metrics for Public Safety, which is a core responsibility of the electric power industry. It appears that issue is not considered material because it is handled well by the industry. It wasn't clear that the issue selection was based on performance, which might not align with SASB's goals of "Objectivity, Measurability, Completeness, and Relevance." EPRI has detailed comments on the material issues and metrics from the perspective of increasing the technical rigor, precision in language, and moving from opinions to evidence, provide in Appendix A.	SASB appreciates this technical feedback and will address the specific comment individually.
IF0101	Electric Power Research Institute	General - Stakeholder Engagement	The SASB survey appears to be an important means for collecting input from the working group, as the in-person meeting was one Delta Series event and the webcasts did not seem to be highly interactive. For the survey, the Electric Power sector had 44 individuals respond across all stakeholder types and only 10 individuals affiliated to "Corporations." It doesn't seem there are sufficient responses to develop conclusions regarding the sustainability issues for a large diverse industry nor support the statement, "SASB feels confident that the responses provide sufficient feedback to guide the SASB standard-development process." (Due Process Report, Infrastructure Sector. August 2015).	In addition to the industry working group (IWG) survey, SASB's team of analysts conduct extensive research which includes engagement with industry experts. Balanced feedback from corporate professionals, investors, and other professionals is an important part of SASB's process. In industries for which SASB had less corporate participation, SASB will put additional effort into seeking corporate feedback on the standards during the next phase of consultation.
IF0101	Electric Power Research Institute		The terms "working group," "consensus," and "agreement" need clarity within the Exposure Draft. EPRI understands "working group" to mean a group of individuals in an interactive process between the participants, in which topics are discussed, meetings held, active facilitation provided, and outcomes captured; the process utilized to produce the Exposure Draft does not appear to be an active working group based on EPRI's understanding of these terms. EPRI offers that the Exposure Draft would be better supported with clarification of these terms, as they are central to conclusions regarding engagement, inclusion, and transparency	According to the SASB conceptual frame work "SASB convenes an industry working group (IWG) to provide feedback on the disclosure items and accounting metrics identified in the initial research phase. IWGs are comprised of balanced representation from corporations, market participants (investors and analysts), and intermediaries. Primary IWG feedback is collected via an online survey. After the online survey concludes, SASB's research team conducts outreach to IWG members to gain additional insight. IWG feedback informs an initial set of sustainability issues which are shared via a public notice." Through these working groups SASB works to establish a consensus by reviewing, adapting, and if need be removing any topics or metrics that received less than 75 percent agreement as to the items materiality. SASB's Conceptual Framework and Rules of

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				<p>Procedure are currently open for public comment. We welcome EPRI's feedback on both documents, including the feedback that SASB may better need to define terms related to its process.</p>
IF0101	Electric Power Research Institute		<p>EPRI also observes that there appears to be inconsistency in how SASB recruits individuals and later extrapolates the viewpoints of those individuals to stakeholder representation. Per SASB, "All industry working group members participate as individuals. Organizations are listed for affiliation only." SASB later uses the organizational affiliations to map to stakeholder types, and imply level of engagement with electric power companies (see SASB Industry Working Group Due Process Report, August 2015. Appendix 1.) SASB uses the Working Group "affiliations" to map which companies are represented by the working group and which companies completed the survey. SASB states, "the recruiting process yielded strong registration levels among the top companies in the Infrastructure sector" (pg. 31, SASB Industry Working Group Due Process Report). If people are participating as "individuals" and not associated with their companies, effectively as private citizens, it is unclear how these individuals can represent the stakeholder types of Corporations, Public Interest, and Market Participant, or specific companies. SASB might consider resolving this inconsistency by engaging people who have permission to represent their company's opinion or otherwise seeking participation of the entities themselves.</p>	<p>It was an oversight of SASB to include this inaccurate statement in the SASB Industry Due Process Report. As restated by EPRI, all participants in SASB's industry working groups participated as individuals, and companies were included for affiliation purposes only.</p>

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IF0101	Electric Power Research Institute	Activity Metrics, IF0101-A	Guidance as to how this number is to be calculated needs to be clearer. Typically the industry discloses "customers" as the number of meters, including commercial and residential meters. Is "population served" intended to reflect customers or the entirety of the population understood to be living within a company's service territory? SASB could consider "number of customers" as a normalizing factor, representing the number of electric meters, including both commercial and residential. For example, ordinarily EPRI would not expect the utility to necessarily have information regarding the number of individuals living within a residential unit, and in some circumstances a service territory may not line up well with established population numbers, such as the national census.	SASB has adapted this metric and the guidance provided. The metric now reads "Number of (1) residential and (2) commercial customers served" with the following guidance "Note to IF0101-A—The number of customers served for each category shall be considered as the number of meters billed for both residential and commercial customers."
IF0101	Electric Power Research Institute	Activity Metrics, IF0101-B	EPRI suggests that "transportation" be changed to "transmission" lines. The Exposure Draft would be improved if SASB could provide guidance as to how the lengths of each should be calculated. On a span of pole, there can be primary, secondary, grounding, and service wires. In order to keep reporting consistent, guidelines as to what wires is included would be helpful and necessary for developing more uniform reporting.	SASB has included this change in the provisional standards and included the following guidance "Note to IF0101-B—The length of transmission and distribution lines shall be calculated on a circuit-kilometer basis, where a circuit kilometer is defined as the total length of circuits, regardless of conductors used per circuit."
IF0101	Electric Power Research Institute	Activity Metrics, IF0101-C	A boundary regarding generation control (e.g., operational vs. equity) for this metric is critical. EPRI suggests this be provided and SASB may consider the boundary of equity ownership, as this reflects a company's ability to make investment decisions that could influence performance improvements.	SASB has included the following guidance to provide a boundary for this metric "Note to IF0101-C—Generation should be disclosed by each of the following major energy sources: coal, natural gas, nuclear, hydropower, other renewables, petroleum, and other gases. The scope includes owned and/or operated assets."
IF0101	Electric Power Research Institute	Activity Metrics, IF0101-C	It is unclear how the activity metric of "percentage in regulated markets" would be used as a normalizer for any of the activity metrics proposed and why this is material to company disclosures.	The activity metric calls for "percentage in regulated markets" to provide understanding of a company's exposure to regulated and non-regulated markets, which can enlighten the understanding of performance on numerous topics, including but not limited to "Greenhouse Gas Emissions & Energy Resource Planning", "End-Use Efficiency & Demand", "Grid Resiliency", and "Management of the Legal & Regulatory Environment".
IF0101	Electric Power Research Institute	Greenhouse Gas Emissions & Energy Resource Planning	SASB may consider referencing a consistent International Panel on Climate Change (IPCC) Report. Currently, the fifth assessment report is referenced regarding global warming potentials (IF0101-01.01, pg. 11) and the fourth assessment report is referenced related to emissions reduction initiatives (IF0101-02.13, pg. 14).	SASB has updated its references to the international Panel on Climate Change (IPCC) Report, fifth assessment.

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IF0101	Electric Power Research Institute	Greenhouse Gas Emissions & Energy Resource Planning	CDP (formerly the Carbon Disclosure Project) does not give guidance as to how emissions are to be calculated. Instead, it provides a list of over 55 methodologies worldwide that a company may use as guidance, also providing an "other" option, suggesting additional flexibility. The number of protocols may result in numbers that are not comparable or subject to benchmarks. It is also possible that utilizing an organization that rates and ranks companies as guidance for emissions calculations might introduce a bias. SASB could perform a technical evaluation of GHG reporting protocols and select a specific protocol in an effort to promote consistency among SASB "standard" users.	SASB has reviewed this suggestion and the various methodologies provided by the CDP. Research does not suggest that there is likely to be a material difference in the data provided from one methodology to another. Further alignment is an important component to consider in assuring that SASB develops cost-effective reporting solutions for registrants.
IF0101	Electric Power Research Institute	Air Quality	Emissions data related to lead and mercury is already publicly disclosed through the United States Environmental Protection Agency (EPA) Toxics Release Inventory (TRI) database. Reporting through financial filings as suggested in the SASB protocol would be duplicative, potentially resulting in an unnecessary use of resources for companies and therefore, not cost effective.	<p>SASB acknowledges that there may be certain additional costs associated with collecting data in the format specified by its standards. It has aimed to develop metrics that harmonize with existing reporting frameworks (regulatory and otherwise) where possible, and hopes to be creating additional benefit by providing a forum to communicate aggregated figures at a corporate level. SASB anticipates these benefits to be realized through enhanced comparability, relevance, and decision-usefulness.</p> <p>For more information on SASB's alignment with other reporting frameworks please visit: http://www.sasb.org/approach/keyrelationships/</p>

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IF0101	Electric Power Research Institute	Air Quality	EPRI understands the reasoning behind an attempt to quantify emissions within a dense population; however, unintended consequences should be considered. For example, locating generation near dense populations reduces transmission and distribution losses. The closer to load, the less the loss, the less generation – and therefore emissions	<p>SASB has reviewed this comment and understands that there may be reason to locate generation facilities near dense populations, however SASB intends to focus this standard on the emissions associated with air quality concerns. Understanding there may be trade-offs associated with each metric, SASB provides in its "Guidance on Accounting for Sustainability Topics" that "As appropriate—and consistent with Rule 12b-206—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:</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).
IF0101	Electric Power Research Institute	Coal Ash Management	The accounting metrics outlined in IF0101-04 do not relate to "coal ash management," but instead to full company operations. Therefore, if the material issue is Coal Ash Management, many of these metrics are unnecessary.	SASB has adapted this metric to focus on "Amount of coal combustion residuals (CCR) generated, percentage recycled"
IF0101	Electric Power Research Institute	Water Management	EPRI believes that the statement that "Electricity generation is one of the largest consumers of water in the U.S." is incorrect. Electricity generation accounts for 4% of all water consumption in the United States (Evaluating Thermoelectric, Agricultural, and Municipal Water Consumption in a National Water Resources Framework (EPRI Report 3002001154)). Water withdrawal might be a more accurate reference; currently, EPRI estimates that the domestic electric industry is responsible for approximately 40% of freshwater withdrawals. (EPRI Report 3002001154).	SASB agrees that "water withdrawal" is the appropriate term. Please review the industry brief for the updated discussion of the topics, including the supporting evidence: http://www.sasb.org/approach/our-process/industry-briefs/infrastructure-sector-industry-briefs/

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IF0101	Electric Power Research Institute	Water Management	The issue of water stress is a local and time-bound issue, one that is challenging to capture in high-level models. Therefore, the ability for a company to delineate what activities are in water stressed regions as requested in IF0101-06.31, .32, and .33 is less straight-forward than presented in the proposed standard.	<p>In the provisional standard, SASB has retained IF0101-05 (1) Total water withdrawn and (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress. SASB research indicates that the Electric Utilities industry is significant user of water.</p> <p>In the introduction to the SASB standard, SASB acknowledges that there may be uncertainties and estimates when preparing sustainability disclosures. The introduction states:</p> <p>Uncertainty SASB recognizes that there may be inherent uncertainty when disclosing certain sustainability data and information. This may be related to variables such as the reliance on data from third-party reporting systems and technologies, or the unpredictable nature of climate events. Where uncertainty around a particular disclosure exists, SASB recommends that the registrant should consider discussing its nature and likelihood.</p> <p>Estimates SASB recognizes that scientifically based estimates, such as the reliance on certain conversion factors or the exclusion of de minimis values, may occur for certain quantitative disclosures. Where appropriate, SASB does not discourage the use of such estimates. When using an estimate for a particular disclosure, SASB expects that the registrant discuss its nature and substantiate its basis.</p>
IF0101	Electric Power Research Institute	Water Management	The World Resources Institute water risk atlas appears to still be in beta launch. SASB could provide the technical information on why this tool was selected. Further, SASB might define how stakeholders should use the tool. For example, how should the tool's risk profile be set – using the electric power weighting or default?	The World Resources Institute water risk atlas is not in beta launch, the "Projected Change Indicators, 2020, 2030, and 2040" are in beta launch, however these indicators are not included in the SASB standard. SASB selected the WRI tool after performing an analyses of leading water risk tools, including the World Wildlife Fund Water Risk Filter, the WBCSD Global Water Tool, WRI Aqueduct, WFN Water Footprint Assessment, and the Veolia Water Impact Index. This review which found the WRI tool to have superior geographic scale, clear measures of water stress, and wide industry uptake lead SASB to select the WRI tool. The SASB standard indicates that the tool should be set to baseline water stress, which does not include an industry weighting.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0101	Electric Power Research Institute	Water Management	EPRI notes that the most critical freshwater metric to consider may be consumption, not withdrawal, if the purpose is to show utility influence on watersheds.	SASB understands that consumption is an important indicator for understanding influence on watersheds, but suggests that water withdrawal may be limited by resource availability. As such SASB has included both indicators.
IF0101	Electric Power Research Institute	Water Management	Water quality is regulated at the federal, state, and local level. For this reason, non-compliance can be dependent – and different – based on location. SASB could define at what level of compliance these violations should be reported as there is currently no guidance (i.e., is it only non-compliance of federal NPDES permits).	The SASB standard intends to provide the level of regulations through the following guidance provided in the technical protocol IF0101-06.40 that reads "The scope of disclosure includes incidents governed by federal, state, and local statutory permits and regulations including, but not limited to, the appropriate use of aquatic impingement or entrainment related technologies, discharge of a hazardous substance, violation of pretreatment requirements (when discharging to applicable publicly owned treatment works), maximum temperature-limit exceedance, exceedance of a groundwater standard, effluent limit exceedances (such as Water Quality Based Effluent Limit), and/or water withdrawal exceedances."
IF0101	Electric Power Research Institute	Land Use & Community Relations	EPRI suggests clarification as to whether SASB is using "projects" to mean "siting of new generation and T&D assets" or another explanation.	This SASB topic and standard have been updated. To address this point SASB has provided the following definition in IF0101-10.58 "Projects are defined as the siting, development, and/or expansion of new and/or existing transmission, distribution, and generation assets."
IF0101	Electric Power Research Institute	Land Use & Community Relations	The electric power industry holds several different types and acreage of land beyond what is required for core generation assets. SASB might consider how companies can provide input on activities that support and promote biodiversity, in addition to the activities that result in natural resource impacts.	This SASB topic and standard have been updated. To address this point SASB has provided the following guidance in IF0101-11 "Discussion of community engagement processes to identify and mitigate concerns regarding project environmental and community impacts" calling for discussion of "Its efforts to avoid and/or mitigate environmental and/or community impacts either before siting and permitting, through the course of permitting, and/or during its ongoing operations, including, as appropriate, a discussion on the use of Safe Harbor Agreements, habitat protection and restoration, use of rights-of-way for multiple uses, and meetings with impacted communities."
IF0101	Electric Power Research Institute	Land Use & Community Relations	Stakeholder engagement is a normal part of siting projects and is not indicative of a challenge from the community. The metric described IF0101-09 as the "number of projects with open applications" is vague and needs to be clarified.	This SASB topic and standard have been updated. The updated standard reads "IF0101-10. Number of projects requiring environmental or social modification, percentage of modifications resulting from formal public interventions or protests" we encourage review and further feedback on this updated standard.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0101	Electric Power Research Institute	Land Use & Community Relations	The industry typically conducts active stakeholder engagement (i.e. "Community Relations") across many social, ecological, and economic issues, not only Land Use. It isn't clear why Community Relations is mixed with Land Use specifically.	This SASB topic has been updated and is now called "Community Impacts of Project Siting".
IF0101	Electric Power Research Institute	Land Use & Community Relations	SASB might consider what this material issue is intended to capture and align the metrics accordingly.	This SASB topic has been updated and is now called "Community Impacts of Project Siting".
IF0101	Electric Power Research Institute	Downstream Energy Stewardship	EPRI believes that energy efficiency savings should be encouraged and considered as part of sustainability metrics; it is unclear why it is required in IF0101-12.70 (pg. 31) that if energy efficiency savings exceed regulatory requirements, this cannot be included in the percentage of savings reported.	This SASB standard has been updated to "Customer electricity savings from efficiency measures by market".
IF0101	Electric Power Research Institute	Downstream Energy Stewardship	It seems this issue could be renamed "energy efficiency" to align with current terms of use in the industry. Also, this is not only end-use efficiency, but companies have work to manage energy use within their own operations, as well as reduce line-losses, which are important for moving as much energy from production source to the plug as possible.	The provisional standard topic has been revised and renamed to "End-Use Efficiency & Demand." Please review the industry brief for a discussion of the topic, including the specific angles and supporting evidence: http://www.sasb.org/approach/our-process/industry-briefs/infrastructure-sector/industry-briefs/
IF0101	Electric Power Research Institute	Management of the Legal & Regulatory Environment	Regarding IF0101-15 (pg. 34) requesting, "1) Population served in markets subject to renewable portfolio standards (RPS) and 2) percentage fulfillment of RPS target," it is unclear how progress towards meeting a state-mandated renewable energy goal relates to the suggested material issue which is described as being focused on how companies, "manage their legal and regulatory environment and avoid potentially value-destroying outcomes" (pg. 32). Also, as RPS is a state-level mandate, with some states that do not even have an RPS, there are issues of comparability that should be considered.	SASB has moved the standard on "(1) Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfillment of RPS target by market" to the "Greenhouse Gas Emissions & Energy Resource Planning" topic.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0101	Electric Power Research Institute	Grid Resiliency	<p>EPRI suggests that the data requested in IF0101-20, number of data security breaches (pg. 39), is vague, with many types of data security breaches in existence. Recently, EPRI published a report on cyber security metrics.¹ This report is part of a multi-year effort to create a scalable and effective security metrics methodology for electric utilities. The electric power sector in the United States is one of the few critical infrastructure industries with mandatory and enforceable cyber security standards, which are developed by the North American Electric Reliability Corporation (NERC) and approved by the Federal Energy Regulatory Commission (FERC). These standards are applicable to the bulk power system, only. Therefore, distribution is outside the scope of the NERC CIP standards. Violation of these baseline standards could result in penalties up to \$1 million per day, per violation. EPRI encourages SASB to review the NERC Critical Infrastructure Protection (CIP) Standards to ensure there is no conflict or duplication of security efforts in using this standard.</p>	<p>SASB appreciates the work EPRI has done on this subject and has reviewed this report. Accordingly, SASB has changed the metric to "IF0101-17 Number of incidents of non-compliance with North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection standards" to address these comments.</p>
IF0101	Electric Power Research Institute	Grid Resiliency	<p>The focus on guidance for "instances of unauthorized acquisition, access, use, or disclosure of protected information" is not an appropriate measure for electric sector reliability or resilience. While these security requirements are important and must be addressed, they are not the focus of security for the power grid. In contrast, security for the nation's power grid relies on specialized industrial control systems that are part of the operations technology. These specialized devices are different from traditional information technology devices. To ensure the reliability and resiliency of the power grid, utilities are more focused on protecting the assets and systems.</p>	<p>SASB has changed the metric to "IF0101-17 Number of incidents of non-compliance with North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection standards" to address these comments.</p>
IF0101	Electric Power Research Institute	Grid Resiliency	<p>There is a basic difference between protecting operations technology (OT) and information technology (IT). OT systems require high availability and integrity of data, and are not focused on confidentiality of information. These differences require OT systems to be managed in a way that does not impede the reliability of the power system. In many cases, the OT systems are physically separated from IT systems. Because of these differences between IT and OT systems, a "data security breach" metric is an unreliable metric for grid resiliency, as there is no direct correlation between those instances and reliability for the nation's power grid. The proposed IT-focused metrics primarily address confidentiality of data. In general, these</p>	<p>SASB has changed the metric to "IF0101-17 Number of incidents of non-compliance with North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection standards" to address these comments.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
			<p>metrics are not applicable to OT devices and power systems (such as discussing acquired encryption keys). As such, grid resilience metrics should incorporate the unique characteristics of OT systems and devices necessary for the reliability and resiliency of the power grid.</p>	
IF0101	Electric Power Research Institute	Grid Resiliency	<p>EPRI believes that the reliability metrics outlined in IF0101-21 (pg. 40) are not resiliency metrics. Many electric power companies are permitted by their regulatory bodies to exclude major events (including storms) in their reliability metrics; therefore, the events that SASB is actually looking to address regarding resiliency are not actually being accounted for in these metrics.</p>	<p>SASB understands that there is not currently an industry agreement on metrics to capture resiliency issues and appreciates the time EPRI has spent to discuss this issue. Understanding that SASB has put forth "IF0101-18. (1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days" as a means to capture resiliency issues associated with major event days.</p>
IF0101	Electric Power Research Institute	Grid Resiliency	<p>A partnership for climate resiliency effort is currently underway supported by the Department of Energy which includes 18 electric power companies looking to identify metrics to measure resiliency and a framework to do cost-benefit analysis. Additionally, there is research underway looking to develop metrics to measure resiliency at private institutions including Sandia National Laboratories. EPRI suggests the metrics to measure this issue are not mature enough to be meaningful at this time and instead, SASB should encourage research and consider resiliency metrics for future editions of this standard.</p>	<p>SASB understands that there is not currently an industry agreement on metrics to capture resiliency issues and appreciates the time EPRI has spent to discuss this issue. SASB will continue to track this issue and the emerging metrics in order to maintain the relevance of the standards put forth.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0101	Electric Power Research Institute	General - Language Suggestions	<p>A few comments regarding precision of language used in the voluntary standards:</p> <ul style="list-style-type: none"> · Discrepancies in a quantitative metric that has instructions to “discuss” or “describe” actions (Notes to the quantitative metrics IF0101-20 and IF0101-21) · Lack of clarity on “regulatory savings” (IF0101-12) · Clarification on “percentage” (percent of what?) (IF0101-15) · Lack of clarity on what “projects” mean, presumably siting projects (IF0101-09) · Definition of “land use” is really siting of plants and T&D, rather than recognizing a company’s full suite of landholdings · Use of “transportation” rather than “transmission”, “quality-based standard” should probably be Water Quality Based Effluent Limit (WQBEL), and confusion that effluent limit exceedances is the same as a waste load allocation (WLA are not the same as permit-based effluent exceedances). 	SASB has sought to address these instances as outlined above and throughout the provisional standards.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0101	Peter De Mar	Utility Line Losses	<p>I'd like to recommend a single simple concept that would change the way we view Electric Utilities that really applies to all utilities as well. Simply put, utility line losses aren't properly factored. This impacts how we view the GHG emissions, ERP, safety, even the utility construction workers that are hired to build or maintain the distribution lines. In all of the industry boards and committees I've served on, no one properly addresses utility line losses.</p> <p>Proposed metric. Ideally, this would be measured utility distribution line by utility distribution line and thus would yield an individual total "true" GHG Emission for each distribution asset and part of a "true" Energy Resource Plan. The reason I bring this up is that much of the grid needs to be updated and some of it's pieces under-performing, perhaps even a safety risk - all of which are material facts to investors and the public. The reason this is important is because all kinds of Federal, State and Local resources are spent in the wrong priority because only blended utility emissions factors are used through larger data sets to make local or individual monetary infrastructure decisions.</p> <p>I would be happy to discuss this concept in greater detail, though the calculation is simple. Useful Energy (distributed and billed) / Total Energy Generated for Distribution (per distribution line). That just becomes an inverse multiplier for the previous (current) emissions factor to get more towards a real sense of how the individual pieces are working. This would not only highlight the under-performing distribution assets and potential risk factors, though it also gets closer to a true emissions factor for each distribution line. From the utility's perspective, it helps them get necessary funding for infrastructure (distribution) improvements that can be hard to come by, since almost all their funding is slated for new renewable generation and some for optimizing utility customers (end users). This would address the distribution lines in between that we rely upon in order to have a "smart grid." For example, we wouldn't want expensive and sustainable renewable energy generation being watered down by poor (leaky) distribution lines and my take is that's what's happening all over the world at varying levels.</p>	<p>SASB's standards setting process has two central objectives: (1) to identify the sustainability issues that are likely to constitute material information for a company in a given industry and (2) to determine the best metrics that allow investors to assess a company's performance concerning that issue. SASB standards follow the U.S. Supreme Court's definition of material information, defined as presenting "a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of the information made available." This definition of materiality has a singular and unwavering focus on the reasonable investor's decision to buy, sell, or hold a security. However, SASB acknowledges that only companies can make the determination as to what constitutes material information for the company at a given point of time; SASB standards can provide guidance for that process.</p> <p>It is with this focus on materiality that we assess issues based on evidence of financial impact; selecting only issues that have the potential to significantly impact the financial performance of a company. SASB's research indicated that there is not a sufficient body of evidence of financial impact associated with utility line losses to warrant inclusion in the standard. SASB is receptive to additional input and resources that may provide evidence of financial impact and investor interest.</p>

Gas Utilities

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0102	CH2M	General - Support	All of the issues currently presented are material in this industry. We agree with retaining reporting on distribution network resiliency, health, safety and emergency management, and downstream emissions management. We suggest adding the following items to improve reporting in this industry:	SASB appreciates CH2M's support for inclusion of these issues.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0102	CH2M	GHG Emissions	<p>Downstream emissions are material to gas utilities and should be included. Additionally, once carbon accountancy is widespread, distribution losses will need to be considered as well as their effect on financial results. It is unclear if downstream emissions management includes emissions at the plant itself. If not, it could be included in GHG emissions, under the environment issues. We suggest adding GHG emissions disclosures for gas utilities as it is presented in the electric utilities section.</p>	<p>SASB’s standards setting process has two central objectives: (1) to identify the sustainability issues that are likely to constitute material information for a company in a given industry and (2) to determine the best metrics that allow investors to assess a company’s performance concerning that issue. SASB standards follow the U.S. Supreme Court’s definition of material information, defined as presenting “a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the ‘total mix’ of the information made available.” This definition of materiality has a singular and unwavering focus on the reasonable investor’s decision to buy, sell, or hold a security. However, SASB acknowledges that only companies can make the determination as to what constitutes material information for the company at a given point of time; SASB standards can provide guidance for that process.</p> <p>It is with this focus on materiality that we assess issues based on evidence of financial impact; selecting only issues that have the potential to significantly impact the financial performance of a company. SASB’s research indicated that there is not a sufficient body of evidence of financial impact associated downstream emissions of gas utilities to warrant inclusion in the standard. SASB is receptive to additional input and resources that may provide evidence of financial impact and investor interest.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0102	CH2M	GHG Emissions	For both electric and gas there should be some consideration of carbon and GHG not just as an emission but also reported in terms of financial exposure and impacts on markets, including reporting carbon as both as a financial liability and an asset.	SASB seeks to provide a minimum set of disclosure topics and metrics that are likely to constitute material information. Because SASB's research does not suggest that such a standard would significantly enlighten an understanding of financial exposure SASB has not included this topic.
IF0102	CH2M	Fair Pricing	Fair pricing and fair access to energy should be considered for this industry sector. This should be considered an optional reporting item as it may only be applicable to certain markets.	SASB seeks to provide a minimum set of disclosure topics and metrics that are likely to constitute material information for the majority of an industry. Should such a topic likely present material information to a single market participant or subset of participants, these companies may choose to disclose on this topic.
IF0102	CH2M	Supply Chain	We agree that natural gas sourcing is not material to gas utilities, but sustainability of the supply chain should be included. We suggest enabling gas suppliers' use of these standards to report on their sustainability.	SASB covers the gas suppliers through the Oil & Gas—Midstream industry (NR0102) in the Non-Renewable Resources sector.
IF0102	CH2M	Unit of Measure	The use of SI units for measurements for gas utilities is only used in a few countries. If the intended purpose is to provide globally applicable standards, we suggest including the imperial equivalent in parentheses after the SI value for the first couple of years of implementation.	SASB intends to use SI units as a means to standardize measurement across industries and sectors. SASB understands that imperial units may be widely adopted, SASB suggests that common conversions exist to allow for cost-effective translation of measurements in reporting.
IF0102	CH2M	Exposure to Energy Markets	The parameter in construction labeled as exposure to shifting energy markets seems applicable also to electric and gas utilities and should be considered in these sectors as well.	SASB seeks to provide a minimum set of disclosure topics and metrics that are likely to constitute material information. Because SASB's research does not suggest that such a standard would significantly enlighten an understanding of financial exposure SASB has not included this topic.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0102	CH2M	Public Safety	We also suggest including public/community safety for gas lines. Efforts to maintain public safety, including outreach efforts should be considered for reporting.	SASB intends to address public/community safety through the "Operational Safety, Emergency Preparedness, and Response" topic, which among others includes metrics on "Average response time for gas emergencies" and "Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout project lifecycles".
IF0102	CH2M	Grid Resiliency	The impact on the reliability and safety of gas due to natural disasters as well as a business's development and implementation of an emergency/disaster recovery plan should be considered for reporting.	<p>SASB seeks to provide a minimum set of disclosure topics and metrics that are likely to constitute material information. Because SASB's research does not suggest that such a standard would significantly enlighten an understanding of financial exposure SASB has not included this topic.</p> <p>Additionally, the standard includes a topic, "Operational Safety, Emergency Preparedness, and Response" that incorporates relevant aspects of this issue. Please review the industry research brief that provides a discussion of this topic and the supporting evidence: http://www.sasb.org/approach/our-process/industry-briefs/infrastructure-sector-industry-briefs/</p>
IF0102	CH2M	Grid Resiliency	Reporting on the increasing trend in improving asset management plans for replacing aging infrastructure, as noted by the development of the ISO 55000	While SASB does not explicitly reference ISO 55000, SASB intends to capture asset management practices through "IF0102-05. Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout project lifecycles" which specifically calls for "The registrant shall include efforts to mitigate risks and promote emergency preparedness, such as coordinating with third parties (e.g., sewer line and buried power line developers), performing timely pipeline inspections, repairing aging infrastructure, and maintaining current pipeline operator certifications."

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0102	Center for Resource Solutions	Activity Metrics and Normalization	A new activity metric should be added for percent of gas supply that comes from biogas/renewable sources. This could be useful sustainability information for investors.	Based on the topics that were retained "End-Use Efficiency" and "Operational Safety, Emergency Preparedness, and Response" SASB determined that an activity metric on biogas/renewable resources would not provide a clear normalization factor.
IF0102	Center for Resource Solutions	Downstream Emissions Management, IF0102-01 through -04	A new accounting metric should be added for (1) voluntary gas offset programs and products and (2) voluntary renewable/green gas programs/products. Many utilities now offer voluntary gas offset programs, in which carbon offsets are matched with gas usage on behalf of customers, and/or green gas programs, in which customers pay a premium to receive a larger percentage of renewable/biogas. The latter green gas programs are less common and require a means by which to deliver (either physically or contractually) biogas to customers. Qualifying gas offset programs (1) can earn Green-e Climate certification. This metric can include disclosure related to number of participants and percent of customers participating, total amount of gas (e.g. therms) covered by the program, proof of contractual delivery (where appropriate), and certifications (e.g. Greene Climate certification).	SASB has adapted this topic to focus on "End-Use Efficiency" as such it was determined that the suggested metric does not fall within the scope of the topics put forth in the Provisional Standards.
IF0102	American Gas Association	General	<p>The American Gas Association (AGA) appreciates your invitation to comment on the Sustainability Accounting Standards Board (SASB) Exposure Draft Sustainability Accounting Standard for Gas Utilities (Draft Standard). AGA is the leading voice representing the natural gas distribution sector – a significant component of the industry that the Draft Standard covers. – and we intend to provide the SASB with industry’s perspective on the Draft Standard.</p> <p>Given the heavy load of federal regulatory comments and difficulty of obtaining member input during the holidays, AGA will not be able to provide comments by your revised requested date of January 15. AGA will make diligent efforts to provide you with comments by February 1. We recognize that this may pose an inconvenience for you, but trust that, given the significance of comments from AGA, the delay can be accommodated by the SASB and that the SASB will give AGA’s comments their due attention.</p>	SASB appreciates AGA’s work in the Gas Utilities industry. SASB has worked diligently to review the comments provided post Public Comment Period closure by AGA in its letter dated January 28, 2016. Please see the detailed responses outlined below.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0102	American Gas Association (Letter submitted post Public Comment Period)	General	<p>AGA has significant concerns with the process through which the SASB developed the Gas Utilities Draft Standard, and, specifically, the lack of input provided by the gas utility industry in developing the standards. AGA’s concerns are consistent with the concerns identified by EEI for the Electric Utilities Draft Standard.</p> <p>Pursuant to the National Technology Transfer and Advancement Act of 1995, the Office of Management and Budget (OMB) has issued Circular A-119, to encourage agency participation in consensus standards bodies such as those developing ASTM and ANSI standards, to benefit from industry expertise and to use voluntary consensus standards in regulation where appropriate.⁶ As defined in that OMB Circular, a “voluntary consensus standard” is one that is adopted by a body that has the following attributes: openness, balance of interest, due process, an appeals process, and consensus.⁷ The SASB does not appear to have incorporated or abided by these attributes. Nor does the SASB include a private industry advisory council on the order of FASB’s to obtain knowledgeable industry advice in developing standards.</p> <p>An informative and meaningful industry voluntary consensus standard can only be developed through an open process that solicits input from that industry as the standards are drafted, not just after the fact. Unfortunately, the Gas Utilities Draft Standard was not developed through open, industry-informed input. A limited number of individuals employed by the natural gas distribution industry, some without the necessary expertise, provided input in developing the Gas Utilities Draft Standard. However, the natural gas industry was not part of the standards making body or the voting process. Notably, AGA was absent from this process, despite being the voice of the natural gas distribution industry and despite being explicitly named as an industry association that the SASB would seek out to provide input for developing the draft standards for the Infrastructure sector.⁸ Moreover, as noted by EEI, those individuals that did participate to some degree in the “Industry Working Groups” to develop the standards participated as individuals, not on behalf of their organization. AGA has learned that those individuals that the SASB invited to participate were not allowed to discuss the</p>	<p>Though SASB is an ANSI-accredited standards development organization, it has not announced its intent to develop and American National Standard via the Project Initiation Notification System (PINS). Therefore, to-date SASB’s standards development process has been informed by ANSI best practices, but it does not represent itself as conforming to ANSI Essential Requirements for a voluntary, consensus standard. SASB will continue to consider the most appropriate standards development process as it takes its provisional standards forward.</p> <p>In June 2015, the SASB Industry Working Group survey for the Gas Utilities industry collected input from 12 professionals, including those from gas utilities and other segments of the natural gas value chain, asset managers, and accounting firms among other relevant organizations. While IWG members participate as individuals, not representing the viewpoint of their companies, they leverage their experience and bring the perspective of their industry. For the four disclosure topics put forward by SASB to the IWG, the vast majority of survey respondents agreed that these issues are likely to constitute material information for companies in the industry – ranging from 67% in agreement for issues such as Downstream Emissions Management, to 83% in agreement for Distribution Network Resiliency. Additionally, further feedback that is relevant to aspects of the Gas Utilities industry was obtained from the Electric Utilities IWG, in which 45 professionals participated, and the Water Utilities IWG, in which 17 professionals participated.</p> <p>In order to gather as large a set of respondents SASB has provided that working group members may participate as individuals. None-the-less the individuals have unique industry insights whether they be from the Corporations, Public Interest, and Market Participant group which reflect their relating groups perspective on the issues and metrics SASB has put forth.</p> <p>With the release of the Provisional Standards, SASB will begin a period of in-depth industry and investor engagement—an implementation review—in a continuous effort to test the likely</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
			<p>content of the Draft Standard with other members of their company. On more than one occasion, the company has determined that the employee inaccurately identified their company role or did not have the requisite knowledge of greenhouse gas emissions measurement, sustainability, local distribution company rate-making, or operations to appropriately or competently provide responses for the industry. Furthermore, even if the individual did have some knowledge to comment on a facet of the standard, as mentioned earlier, the Draft Standard covers and impacts numerous aspects of gas utility operations. By manipulating comment from such a narrow set of individuals and refusing to allow for a collaborative response, the input that the SASB received necessarily could not have been comprehensive.</p>	<p>materiality of the topics and decision-usefulness and cost-effectiveness of the metrics in SASB standards. This will be a deeply consultative phase for a substantial period of time – through the remainder of 2016 and into 2017. The purpose of this upcoming engagement period is to continue to improve the standards in a manner consistent with their guiding principles and criteria, prior to the codification of the standards.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0102	American Gas Association (Letter submitted post Public Comment Period)	General	<p>As a result of the way that the SASB solicited involvement and responses through its Industry Working Group, it is misleading and wrong to suggest that the Gas Utilities Draft Standard is the product of industry collaboration. Because participants did not represent the views of their employers, distinguishing participants by "corporations" is a truly misrepresentative characterization of the type of collaboration involved in developing the Draft Standard. The process also is inconsistent with the SASB's own standards development process, which describes the Industry Working Group as being comprised of a "balanced representation from corporations, market participants (investors and analysts), and intermediaries."</p> <p>There was no representation of "corporations" in the working group. ANSI accreditation is contingent on the standard setting body following its own written procedures. By not following its own procedures, the SASB failed to comply with ANSI's accreditation requirements, and risks, among other potential consequences, withdrawal of accreditation. AGA fully supports and agrees with EEI's concerns with attributing responses from employees of utilities as representing the views of the company that employs them.</p> <p>In addition, AGA agrees with EEI: the SASB must refrain from any characterization of AGA's comments as providing any form of support or validation of the proposed disclosures, including any inference that industry input was satisfactorily considered in the development of the proposed disclosures or that the Gas Utilities Draft Standard represents a "consensus" view on such disclosures.</p>	<p>SASB notes that its standards development has been guided by ANSI principles of transparency, openness, and lack of dominance. However, SASB has not formed an ANSI Consensus Body or declared its intent to develop an American National Standard through the ANSI Project Initiation Notification System (PINS). SASB has confirmed with ANSI that its activities do not risk withdrawal of its accreditation. As re-stated by the AGA, all participants in SASB's industry working groups participated as individuals, and companies were included for affiliation purposes only. SASB received feedback that some language used to describe the working groups may have been misleading, and has since changed its wording to describe participation from "corporations" to "corporate professionals." SASB apologizes for any confusion the original language caused.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0102	American Gas Association (Letter submitted post Public Comment Period)	General	<p>AGA also is troubled by the limited number of individuals that were involved in developing the Gas Utilities Draft Standard through the Industry Working Group. The SASB asserts there were 483 total "commitments" for the Industry Working Group.¹¹ Based on feedback from AGA member companies, individuals identified as "committed" in no way considered themselves committed to providing feedback and were surprised to find their name listed in the report. Of the 483 "committed" participants, the SASB only received 175 completed surveys.¹² And of these 175 completed surveys, only twelve individuals provided feedback to SASB for developing the standard: five from "corporations"; two from "investors"; and five from "public interest."¹³ Feedback from such a limited number of individuals in no way provides the types of robust technical input necessary for developing the type of standard that the SASB is purporting to develop.</p>	<p>SASB's standards development process is iterative in nature. It involves research by our team of analysts, industry working groups, public comment, and expert consultation. While not all people who committed to participating in the SASB industry working groups completed their survey, SASB acknowledges that working professionals face competing priorities and time constraints. SASB is continuing to seek feedback from working group participants (and others) as we update the standards. Currently, the Gas Utilities standard is in provisional form and SASB aims to continue deepening our engagement with and knowledge of the Gas Utilities industry during a consultation period that began on April 7, 2016. We hope that this is an opportunity to strengthen our relationship with AGA and your members.</p> <p>SASB announces public comment periods via our website, social media channels, and emails to our list serve. Our intention is to invite as much public participation as possible. SASB welcomes feedback on the provisional standards and on how to further raise awareness of the standards. SASB invites AGA to review and comment on the proposed Rules for Procedure and updated Conceptual Framework. The next phase of standard setting includes an implementation review of the provisional standards, which will include a meaningful dialogue with corporate issuers about the content of the provisional standards. We look forward to the opportunity to engage with corporate stakeholders about the provisional standards with the aim of creating an even stronger standard that will add value to companies and their shareholders.</p>

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IF0102	American Gas Association (Letter submitted post Public Comment Period)	General	It also is clear to AGA that the SASB did not fully consider the limited input it was provided by the working group. For example, downstream emissions management was ranked last by the Industry Working Group, yet the SASB retained it in the Gas Utilities Draft Standard. Furthermore, when reviewing the comments provided on this topic, it appears that at least two survey participants did not understand the scope of this topic. One participant supported the topic with a comment related to the source of the natural gas, and, in particular, whether hydraulic fracturing was involved; a second participant that supported the disclosure topic stated "emission regulations, taxes." 14 These comments are inapposite to the scope of the disclosure topic.	SASB understands the participants comment and has adapted the scope of this topic to focus on "End-Use Efficiency".
IF0102	American Gas Association (Letter submitted post Public Comment Period)	General	AGA has not reviewed the other draft sustainability standards for infrastructure. However, the fact that such a flawed process was used to develop both the Gas Utilities and the Electric Utilities standards suggests that the entire series of infrastructure standards were developed without input from the relevant industries.	SASB encourages the AGA to provide comments to SASB's Rules of Procedure which outlines SASB's proposal to strengthen its due process and standards development process. Comments are open through July 6, 2016: http://www.sasb.org/comment/

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0102	American Gas Association (Letter submitted post Public Comment Period)	General	<p>AGA agrees with EEI's comments that the proposed disclosures are not required under SEC reporting rules. As EEI points out, the SEC disclosure rules cited by the SASB have been in existence for many years. AGA members endeavor to comply with these rules in both form and substance. AGA is not aware of the SEC nor independent accounting firms, both of which have reviewed our members' filings, ever having asserted that the types of disclosures that the SASB seeks are universally required to align with the SEC's reporting rules concerning materiality. Instead, as EEI lists, there are numerous applicable SEC requirements that already address the SASB's proposed disclosure topics in a focused, relevant way tailored to financial reporting.</p>	<p>SASB does not purport that any publicly listed companies, including your organization's members, are out of compliance with SEC regulations. SASB does not make this assertion explicitly, nor implicitly through the mere existence of the SASB standards. The SASB standards are voluntary and are designed to operate within current corporate disclosure requirements, in order to increase disclosure-effectiveness.</p> <p>ASB agrees that such proposed disclosure topics may already be addressed by companies in their 10-K filings, but often with boilerplate text that is not useful to investors. The SASB standards aim to shift disclosures concerning sustainability issues towards comparable, decision-useful, quantitative disclosures that are accompanied by management discussion and analysis.</p> <p>We encourage AGA to review the SASB Implementation Guide to assist in establishing clarity on the SASB standards, including how they are designed to be incorporated into the 10-K (http://using.sasb.org/implementation-guide-for-companies/).</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0102	American Gas Association (Letter submitted post Public Comment Period)	General	AGA also supports EEI's comments that the SASB relies on an incorrect understanding of materiality. As EEI explains, the SASB standards improperly define materiality divorced from the context of and purpose of reporting and explaining historical financial results.	<p>SASB uses the Supreme Courts definition of materiality and applies context through its topics such as emissions.</p> <p>Additionally, SASB notes in the "Guidance for Disclosure of Sustainability Topics in SEC Filings" section of its provisional standards that "Sustainability disclosures are governed by the same laws and regulations that govern disclosures by securities issuers generally. According to the U.S. Supreme Court, a fact is material if, in the event such fact is omitted from a particular disclosure, there is "a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of the information made available."3,4</p> <p>SASB has attempted to identify those sustainability topics that are reasonably likely to have a material effect on the financial condition or operating performance of companies within each SICS industry. SASB recognizes, however, that each company is ultimately responsible for determining what information should be disclosed within the context of Regulation S-K and other guidance."</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0102	American Gas Association (Letter submitted post Public Comment Period)	General	<p>As EEI points out, the SASB’s approach of standardized disclosures is inconsistent with the focus and direction of current disclosure effectiveness initiatives by the SEC and the FASB. Both of these organizations have offered proposals designed to improve the effectiveness of disclosure reporting by having disclosures focus on the information that is most meaningful and material for investors to make informed decisions. The SASB’s intent to impose broad and voluminous disclosures, regardless of whether the content is material, important or even relevant to understanding the financial results of an individual company’s business, cannot be reconciled with the focus of the SEC and the FASB.</p> <p>As discussed in more detail below, AGA members already report many of the proposed metrics to federal or state agencies. In addition to failing to recognize the duplicative nature of this reporting, the SASB has not attempted to reconcile duplicative or conflicting reporting requirements with other reporting constructs such as the Global Reporting Initiative and the Carbon Disclosure Project, among others. As EEI points out, adding another approach that layers on requirements and does not integrate and simplify this information would increase confusion rather than provide focused, effective disclosures.</p> <p>The duplicative and redundant nature of SASB’s “voluntary” uniform standard reporting creates new costs that are not necessary in the provision of service to the utility’s customers, thus unnecessarily raising cost to the utility customer. As the Draft Standard points out, state commissions already have the authority to require utilities to accumulate and report these costs (California, Minnesota, New York) on an individual state basis. There is no indication that any state commission weighed in on the Draft Standard, highlighting the lack of transparency in the process.</p>	<p>SASB’s suggested metrics are not structured to be line item disclosure mandates across all issuers. Rather, they are voluntary industry-specific standards that can guide issuers as they themselves determine what topics are material and thus warrant disclosure in SEC filings. SASB agrees that current methods of sustainability reporting are costly for companies and do not meet investor needs. SASB aims to improve this situation by identifying the minimum set of disclosure topics likely to be material for a company, and whenever possible, including metrics already in use by industry. The SEC also acknowledges the need to improve the state of ESG information, and is examining sustainability disclosure as part of its disclosure effectiveness initiative. In a April 2016 concept release on disclosure reform, the SEC includes 11 pages of discussion of sustainability disclosure, and poses eight questions for feedback. SASB welcomes feedback from all stakeholders, including state commissions, as we refine the standards during the consultation phase.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0102	American Gas Association (Letter submitted post Public Comment Period)	General	<p>As discussed in more detail below, AGA members already report many of the proposed metrics to federal or state agencies. In addition to failing to recognize the duplicative nature of this reporting, the SASB has not attempted to reconcile duplicative or conflicting reporting requirements with other reporting constructs such as the Global Reporting Initiative and the Carbon Disclosure Project, among others. As EEI points out, adding another approach that layers on requirements and does not integrate and simplify this information would increase confusion rather than provide focused, effective disclosures.</p> <p>The duplicative and redundant nature of SASB's "voluntary" uniform standard reporting creates new costs that are not necessary in the provision of service to the utility's customers, thus unnecessarily raising cost to the utility customer. As the Draft Standard points out, state commissions already have the authority to require utilities to accumulate and report these costs (California, Minnesota, New York) on an individual state basis. There is no indication that any state commission weighed in on the Draft Standard, highlighting the lack of transparency in the process.</p> <p>A comprehensive understanding of all aspects of an industry is critical to developing meaningful metrics and standards for the industry. It is apparent from the Gas Utilities Draft Standard's proposed disclosure metrics that this comprehensive understanding was lacking, the result of the flawed process identified above. AGA's substantive comments on the proposed disclosure topics and metrics are not meant to be comprehensive, but instead illustrative of the fundamental flaws found throughout the Draft Standard.</p>	<p>When formulating accounting metrics for its disclosure topics, SASB considers the existing body of reporting standards and uses existing metrics whenever possible. Where current disclosure is inconsistent or not established SASB has developed new metrics. For more information on SASB's alignment with other reporting frameworks please visit: http://www.sasb.org/approach/keyrelationships/</p>

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IF0102	American Gas Association (Letter submitted post Public Comment Period)	General	<p>There are several flaws applicable across all three disclosure topics and underlying metrics. Notably, there is no description or discussion on why these particular metrics constitute “material sustainability topics” or elaboration as to why these topics, let alone these specific metrics, are “reasonably likely to have a material effect on the financial condition or operating performance of companies.” Furthermore, the document requires reporting of various metrics that are already reported to other federal agencies. AGA members already report several of the proposed metrics to federal or state agencies, such as EPA, the Department of Transportation (DOT) Pipeline and Hazardous Materials Safety Administration (PHMSA), the Department of Energy (DOE) Energy Information Administration (EIA), and the applicable state public utility commissions. The Draft Standard does not acknowledge existing reporting requirements and therefore the duplicative nature of this exercise. For example, emissions data are already reported under the EPA’s GHG Reporting Program; pipeline mileage and incidents to DOT.</p>	<p>SASB encourages the respondent to review the Gas Utilities Industry Brief for evidence supporting the inclusion of the topics and metrics put forth in the provisional standards. The industry brief can be found here: http://www.sasb.org/approach/our-process/industry-briefs/infrastructure-sector-industry-briefs/</p> <p>Additionally, when formulating accounting metrics for its disclosure topics, SASB considers the existing body of reporting standards and uses existing metrics whenever possible, including those reported to local, state, and federal regulation agencies. Alignment with existing data collection schemes helps to ensure that the SASB standards are cost-beneficial to use.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0102	American Gas Association (Letter submitted post Public Comment Period)	General	AGA believes that EEI's concerns regarding the context, resolution, and definitions of the metrics contained in the Electric Utilities Draft Standard are equally applicable to the metrics included in the Gas Utilities Draft Standard. As EEI notes, environmental metrics often are difficult to define in a way that is meaningful or comparable. Similar to the Electric Utilities Draft Standard, the Gas Utilities Draft Standard also includes metrics that lack context and that are defined as absolute or total measurements. By proposing standards that fail to normalize or account for the diversity of the industry, the metrics fall short of their intended goal of providing standardized metrics to communicate performance on sustainability topics.	<p>SASB directs the respondent to guidance contained in the introduction to its standards on Activity Metrics and Normalization, which states, "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" and that, "Where relevant, SASB recommends specific activity metrics that—at a minimum—should accompany SASB accounting metric disclosures".</p> <p>Furthermore SASB guides companies to, "As appropriate—and consistent with Rule 12b-06—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:</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)." <p>SASB recognizes that normalizing accounting metrics is important for the analysis of SASB disclosures. 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 (e.g., revenue, EBITDA, etc.). Such data—termed "activity metrics"—may include high-level business data such as total number of employees, quantity of products produced or services provided, number of facilities, or number of customers. It may also include</p>

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				<p>industry-specific data such as plant capacity utilization (e.g., for specialty chemical companies), number of transactions (e.g., for Internet media and services companies), hospital bed days (e.g., for health care delivery companies), or proven and probable reserves (e.g., for oil and gas exploration and production companies).</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0102	American Gas Association (Letter submitted post Public Comment Period)	Downstream Emissions Management	The Downstream Emissions Management disclosure topic is based on a fundamental misunderstanding of natural gas distribution economics. Natural gas utilities are highly regulated by state utility commissions, which set rates to allow a "just and reasonable" rate of return. But that rate of return is earned on the capital invested in infrastructure – pipe in the ground needed to provide transportation services – not on the natural gas commodity itself. Gas utilities pass through their own cost of natural gas without any additional profit. The leak reporting sections apparently assume that investors would earn a profit on recovered gas – if low level, non-hazardous leaks were reduced and small amounts of gas were recovered. This is not the case and demonstrates a complete lack of understanding of the business aspect of natural gas utilities.	SASB has adapted this topic to focus on "End-Use Efficiency" as such it has removed the metric on natural gas leakage.
IF0102	American Gas Association (Letter submitted post Public Comment Period)	Downstream Emissions Management	There are several provisions that overlap, duplicate or could conflict with existing emission and pipe replacement reporting. Notably, natural gas utilities report emissions data to EPA's Greenhouse Gas Reporting Program. EPA is now in the process of updating its methods for estimating emissions from natural gas distribution for the U.S. Greenhouse Gas Emissions and Sinks15 to reflect recent more robust data that shows emissions from the distribution sector are much lower than previously thought. In fact, based on data from a multi-city distribution study conducted by Dr. Brian Lamb of Washington State University, emissions from the natural gas distribution sector are estimated to be only 0.01 percent of annual production. EPA also plans to update its reporting rules to reflect this new data and adopt more accurate emission factors for reporting distribution company emissions. EPA posts gas utility emission reports on the EPA reporting program web site. It would seem that this is the more appropriate venue for providing standardized, comparable data to the public. Whether such data is "material" to investor decisions should be governed by normal securities law.	SASB notes this research and has removed this angle from the Provisional Standards.
IF0102	American Gas Association (Letter submitted post Public Comment Period)	Downstream Emissions Management	The metrics for downstream emissions management also fail to acknowledge PHMSA's risk-based regulatory framework and integrity management program requirements that are applicable to natural gas utilities. These regulatory requirements were developed to encourage the safe and reliable operation of the natural gas distribution infrastructure and have the added effect of decreasing emissions.	SASB has adapted this topic to focus on "End-Use Efficiency" as such it has removed the metric on natural gas leakage.

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IF0102	American Gas Association (Letter submitted post Public Comment Period)	Downstream Emissions Management	Aside from being duplicative and arguably unnecessary, the metrics and guidance provided for Downstream Emissions Management are confusing and, in some cases, internally inconsistent and contradictory. For example, the Draft Standard conflates lost and unaccounted for gas as "leakage," but then excludes reporting of "lost and unaccounted for gas" through what it calls "non-leakage" events, which itself is undefined. The Draft Standard also provides no guidance on how the exclusion of pressure and temperature measurement errors should be accomplished, nor does it provide guidance for other system activities or factors such as gas theft that could contribute to lost and unaccounted for gas figures.	SASB has adapted this topic to focus on "End-Use Efficiency" as such it has removed the metric on natural gas leakage.
IF0102	American Gas Association (Letter submitted post Public Comment Period)	Downstream Emissions Management	For "relevant guidance" for leakage, the document cites only a California Senate Bill and one volume of one report, the 1996 GRI/EPA study. The volume cited relates specifically to equipment leaks, and covers many source categories that are not readily applicable to natural gas distribution systems. There is no acknowledgement of the wider body of work from the GRI/EPA study, nor subsequent studies that have been completed in intervening years. In addition, the Draft Standard cites various "techniques or technologies" without any consideration of the appropriate or applicable situations, conditions, or merits for use of these techniques or technologies. There is no consideration for cost of these techniques or technologies as well. Finally, there is no acknowledgement that pipeline leaks are already estimated using emissions factors per EPA requirements in its GHG Reporting Program. These leak estimates are calculated by multiplying the relevant emission factor by a utility's activity data, which in the case of pipelines is the mileage of pipeline by material and type as reported to DOT. In this case, reporting both pipeline leaks and the types of pipeline mileage is not only redundant to other efforts, but also internally redundant to this project.	SASB has adapted this topic to focus on "End-Use Efficiency" as such it has removed the metric on natural gas leakage.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0102	American Gas Association (Letter submitted post Public Comment Period)	Downstream Emissions Management	<p>There are similar concerns and problems with metrics associated with efficiency measures and regulatory savings. For example, the Draft Standard would require reporting of efficiency savings with no further guidance. The Draft Standard fails to account for the fact that state and company efficiency programs vary tremendously. There is no guidance on which programs, e.g. rate-payer funded efficiency programs, consumer education campaigns, utility energy service contracts, should be included. Should indirect activities, such as online tools, on-site energy audits, behavioral conservation programs, home savings evaluations, and school-based education programs, be included? This broad brushed approach only serves to obscure rather than illuminate the activities underway by gas utilities to enhance energy savings for consumers.</p>	<p>SASB has revised this metric to focus on "IF0102-01. Customer gas savings from efficiency measures by market" in an effort to address these concerns. Among other substantive changes to the technical protocol of the standard, the note to IF0102-01 states "Relevant policy mechanisms to discuss include, but are not limited to:</p> <ul style="list-style-type: none"> • Deferral decoupling • Current period decoupling • Single fixed variable rates • Lost revenue adjustments • Energy efficiency feebates" <p>SASB encourages the respondent to review the Provisional Standards for further changes that were developed to address concerns across the electric, gas, and water utilities industries.</p>

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IF0102	American Gas Association (Letter submitted post Public Comment Period)	Downstream Emissions Management	In addition, the Draft Standard would require the reporting of "gas savings," defined as the difference between consumption and that which would have been consumed had efficiency measures not been implemented. There is no explicit distinction in the Draft Standard between gross efficiency savings and net efficiency savings. Net efficiency savings could exclude free riders, spillover, and savings due to government mandated codes and standards, reduced usage owed to business or business cycle fluctuations, and reduced usage because of natural operations of the market place.	<p>SASB appreciates this technical feedback and has developed guidance stating ".02 Gas savings shall be defined according to the gross savings approach as the changes in energy consumption and/or demand that results from program-related actions taken by participants in an efficiency program, regardless of why they participated.</p> <ul style="list-style-type: none"> • The registrant should list those markets where it reports gas savings on a net savings basis and thus may be different from the figures disclosed here, where: • Net gas savings are defined as changes in consumption that are specifically attributable to an energy efficiency program, that would not otherwise have happened in the absence of the program <p>.03 Gas savings shall be calculated on a gross basis but consistent with the methodology set forth in state or local evaluation, measurement, and verification (EM&V) regulations where such savings occur, where examples of state regulations include, but are not limited to..." to address this concern. SASB determined that gross savings was appropriate as there is a more widely agreed upon calculation methodology.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0102	American Gas Association (Letter submitted post Public Comment Period)	Operational Safety & Emergency Management	<p>There are many problems with the metrics proposed in this section of the SASB proposal, likely due to the lack of input from industry operations experts during the development of the proposal. As just one example, IFO 102-107, "Percentage of pipeline operators currently qualified to perform covered tasks," calls for reporting the "percentage of pipeline operators" apparently referring to gas utility employees, but perhaps also contractors – that are "currently qualified to perform covered tasks." If SASB had consulted with natural gas operations experts in the development process for this proposal, this provision might be consistent with industry practices. However, as proposed, this provision in the proposal makes no sense given that personnel numbers change constantly with attrition and new hires, and as operating companies retain and release contractors. Additionally, each natural gas operating company can have different operator qualified (OQ) tasks under PHMSA's OQ regulations; whereas the proposal assumes all companies are universally the same and comparable using the proposed standard. Every natural gas company is structured differently. Some operators rely on contracted employees to perform a majority of OQ tasks, other operators strictly utilize company employees, while most use a mixture of company employees and contracted workers. A metric such as the percentage of employees that are OQ'd would be a poor indication of the strength of a company's operator qualification program. Following PHMSA's OQ rule is the more relevant question, and if there were any material non-compliance, disclosure would be governed under existing SEC requirements and guidance.</p>	SASB has removed this metric from the provisional standards.
IF0102	American Gas Association (Letter submitted post Public Comment Period)	Operational Safety & Emergency Management	<p>The proposed accounting metrics associated with IF0102-08, "Discussion of Management Systems Used to integrate a culture of safety and emergency preparedness throughout project lifecycles" also highlight the disconnect between the Draft Standard and the industry. The metrics discuss management systems to integrate a culture of safety and emergency preparedness throughout project lifecycles. However, management systems are holistic approaches to manage a complex process. To be successful, a safety management system must be applied throughout an organization over time, not to individual pipelines or pipeline segments. This also is true for a safety culture. It must be applied and practiced throughout an</p>	SASB understands the respondent is concerned that the proposed metric focuses on individual pipelines, however the metric is intended to provide registrants with a forum to holistically discuss the various aspects of its management systems during the various stages of project lifecycles, so as to enlighten investors on the important aspects of managements system to implement and maintain a culture of safety and emergency preparedness.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
			entire organization. The Draft Standard has selected some of the elements and terms included in safety management systems and applied them to projects involving individual pipelines or pipeline segments. Elements of safety management systems are meant to be applied in a systematic way to an entire organization.	
IF0102	American Gas Association (Letter submitted post Public Comment Period)	Distribution Network Resiliency	The metrics that the Draft Standard proposes for Distribution Network Resiliency also are flawed as a result of the SASB's failure to consult with industry. For example, reporting the number of service interruptions does not recognize that most natural gas service interruptions are the result of planned work. Replacing and upgrading service pipeline material requires the current service to be interrupted when the pipe is replaced. These relatively short duration interruptions do not rise to the level of materiality.	SASB has removed this topic from its Provisional Standards.
IF0102	American Gas Association (Letter submitted post Public Comment Period)	Distribution Network Resiliency	However, for this disclosure, the metrics are not just duplicative and/or unworkable. Much of the information that the Draft Standard would have companies include in their public filings would have the effect of increasing the probability of a cybersecurity attack and the success of such attackers.	SASB has removed this topic from its Provisional Standards.
IF0102	American Gas Association (Letter submitted post Public Comment Period)	Distribution Network Resiliency	In particular, the Draft Standard would have companies publicly disclose efforts to identify and mitigate risks of technological service disruptions. Among other disclosures, a company would describe how it identifies and prioritizes threats and vulnerabilities to the network, observed trends in attacks, and how it identifies and prioritizes the potential for physical infrastructure to cause service disruptions. Disclosing this type of information in a public document at the detail that the Draft Standard requests would provide a detailed roadmap for would-be attackers, thus increasing the probability of a successful attack. The SASB's inclusion of such information in its disclosure metrics is nothing short of reckless.	SASB has removed this topic from its Provisional Standards.

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IF0102	American Gas Association (Letter submitted post Public Comment Period)	Distribution Network Resiliency	companies publicly disclose, the disclosure metrics for Distribution Network Resiliency also demonstrate the SASB's failure to comprehend the cybersecurity risks that natural gas utilities are combatting. The Draft Standard describes costs associated with preventing and responding to network attacks as additional costs that could detract from shareholder value. Furthermore, the metrics appear to blame companies for network failures that are the result of criminal activity. Natural gas utilities are heavily engaged in cybersecurity and the physical resiliency of their systems. Investments in safeguarding and defending the distribution network do not detract from shareholder value, but instead increase shareholder value.	SASB has removed this topic from its Provisional Standards.

Water Utilities

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0103	CH2M	General - Support	We agree that water efficiency has become increasingly important. Water management should be a priority in reporting including the disclosure of drinking water quality, effluent management quality, fair pricing and access, and energy management. Issues that have not yet been considered but should be including under water utilities are:	SASB appreciates CH2M's support for inclusion of these issues.
IF0103	CH2M	Grid Resiliency	Grid resiliency or network resiliency, which is considered for electric and gas utilities but not for water utilities. In the era of Big Data and cybersecurity risks, resiliency could also be considered for water utilities.	SASB's research findings and external feedback did not support the contention that cyber security is likely to lead to material financial impacts for water utilities at this time. SASB's research into grid resiliency for water utilities instead focused on the potential financial impacts associated with climate change, which were found to be likely material to the reasonable investor.
IF0103	CH2M	Community Relations	A separate data parameter for community and customer relations, outreach, and communication, in particular performance scores, should be included in reporting. Although the issue has been managed, it should continue to be managed and reported on since it is a relevant sustainability issue with potential to impact economic performance.	SASB appreciates this suggestion and has reviewed the use of performance scores, specifically relating to the "Fair Pricing & Access" topic. Because it was found that the basis for calculating performance scores varied widely amongst utilities, SASB has determined that the metric, "Number of formal customer complaints regarding pricing of and/or access to water received, percentage withdrawn" more directly impacts performance in this area. SASB intends to capture other areas of community and customer relations through its topics such as "Drinking Water Quality", "End-Use Efficiency", and "Network Resiliency & Impacts of Climate Change" among the other relevant topics.
IF0103	CH2M	Employee and Community Health & Safety	Health and safety for employees and the community at large should be considered material for reporting.	SASB's research and external feedback suggests that the water utilities industry has relatively low injury and fatality incidents, and that it is unlikely that health and safety performance is material to the reasonable investor. SAS has therefore not included an employee health and safety topic. SASB agrees that community health and safety risks should be considered material information. SASB captures potential community health impacts through the "Effluent Quality Management, "Drinking Water Quality", and "Network Resiliency & Impacts of Climate Change" topics.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0103	CH2M	Land Use	A number of water utilities own large quantities of land. These land parcels represent an important part of ecological impacts and biodiversity; the size, type, and use of these land parcels should be included in reporting.	SASB research and external feedback has not provided substantive evidence to support that disclosure on land use management would provide investors with decision-useful information and has thus not included this topic.
IF0103	CH2M	Downstream Water Efficiency	Regarding downstream water efficiency we agree that efficient use by consumers should not be disclosed, but distribution losses by the utility should be disclosed. It should also be made clear that this issues refers to specifically distribution losses.	SASB has split this topic into two topics for the provisional standards, one on "End-Use Efficiency" and one on "Distribution Network Efficiency. We encourage CH2M to review the updated Provisional Brief for evidence supporting the inclusions of these topics.
IF0103	CH2M	Maintaining Upstream Resources	We also suggest including reporting of maintaining upstream sources, specifically as upstream sources are at risk due to drought or natural disasters.	SASB appreciates this and the other CH2M comments. SASB intends to capture performance on the maintenance of upstream sources through the "Water Scarcity" topic.
IF0103	Center for Resource Solutions	Energy Management, IF0103-01.05	Comment: .05 - We would like to express general support for the language in this section, particularly that which emphasizes the importance of REC retention and ownership in all cases for renewable energy usage claims in the United States, as well as references to Green-e certification. Please let us know if we can provide any further support for these requirements.	SASB appreciates your support for this metric and willingness to provide feedback.
IF0103	Center for Resource Solutions	Energy Management, IF0103-01.05	Comment: .05 - Renewable energy can also be purchased from a utility or supplier. Recommend changing language at .05 to: "purchases through a renewable power purchase agreement (PPA) that explicitly includes renewable energy certificates (RECs), purchases through a Green-e Energy Certified utility or supplier program, or for which Green-e Energy Certified RECs are paired with grid electricity."	SASB has adapted the language of this technical protocol to read "The scope of renewable energy includes renewable fuel the registrant consumes and renewable energy the registrant directly produces, purchases through a renewable power purchase agreement (PPA) that explicitly includes renewable energy certificates (RECs), purchases through a Green-e Energy Certified utility or supplier program, or for which Green-e Energy Certified RECs are paired with grid electricity."
IF0103	Center for Resource Solutions	Energy Management, IF0103-01.05	Comment: .05 - In the first bullet, respondents should also indicate whether on-site use was Green-e certified, since on-site use of renewable energy can also be Green-e certified.	SASB notes that on-site renewable energy may be Green-e certified, however in an effort to maintain the cost-effectiveness of the standards SASB has not called for additional disclosure in this instance.
IF0103	Center for Resource Solutions	Energy Management, IF0103-01.05	Comment: .05 - In the second bullet, change "retained" to "retained or replaced" since RECs from the project can be arbitrated in these agreements. Respondents should also indicate whether the purchase was Green-e certified, since direct purchases of renewable energy (e.g. PPAs) can also be Green-e certified.	SASB has adapted the language of this technical protocol to read "For renewable PPAs, the agreement must explicitly include and convey that RECs be retained or replaced and retired on behalf of the registrant in order for the registrant to claim them as renewable energy."

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0103	Center for Resource Solutions	Energy Management, IF0103-01.05	Comment: .05 - Footnote 15 should be moved to the first bullet.	Based on the structure of SASB's protocols which seek to provide a scope of disclosure, definitions, and measurement methodologies, SASB has maintained this language as a footnote.
IF0103	Center for Resource Solutions	Energy Management, IF0103-01.05	Comment: Respondents should disclose whether renewable energy was procured beyond what is delivered as a part of the default utility mix and/or required by law (e.g. through a state RPS), i.e. through voluntary renewable energy procurement. Respondents should also disclose features of the renewable energy, including type of product e.g. through a local utility program, and length of commitment, as well as whether the renewable energy product is Green-e certified.	SASB notes that there are a variety of renewable energies and means to procure such energy, however in an effort to maintain the cost-effectiveness of the standards SASB has not called for additional disclosure in this instance.
IF0103	Association of Metropolitan Agencies (AMWA)	General	The document does not adequately portray and incorporate the nuances and complexities of the water sector and types of utilities that comprise the sector. In addition, many of the references are misused or incorrectly applied. The document demonstrates a fundamental lack of understanding of how the sector works that is imperative to inform the development of any kind of standard. Understanding the water sector requires a vigorous engagement with the appropriate water sector representatives during the development of the standard. AMWA and its member utilities are regular participants in a wide variety of public stakeholder processes in both the government and private sector, and as such, can appreciate the difficulty in reaching every vested stakeholder. However, we believe the lack of early, direct outreach to AMWA and other prominent water sector organizations was a significant oversight and has led to a draft SASB standard that is flawed and in need of significant additional work before it should be considered.	<p>In June 2015, the SASB Industry Working Group survey for the Water Utilities industry collected input from 17 professionals, including those from water utilities and other segments of the value chain, asset managers, and accounting firms among other relevant organizations. While IWG members participate as individuals, not representing the viewpoint of their companies, they leverage their experience and bring the perspective of their industry. For the disclosure topics put forward by SASB to the IWG, the vast majority of survey respondents agreed that these issues are likely to constitute material information for companies in the industry – ranging from 71% in agreement for issues such as Climate Change Risk Exposure (adapted to Network Resiliency & Impacts of Climate Change), to 94% in agreement for Energy Management, Water Scarcity, and Fair Pricing & Access.</p> <p>Never-the-less SASB recognizes the importance of expanding this engagement with industry experts. Following the release of the Provisional Standards, SASB will begin a period of in-depth industry and investor engagement—an implementation review—in a continuous effort to test the likely materiality of the topics and decision-usefulness and cost-effectiveness of the metrics in SASB standards. This will be a deeply consultative phase for a substantial period of time – through the remainder of 2016 and into 2017. The purpose of this upcoming engagement period is to continue to improve the standards in a manner consistent with their guiding principles and criteria, prior to the codification of the standards.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0103	Association of Metropolitan Agencies (AMWA)	General	AMWA became aware of the public comment period for the SASB standard extremely late in the process – on December 30, 2015, which made it difficult to provide a detailed review by the posted January 5, 2016 deadline. Given the short time AMWA staff had to review the SASB standard and the inability to circulate it widely among our membership for additional comment, we can only offer brief feedback at this time. AMWA therefore requests an extension of the comment period until January 28, 2016 so that we can engage our members in the development of additional comments and recommendations.	SASB understands that AMWA was presented with time constraints. SASB has and will continue to seek AMWA's expertise on these matters.
IF0103	Association of Metropolitan Agencies (AMWA)	General	<p>1. Adequately consider the uniqueness of the water sector in any future standard.</p> <p>The water sector comprises publicly owned and privately owned utilities, water, wastewater and storm water utilities, joint utilities, wholesale and retail utilities. SASB should consider reorganizing the standard to more accurately reflect the uniqueness of the different utilities that comprise the sector, and the subsequent relevance of the various sustainability disclosure topics to the types of water utilities. AMWA encourages SASB to engage with water sector associations to better understand this uniqueness and therefore more accurately represent water utilities in a future draft of the standard.</p>	<p>SASB recognizes that the Water Utilities industry is comprised of a diverse set of companies, each with diverse operating environments. With this understanding SASB has worked to develop standards that are likely to be comparable for typical companies within the industry. However, SASB notes that its framework states "There is no guarantee that SASB Standards address all sustainability impacts or opportunities associated with a sector, industry, or company, and therefore, a company must determine for itself the topics—sustainability-related or otherwise—that warrant discussion in its SEC filings."</p> <p>Never-the-less, as discussed above, SASB recognizes the importance of expanding this engagement with industry experts. Following the release of the Provisional Standards, SASB will begin a period of in-depth industry and investor engagement—an implementation review—in a continuous effort to test the likely materiality of the topics and decision-usefulness and cost-effectiveness of the metrics in SASB standards. This will be a deeply consultative phase for a substantial period of time – through the remainder of 2016 and into 2017. The purpose of this upcoming engagement period is to continue to improve the standards in a manner consistent with their guiding principles and criteria, prior to the codification of the standards.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0103	Association of Metropolitan Agencies (AMWA)	General	<p>Adequately consider the myriad significant resources already developed and implemented for assessing water utility sustainability.</p> <p>AMWA suggests that SASB take a closer look and robustly account for the significant resources and efforts that cover many of the same topics covered under the draft SASB standards. Many of the existing metrics are in wide use across the industry, and having them align with the SASB standard will be critical if wide acceptance of a future standard is desired. Existing programs and products that should be incorporated include:</p> <ul style="list-style-type: none"> - Effective Utility Management (EUM) Initiative AMWA and five other associations representing the U.S. water and wastewater sector (including AWWA and NAWC), in collaboration with the U.S. Environmental Protection Agency (EPA), released Findings and Recommendations for a Water Utility Sector Management Strategy in 2007. In 2014, U.S. EPA published a sustainability roadmap document entitled Moving Toward Sustainability: Effective and Sustainable Practices for Creating Your Water Utility Roadmap. Additional information is online at http://www.amwa.net/effective-utility-management-initiative. - ISO 14001 Environmental Systems Management and - ISO 26000 Social Responsibility. 	<p>When formulating accounting metrics for its disclosure topics, SASB considers the existing body of reporting standards and uses existing metrics whenever possible. Where current disclosure is inconsistent or not established SASB has developed new metrics.</p> <p>SASB appreciates the respondent's reference to the Effective Utility Management initiative. Upon review of the metrics put forth in the "Effective Utility Management: A Primer for Water and Wastewater Utilities" SASB has found many of its metrics are aligned with those set forth and has worked to further align the Provisional Standards, as detailed below.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0103	Association of Metropolitan Agencies (AMWA)	General	<p>Upon further review SASB's proposed Water Utilities Sustainability Accounting Standard, AMWA has concluded that the draft standard misrepresents water sector utilities due to many gross inaccuracies, including differences between publicly owned and privately owned utilities and water, wastewater and storm water utilities (Attachment A provides a partial list of examples of these inaccuracies.) Accurately describing and representing the diverse components and nuances of the sector is paramount to a credible standard. AMWA strongly believes that as currently written the draft standard is in many ways, plain wrong about the water sector and therefore should not go forward as written.</p>	<p>SASB recognizes that the Water Utilities industry is comprised of a diverse set of companies, each with diverse operating environments. With this understanding SASB has worked to develop standards that are likely to be comparable for typical companies within the industry. However, SASB notes that its framework states "There is no guarantee that SASB Standards address all sustainability impacts or opportunities associated with a sector, industry, or company, and therefore, a company must determine for itself the topics—sustainability-related or otherwise—that warrant discussion in its SEC filings."</p> <p>Never-the-less, as discussed above, SASB recognizes the importance of expanding this engagement with industry experts. Following the release of the Provisional Standards, SASB will begin a period of in-depth industry and investor engagement—an implementation review—in a continuous effort to test the likely materiality of the topics and decision-usefulness and cost-effectiveness of the metrics in SASB standards. This will be a deeply consultative phase for a substantial period of time – through the remainder of 2016 and into 2017. The purpose of this upcoming engagement period is to continue to improve the standards in a manner consistent with their guiding principles and criteria, prior to the codification of the standards.</p> <p>SASB appreciates the detailed and technical feedback provided in Attachment A, below SASB has worked to address each comment put forth by AMWA.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0103	Association of Metropolitan Agencies (AMWA)	General	a. In reading the draft, it is uncertain how disclosing information for this standard without context will contribute to accurate disclosure – what’s the benchmark or “best practice” being standardized here?	<p>SASB guides companies to, "As appropriate—and consistent with Rule 12b-06—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:</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)."
IF0103	Association of Metropolitan Agencies (AMWA)	General	b. The introduction suggests this document is for investor-only utilities, but the language throughout the document does not make a distinction between publicly and privately owned utilities.	The SASB guidance in the Introduction states among other notions that "SASB Sustainability Accounting Standards are comprised of (1) disclosure guidance and (2) accounting standards on sustainability topics for use by U.S. and foreign public companies in their annual filings (Form 10-K or 20-F) with the U.S. Securities and Exchange Commission (SEC). To the extent relevant, SASB Standards may also be applicable to other periodic mandatory filings with the SEC, such as the Form 10-Q, Form S-1, and Form 8-K." This is considered overarching guidance and as such the standards are developed to support such disclosure.
IF0103	Association of Metropolitan Agencies (AMWA)	General	c. Jargon used isn’t the vocabulary of the water sector, e.g. "extraction of raw water";	SASB has removed this language and welcomes further comment on appropriate use of industry nomenclature.
IF0103	Association of Metropolitan Agencies (AMWA)	General	d. The standard inaccurately describes how public water systems (drinking water utilities) access source water or finished water.	SASB appreciates this feedback and has further researched the sourcing of water. SASB welcomes additional specific feedback on these operations.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0103	Association of Metropolitan Agencies (AMWA)	General	e. In the U.S., utilities are municipally owned or privately owned, and as this standard is for privately owned utilities, they may purchase both raw or finished water from other utilities (public or private)	SASB notes this comment.
IF0103	Association of Metropolitan Agencies (AMWA)	General	f. Criteria from the existing bond ratings agencies consider environmental compliance, capital planning and management of utilities. Recommend SASB consider criteria published from Moody's, S&P etc. that consider these items that are relevant to topics addressed in SASB's draft standard such as drinking water quality, effluent quality, fair pricing and network resiliency.	SASB appreciates the reference to the work put forth here. SASB has reviewed numerous ratings reports and has included criteria from these reports in its metrics, where applicable. For instance SASB has included in its standard "IF0103-10. Discussion of how considerations of fair pricing and access are integrated into determinations of rate structures" a protocol noting ".49 The registrant shall discuss how rate changes compare currently and over time with the inflation rate and the Consumer Price Index (CPI), including if and how such indicators impact the rate-making process. • Current CPI data can be accessed from the U.S. Department of Labor (DOL) here"
IF0103	Association of Metropolitan Agencies (AMWA)	General	a. Parts of the standard will apply to drinking water, wastewater, storm water, joint utilities differently or not at all – the standard does not accurately distinguish between these utility types and what topics apply to which utility types. For example, IF0103-05 volume of recycled water delivered – the write-up suggests this is an item that only applies to wastewater utilities, this should be clarified. (In the case of potable reuse, the water must also be at a minimum, treated to drinking water standards).	SASB notes that each utility may operate in different segments of the industry. To address this SASB has provided guidance in its introduction section, titled "Company-Level Determination and Disclosure of Material Sustainability Topics" stating that "SASB has attempted to identify those sustainability topics that are reasonably likely to have a material effect on the financial condition or operating performance of companies within each SICS industry. SASB recognizes, however, that each company is ultimately responsible for determining what information should be disclosed within the context of Regulation S-K and other guidance."

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0103	Association of Metropolitan Agencies (AMWA)	Energy Management, IF0103-01	3. Energy management (IF0103-01 (a typo on p. 11 references CN0103-01): Agencies have partnerships with their power providers which contributes to energy management by reducing total energy consumed, especially at peak times; this should be referenced.	SASB appreciates AMWA review of this metric and has addressed the typo. SASB has not added specific language relating to the management of energy consumption at peak times. However SASB notes that such discussion is appropriate for this metric, according to SASB's Guidance on Accounting for Sustainability Topics, provided in the Introduction section, which call for "As appropriate—and consistent with Rule 12b-206—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: <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 <ul style="list-style-type: none"> • Data for the registrant's last three completed fiscal years (when available)."
IF0103	Association of Metropolitan Agencies (AMWA)	Effluent Quality Management, IF0103-02-03	4. Effluent quality management (IF 0103-02 and -03): This appears to be focused on Clean Water Act (CWA) violations only and by extension wastewater utilities/processes. Some drinking water utilities also have effluent management responsibilities.	SASB has adapted its guidance according to this comment to state "For purpose of this disclosure, violations of the Safe Drinking Water Act (SDWA) and violations of other drinking water quality standards shall be limited to non-compliance with effluent requirements such as those relating to combined filter effluent requirements set forth in 40 CFR 141.550-.553."
IF0103	Association of Metropolitan Agencies (AMWA)	Water Scarcity	a. Description of how water supply systems obtain water is incomplete. (p.15) E.g., "water rights" in industry parlance is law that defines access and use of water in the western U.S.; water rights is not the avenue through which water is purchased from a third party government entity (though rights may affect the amount of water available to purchase in certain scenarios).	SASB intends to capture those avenues through which the amount of water sourced becomes constrained. In an effort to address this comment SASB has expanded the technical protocol to call for disclosure on "External constraints, such as stakeholder perceptions and concerns related to water sources (e.g., those from local communities, non-governmental organizations, and regulatory agencies), restrictions to water delivery due to regulations, and constraints on the registrant's ability to obtain and retain water rights, permits, and allocations through purchase agreements."

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0103	Association of Metropolitan Agencies (AMWA)	Water Scarcity	<p>b. Water stress definition is taken from a tool developed for private companies (the WRI aqueduct project) not water utilities, which are public water systems (PWS). The WRI aqueduct site says about the tool that, "It is structured, in particular, to help companies and investors understand indicators of water-related risk to their business, but is intended for all users, including government and civil society to better understand geographic water issues." (http://aqueduct.wri.org/about/methodology, accessed 1/13/2016).</p> <p>A PWS is defined in the Code of Federal Regulations (42 CFR § 300f(4)(A) accessible at https://www.law.cornell.edu/uscode/text/42/300f) as a system that provides water for human consumption through pipes or other constructed conveyances if such system has at least fifteen service connections or regularly serves an average of at least 25 individuals at least 60 days out of the year. A PWS may be a municipally owned utility or a privately owned utility, but PWS are a public service; drinking water utilities exist to provide fire protection services to a community, protect public health and provide for the economy and well-being of a community. Thus, caution must be exercised when applying the WRI aqueduct tool to water systems with a public service mandate (in contrast to the application of the tool to private company working in strictly market-driven conditions).</p>	<p>SASB understands that public water systems may operate in a unique environment, however SASB maintains that the WRI Aqueduct's focus on presenting companies and investors with indicators of water-related risks speaks to SASB's mission. As with other industries the disclosure by water utilities may be interpreted within the context of the industry's characteristics.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0103	Association of Metropolitan Agencies (AMWA)	Water Scarcity	c. While the realities of drought and water stress in a community could affect a company's bottom line (i.e., resulting in reduced revenue) as suggested on page 15, measuring this stress as outlined in IF0103-04 does not account for the underlying nuances, agreements and regulations that govern water supply and water access in the U.S., particularly in the western states, such as the Colorado River compact.	<p>SASB understands that each utility faces a unique operating environment and that additional contextual disclosure may be needed. To address this and other such situation SASB has developed Guidance on Accounting for Sustainability Topics, provided in the Introduction section, which calls for "As appropriate—and consistent with Rule 12b-206—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:</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)."
IF0103	Association of Metropolitan Agencies (AMWA)	Water Scarcity	d. IF0103-05 recycled water i. Description under .21 suggests this is for wastewater utilities, but if the recycled water is used for potable reuse, then it must also, at a minimum, meet drinking water regulations.	<p>SASB notes this suggestion and has adapted the guidance to read as follows: "Recycled water shall be defined as wastewater that has been treated to meet specific water quality criteria with the intent of being used for a range of purposes, including, but not limited to:</p> <ul style="list-style-type: none"> • Potable reuse, such as direct augmentation of the drinking water supply and indirect augmentation of a drinking water source where an environmental buffer precedes drinking water treatment. <p>§ Water recycled for potable reuse shall be treated to the standards established through the Safe Drinking Water Act.</p> <ul style="list-style-type: none"> • Non-potable reuse, such as recreational landscape irrigation, agricultural reuse, industrial process reuse, and environmental reuse (e.g., wetland enhancement and groundwater recharge)."
IF0103	Association of Metropolitan Agencies (AMWA)	Drinking Water Quality	a. Most of section 03-07 must be revised for clarity and to minimize burden. Compliance with international standards should only apply in reference to those facilities/operations physically located in the jurisdiction subject to the regulation/guideline.	<p>SASB has worked to address this and other comments by adapting the relating standard to read "IF0103-07. Number of (1) acute health-based, (2) non-acute health-based, and (3) non-health-based drinking water violations" SASB encourages the respondent to review this updated standard.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0103	Association of Metropolitan Agencies (AMWA)	Drinking Water Quality	b. European Directive or WHO water quality guidelines, should only be applicable to facilities/operations in the jurisdictions where those laws and guidelines are in effect.	SASB has removed reference to the European Directive and noted that "The registrant shall report instances of non-conformance with the World Health Organization (WHO) Guidelines for Drinking-water Quality for jurisdictions where U.S. Federal, state, or local regulations do not apply."
IF0103	Association of Metropolitan Agencies (AMWA)	Drinking Water Quality	c. Greater clarity is also needed to emphasize that non-health criteria should NOT be required as a primary accounting metric.	SASB has worked to address this and other comments by adapting the relating standard to read "IF0103-07. Number of (1) acute health-based, (2) non-acute health-based, and (3) non-health-based drinking water violations" SASB encourages the respondent to review the Provisional Brief for evidence supporting the inclusion of a metric on non-health violations.
IF0103	Association of Metropolitan Agencies (AMWA)	Drinking Water Quality	d. Emphasis should be on reporting violations and other data in the same manner as already required to be reported to the relevant oversight/enforcement agency. Most of the information is already publicly available. In the U.S., PWSs, inclusion and reference to the annual Consumer Confidence Report(s) should satisfy most of the reporting requirements in this section.	SASB has reviewed numerous Consumer Confidence Reports and has sought to align with such reports in a way that provides aggregated information that is decision-useful for investors and cost-effective for companies.
IF0103	Association of Metropolitan Agencies (AMWA)	Drinking Water Quality	e. The standard inaccurately references the USEPA's Unregulated Contaminant Monitoring Program. This is a regulatory program and not a voluntary program.	SASB has adapted the language put forth in this protocol in an effort to address AMWA's comment. The technical protocol now reads ".42 The registrant shall discuss its monitoring practices associated with the EPA's Unregulated Contaminant Monitoring Rule (UCMR), including efforts to reliably detect contaminants and collect occurrence data. • The registrant may choose to discuss its communication to customers regarding monitoring efforts and occurrence data associated with the EPA's Unregulated Contaminant Monitoring Rule (UCMR)." SASB encourages the respondent to review the Provisional Standards for this and further changes that have been made to this standard.
IF0103	Association of Metropolitan Agencies (AMWA)	Fair Pricing & Access	Pricing for municipal utilities and privately owned utilities has a different regulatory component in the U.S. Also the reality of setting rates is often driven by complex political concerns and household affordability rather than utility or community needs. These complexities are not well considered in the context of U.S. based companies. In general, access to drinking water and sanitation is an issue in developing countries and not in the U.S. – i.e., reference to the UN Millennium development goals.	SASB understands the unique environment through which rates are set at U.S. utilities and encourages the respondent to review the Provisional Brief for evidence of support for this topic. SASB has removed the metric on "IF0103-11. (1) Drinking water and (2) sanitation coverage rates for population served in developing countries" as U.S. publicly listed utilities do not generally operate in developing countries.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0103	Association of Metropolitan Agencies (AMWA)	Downstream Water Efficiency	a. Discussion of the pipe replacement rate needs to have clarifying text specifying that there is not a "standard replacement rate." Rather, the rate of replacement is subject to pipe materials, soil medium and a variety of other local conditions. Information/statements supplied should focus on the whether the existing rate is adequate for sustainable operations.	SASB has adapted this metric in an effort to address this concern. SASB has offered additional guidance calling for "Relevant challenges to discuss include, but are not limited to, the impacts of corrosion and soil properties on pipe materials (e.g., cast iron, ductile iron, polyvinyl chloride, wood, etc.), the registrant's ability to finance maintenance and replacement through rate adjustments, and the age of the current distribution network."
IF0103	Association of Metropolitan Agencies (AMWA)	Downstream Water Efficiency	b. While many utilities may promote EPA's water sense program, it must be noted that this is a program that labels water efficient products for homeowners via third party certification. It is not intended to help utilities manage non-revenue water.	SASB has moved any discussion of the EPA's WaterSense program from the Distribution Network Efficiency topic and moved it to the End-Use efficiency topic. The reference reads "The registrant may choose to discuss voluntary initiatives, such as the EPA's WaterSense program, that it has engaged in to manage end-user water efficiency."
IF0103	Association of Metropolitan Agencies (AMWA)	Network Resiliency & Impacts of Climate Change, IF0103-19	a. 0103-19 manage climate change risks: A discussion of the need/desire for "privatization of municipal water infrastructure" is not appropriate. It is not clear that privatization would reduce any risk and experience in the U.S. shows otherwise. In some cases, public ownership may be the path to greater long-term accountability. capacity and, thus, sustainability.	SASB has removed this language. SASB encourages the respondent to review the Provisional Standards for this and other changes that have been made to address feedback received in the Public Comment Period.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0103	American Water Works Association and the National Association of Water Companies	General	<p>The American Water Works Association (AWWA) and the National Association of Water Companies (NAWC) have reviewed the proposed SASB standard IF0103 “Water Utilities Sustainability Accounting Standard” (October 2015). AWWA and NAWC fully support sustainability in the water sector and agree that methods to disclose sustainability related information should be readily available. However, upon our review of the draft standard, we do not believe that the current draft, nor a revision that would result from minor or moderate modifications to it, will accomplish these intended goals. Based upon a review of the overarching themes and the metrics, we believe that many of the measures listed in Sustainability Accounting Standard for Water Utilities are significantly flawed. They provide an inaccurate representation of the water sector’s strengths, weaknesses, challenges, initiatives, and other key characteristics and demonstrate a lack of understanding of the water sector. Therefore, the current draft should be withdrawn. Should SASB decide to reissue the draft standard, it should be redeveloped from the conceptual phase to accurately reflect the unique issues of the water sector, and to fix a number of technical errors and omissions currently contained within the proposal. AWWA and NAWC were not informed about the draft standard or the development process in general until December 21, 2015 just over two weeks from the comment period deadline. In addition to these comments, AWWA and NAWC will send any additional thoughts or concerns by January 19 because of SASB’s offer for a two week extension, given the complexity of the draft standard. To date AWWA and NAWC have not have had sufficient time to review every detail but felt it necessary to send these comments in as soon as possible.</p> <p>Furthermore, finalizing this standard as-is, or with minor to moderate changes, will set an inappropriate precedent for sustainability metrics in the water sector that will be used elsewhere. Recognizing that SASB’s standards are aimed only at being a voluntary supplement to disclosures for publicly traded companies, there is ample precedent of voluntary standards (whether ANSI-accredited or not) being adopted by reference or portions copied into proceedings by regulatory agencies, being referenced in other guides, manuals, and related standards, and</p>	<p>SASB appreciates the time that AWWA and NAWC have dedicated to this public comment letter and to subsequent meetings with SASB.</p> <p>In June 2015, the SASB Industry Working Group survey for the Water Utilities industry collected input from 17 professionals, including those from water utilities and other segments of the value chain, asset managers, and accounting firms among other relevant organizations. While IWG members participate as individuals, not representing the viewpoint of their companies, they leverage their experience and bring the perspective of their industry. For the disclosure topics put forward by SASB to the IWG, the vast majority of survey respondents agreed that these issues are likely to constitute material information for companies in the industry – ranging from 71% in agreement for issues such as Climate Change Risk Exposure (adapted to Network Resiliency & Impacts of Climate Change), to 94% in agreement for Energy Management, Water Scarcity, and Fair Pricing & Access.</p> <p>Never-the-less SASB recognizes the importance of expanding this engagement with industry experts. Following the release of the Provisional Standards, SASB will begin a period of in-depth industry and investor engagement—an implementation review—in a continuous effort to test the likely materiality of the topics and decision-usefulness and cost-effectiveness of the metrics in SASB standards. This will be a deeply consultative phase for a substantial period of time – through the remainder of 2016 and into 2017. The purpose of this upcoming engagement period is to continue to improve the standards in a manner consistent with their guiding principles and criteria, prior to the codification of the standards. SASB welcomes feedback from the AWWA and NAWC on SASB’s proposed disclosure topics, accounting metrics, and technical protocols.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
			<p>becoming the guidepost by which products and services are obtained. For example, it is well known that many AWWA standards for pipes, valves, and other materials are referenced in bid requirements for projects and in some cases are referenced in state regulations. Therefore, it is critical that SASB assures that any requirements of the Water Utilities standard be:</p> <ol style="list-style-type: none"> 1. Clearly linked to sustainability 2. Technically sound and relevant to the sector 3. Appropriate measures of the sustainability factors identified 4. Not create an excessive data collection or reporting burden on utilities 5. If a required part of the standard, be widely-enough adopted to demonstrate its relevance and effectiveness as sustainability measures <p>In many instances throughout this proposed standard, we believe that many or all of these basic tenants are not met, hence the recommendation of starting over at the conceptual phase. Many important themes should emerge during this process, and may require a re-thinking of how this standard is structured.</p>	

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0103	American Water Works Association and the National Association of Water Companies	General	Differences among water services. The current proposed standard is inconsistent in how it handles the various services that the water sector provides. These services include drinking water acquisition, treatment and distribution, wastewater collection and treatment, water reuse (potable and non-potable), storm water management, and other specialty services. It is not immediately clear whether it would be better to have separate subcomponents within one standard for different water sector services (as is the case now but not clearly noted as such) or if entirely different standards should be written for each. At present, the standard asks for disclosure of characteristics that some utilities may not be involved in, which would be confusing and misleading.	SASB notes that each utility may operate in different segments of the industry. To address this SASB has provided guidance in its Introduction section, titled "Company-Level Determination and Disclosure of Material Sustainability Topics" stating that "SASB has attempted to identify those sustainability topics that are reasonably likely to have a material effect on the financial condition or operating performance of companies within each SICS industry. SASB recognizes, however, that each company is ultimately responsible for determining what information should be disclosed within the context of Regulation S-K and other guidance."
IF0103	American Water Works Association and the National Association of Water Companies	General	Differences between Water Sector and other Infrastructure industries. SASB correctly places infrastructure issues as a one major part of water utility operations, but grouping water utilities into the "infrastructure sector" fails to account for other unique aspects of the sector. For example, the first and foremost drivers of the drinking water portion of the water utility sector are the protection of public health and the provision of fire protection for communities. We can find no reference in the draft standard of water utility's unique roles in providing fire protection in served communities. Wastewater treatment, on the other hand, is driven largely by environmental protection of rivers, streams, and other water bodies, also with a vital component of public health. Many of the activities involved in meeting those goals (and doing so sustainably) are unique to the sector and differ dramatically from others in what SASB currently defines as the infrastructure sector. AWWA and NAWC disagree with SASB's inclusion water utility sustainability accounting issues as part of the "infrastructure" sector, but should instead be restarted under a new, separate category to more appropriately address the sector's unique nature.	SASB's Sustainability Industry Classification System (SICS) categorizes industries according to shared sustainability traits. SASB's infrastructure sector likewise includes industries that share similar sustainability characteristics, due in part to infrastructure issues and the industries' important role in providing essential services. SASB additionally notes that while the Water Utilities industry is included in the Infrastructure Sector, an independent standards development process is used for each industry.

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IF0103	American Water Works Association and the National Association of Water Companies	General	<p>Failure to build on existing sustainability efforts. Much of the background work necessary to build water sector sustainability metrics has already been done, but it appears in many instances that SASB's proposed standard has not utilized these resources in crafting its proposed standard. Although this list is not exhaustive, here are two examples that do not appear to have been accounted for in SASB's proposed standard:</p> <p>A broad coalition of the water sector, which includes AWWA, NAWC, and several other organizations worked with the Environmental Protection Agency to develop the "Ten Attributes of Effectively Managed Water Sector Utilities" and the "Five Keys to Management Success" (collectively "Effective Utility Management" or EUM) in 2008. The sector's continued to commitment to the EUM process can be seen in the update currently underway. EUM is described in detail at http://www.watereum.org/about/. Despite the key relevance of EUM's characteristics, there is no mention of EUM in the proposed standard, and many of the attributes and keys to management success within EUM are either not mentioned at all or are a minimal part of the standard. Given the broad support for these attributes, keys to success, and the EUM program, we recommend examining EUM. An updated version is currently being prepared and is expected this January or February, 2016, which SASB may benefit from reviewing before taking additional action on this standard, as well as may benefit from working with the coalition of organizations behind it to develop more appropriate measures of utility sustainability.</p>	<p>When formulating accounting metrics for its disclosure topics, SASB considers the existing body of reporting standards and uses existing metrics whenever possible. Where current disclosure is inconsistent or not established SASB has developed new metrics.</p> <p>SASB appreciates the respondents' reference to the Effective Utility Management initiative. Upon review of the metrics put forth in the "Effective Utility Management: A Primer for Water and Wastewater Utilities" SASB has found many of its metrics are aligned with those set forth and has worked to further align the Provisional Standards, as detailed below. Please note that an updated version of this document was not available in time for incorporation into the Provisional Standards, however SASB intends to continue its alignment efforts.</p>
IF0103	American Water Works Association and the National Association of Water Companies	General	<p>AWWA has partnered with the Institute for Sustainable Infrastructure (ISI) on the Envision Sustainability Rating system for infrastructure projects, which has been active for several years. Envision is designed to be a systematic and transparent system to demonstrate an infrastructure project's sustainability characteristics (going above and beyond regulatory requirements). This includes infrastructure projects in the water sector and in other sectors. There is no mention of the Envision system anywhere in the proposed standard, nor does it appear that ISI was consulted in this process. ISI and Envision are discussed in detail at https://www.sustainableinfrastructure.org/.</p>	<p>SASB appreciates this reference and the work done by AWWA and ISI. SASB examined the measures in the ISI Envision system and determined that the measures did not fit SASB's criteria. SASB however intends to deepen its engagement efforts and will look to open discussions with ISI.</p>

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IF0103	American Water Works Association and the National Association of Water Companies	General	<p>Failure to adequately define a water utility. The draft standard does not contain an adequate definition of what a water utility is and therefore to whom the standard applies and how disclosure items should be categorized. In most instances, a corporate entity is not a single water utility in most instances, but rather the management for a collection of individual Public Water Systems (PWSs) that are often not physically connected and which often fall under different regulatory authorities and have very different characteristics. The U.S. Safe Drinking Water Act (SDWA) provides definitions for Community Water Systems (CWS), Non-Transient Non-Community Water Systems (NTNCWS), and Transient Non-Community Water Systems (TNCWS). These definitions apply only to the drinking water component of the water sector, and other relevant definitions would have to be applied for other water services within the water sector. We recommend that should SASB continue with this standard or issue a new standard that it defer to the SDWA and other relevant definitions, and making it clear that each reporting characteristic is for each individual utility rather than the entire corporate entity to maintain local relevance and appropriate context.</p>	<p>SASB recognizes that the Water Utilities industry is comprised of a diverse set of companies, each with diverse operating environments. With this understanding SASB has worked to develop standards that are likely to be comparable for typical companies within the industry. However, SASB notes that its framework states "There is no guarantee that SASB Standards address all sustainability impacts or opportunities associated with a sector, industry, or company, and therefore, a company must determine for itself the topics—sustainability-related or otherwise—that warrant discussion in its SEC filings."</p> <p>SASB provides the following Industry Description in the Introduction section of its standards "Industry Description Companies in the Water Utilities industry own and operate water supply and wastewater treatment systems (generally structured as regulated utility businesses), or provide operational and other specialized water services to system owners (usually market-based operations). Water supply systems include the sourcing, treatment, and distribution of water to residences, government customers, and businesses. Wastewater systems collect and treat wastewater, including sewage, graywater, industrial waste fluids, and storm water runoff, before discharging the resulting effluent back into the environment. The majority of water systems in the U.S. are government-owned. Publicly listed companies in the industry include both small U.S. domestic utilities and large global companies; however, the majority of companies operate entirely within the U.S. Note: The Sustainability Industry Classification System (SICS) excludes water services that fall into the category of infrastructure design and development from its definition of the Water Utilities industry; instead, these companies fall within the Engineering & Construction Services (IF0301) industry" This industry description is further expanded upon in the Water Utilities Industry Brief, available here: http://www.sasb.org/approach/our-process/industry-briefs/infrastructure-sector-industry-briefs/</p> <p>SASB notes the respondents call for disclosure on an individual utility basis, however the SASB standards are designed to be disclosed on a consolidated basis according to the Scope of</p>

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				<p>Disclosure section of the SASB standards, which states "Unless otherwise specified, SASB recommends:</p> <ul style="list-style-type: none"> • That a registrant disclose on sustainability issues and metrics for itself and for entities that are consolidated for financial reporting purposes as defined by accounting principles generally accepted in the United States for consistency with other accompanying information within SEC filings; • That for consolidated entities, disclosures be made, and accounting metrics calculated, for the whole entity, regardless of the size of the minority interest; and • That information from unconsolidated entities not be included in the computation of SASB accounting metrics. A registrant should disclose, however, information about unconsolidated entities to the extent that the registrant considers the information necessary for investors to understand the effect of sustainability topics on the company's financial condition or operating performance (typically, this disclosure would be limited to risks and opportunities associated with these entities)."

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IF0103	American Water Works Association and the National Association of Water Companies	General	Specific concerns: Although AWWA and NAWC did not have sufficient time to fully examine every detail of the draft standard, the following are presented as some examples of issues with the draft that we believe supports our recommendation of restarting the standard development process from the beginning.	SASB notes the respondents comment and will address the specific concerns individually, below.
IF0103	American Water Works Association and the National Association of Water Companies	IF0103-09	Improper use of EPA's Contaminant Candidate List. IF0103-09.45 references a "discussion of the contaminants of emerging concern that are currently being monitored, whether such contaminants are included in the Environmental Protection Agency's (EPA Contaminant Candidate List 3 (CCL3)...". We disagree with the use of EPA's Contaminant Candidate List in this fashion. The CCL is developed by EPA to set the stage for future regulatory development through prioritization of research to collect health effects data, the development of analytical methods to reliably detect contaminants, and the collection of occurrence data through the Unregulated Contaminant Monitoring Rule. These are all largely independent processes, but which often turn to the CCL list for possible future contaminants to study. However, in the nearly 20 years since the CCL process was authorized in the 1996 SDWA amendments, no contaminants have been regulated because of their inclusion on the CCL. Only one contaminant (perchlorate in 2011) has received a final positive regulatory determination, which means that EPA intends to develop a regulation, but no proposed or final regulation has yet been released. In fact, many more contaminants have received a negative regulatory determination, meaning that EPA has sufficient information to determine that a regulation is not necessary, with a total of 24 contaminants receiving a negative determination of the three rounds. Therefore, we do not agree that reporting of CCL3 substances on the disclosure form is appropriate, as future contaminants of concern may or may not come from this list. Finally, EPA issued a draft CCL4 in 2015 and a final is expected in early 2016 and the CCL3 list will then be essentially obsolete.	SASB appreciates this technical feedback and has adapted the language set forth in "IF0103-08. Discussion of strategies to manage drinking water contaminants of emerging concern". The intent of this standard was to capture, as the respondent suggests is the EPA's intent, the efforts put forth by utilities to prioritize "research to collect health effects data" and understand "the development of analytical methods to reliably detect contaminants, and the collection of occurrence data." The updated language in the standard notes ".40 Relevant actions to discuss include the practices employed to determine and monitor contaminants of emerging concern, including a discussion of the contaminants of emerging concern that are currently being monitored, whether such contaminants are included in the Environmental Protection Agency's (EPA) Contaminant Candidate List 3 (CCL3) or the Draft Contaminant Candidate List 4 (CCL4), and any thresholds the registrant may have internally developed for acceptable concentrations of such contaminants. • The registrant shall consider guidance such as the CCL as normative references, thus any updates made year-on-year shall be considered updates to this guidance."

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IF0103	American Water Works Association and the National Association of Water Companies		Incorrect reference to EPA's Unregulated Contaminant Monitoring rule (UCMR). IF0103-09.45 states that utilities should discuss "engagement in partnerships or initiatives to address contaminants of emerging concern, such as engagement in the EPA's Unregulated Contaminant Monitoring Program". Although the general principle of the statement (reporting on what the utility is doing about contaminants of emerging concern) is valid, the Unregulated Contaminant Monitoring Rule is in fact a regulatory process, not a voluntary process as is implied by the wording. The 3rd round of monitoring (UCMR3) is nearly complete, and EPA has recently proposed the compounds and process for UCMR4. Utilities do not have the option of participating, but rather all utilities serving greater than 10,000 customers must undergo UCMR monitoring, and the results of that monitoring must be reported to the public on the utility's consumer confidence report (also known as a water quality report). The exact nature of participation depends on system size, type of source water, and other characteristics. For utilities serving fewer than 10,000 customers, EPA selects a random subsample and coordinates and pays for the monitoring at those utilities.	In an effort to address this comment, SASB has adapted the language of this section to read ".42 The registrant shall discuss its monitoring practices associated with the EPA's Unregulated Contaminant Monitoring Rule (UCMR), including efforts to reliably detect contaminants and collect occurrence data. • The registrant may choose to discuss its communication to customers regarding monitoring efforts and occurrence data associated with the EPA's Unregulated Contaminant Monitoring Rule (UCMR)."
IF0103	American Water Works Association and the National Association of Water Companies	IF0103-13	Pipe replacement rates. IF0103-13.62 states that utilities should report their pipe replacement rate. However, there is no consensus on the appropriate rate of pipe replacement for distribution networks. Depending upon the age of components within the distribution system, the types of materials, soil conditions, known problem areas, and numerous other factors, a higher or lower than average replacement rate could be warranted. Additionally, the same pipe replacement rate could be more or less effective depending on how well targeted the replacements are and what other measures are taken to reduce the need for replacement as a part of an overall asset management program. In this instance, rather than focusing on a replacement rate, an appropriate metric could be whether there is a plan in place to systematically rehabilitate and replace pipes consistent with service standards acceptable to the served community, and whether that plan is enacted and revisited periodically to ensure that actual replacement is achieving utility goals.	SASB understands that pipe replacement rates may be impacted by myriad variable and has adapted this metric in an effort to address the respondents concern. SASB has offered additional guidance calling for "Relevant challenges to discuss include, but are not limited to, the impacts of corrosion and soil properties on pipe materials (e.g., cast iron, ductile iron, polyvinyl chloride, wood, etc.), the registrant's ability to finance maintenance and replacement through rate adjustments, and the age of the current distribution network." SASB further notes that the metric put forth is similar to metrics suggested in the "Effective Utility Management: A Primer for Water and Wastewater Utilities".

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IF0103	American Water Works Association and the National Association of Water Companies	IF0103-14	Water conservation/efficiency measure accounting. In "IF0103-14 (1) Customer water savings from efficiency measures and (2) percentage of regulatory savings requirement achieved", the current method of calculating water efficiency measures suggested goes on the incorrect presumption that the only driver for incentivizing end-use reductions is a requirement by financial regulators. For example, .67 states "... shall disclosure the total volume of water savings (in cubic meters) from water efficiency measures installed or otherwise supported by the registrant during the fiscal year" (emphasis added). Although there are some water efficiency measures that only impact the current year, most water utility conservation programs are cost effective only because the installation of measures in one year continues to yield savings for many years in the future. Partial or complete rebates for water conservation managers are a powerful tool only if the savings can continue to be accounted for during the lifetime of each piece of equipment that reduces water use through conservation and efficiency.	SASB has adapted this standard and the relating guidance to address this and other concerns with the structure. SASB encourages the respondent to review "IF0103-11. Customer water savings from efficiency measures by market" and make comment as appropriate.
IF0103	American Water Works Association and the National Association of Water Companies	IF0103-15	Incorrect categorization of water loss information. "IF0103-15 Volume of non-revenue real water losses". This subsection is incorrectly categorized. Real water loss is a calculation of water lost within the water system's distribution system, and not a measure of downstream efficiency, nor a measure of losses that occur on the end-user / customer side of the meter. Water loss control assists in both reducing water stress and demonstrating effective utility management, but is not a downstream impact.	SASB has adapted this topic by splitting the "Downstream Water Efficiency" topic into two topics, "End-Use Efficiency" and "Distribution Network Efficiency", the adapted standard on "IF0103-13. Volume of non-revenue real water losses" is set forth in the latter topic.
IF0103	American Water Works Association and the National Association of Water Companies		Incorrect water loss terminology in referencing AWWA's M36. "IF0103-15.77" states "The registrant shall disclosure the amount, in cubic meters, of water unaccounted for due to real losses from the distribution system..." AWWA's "Water Audits and Loss Control Programs" (M36) manual and Free Water Audit software explicitly recommend avoiding the use of the term "unaccounted-for water" in any form because "all water should be quantified, via measurement or estimate, as either authorized consumption or losses. Hence, no water is unaccounted-for" (M36 3rd edition, p8). An updated 4th edition of M36 will be available in print soon, and AWWA's free water audit software is available on AWWA's website in the Water Loss Control Resource Community. We recommend that SASB review the 4th	SASB appreciates the respondents' willingness to provide this technical feedback and has removed any mention of "unaccounted-for water" SASB has further reviewed the M36 4th edition and further updated "IF0103-13. Volume of non-revenue real water losses", SASB encourages the respondent to review the updated standards.

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			<p>edition of M36 prior to taking any additional action on this draft standard.</p>	
IF0103	<p>American Water Works Association and the National Association of Water Companies</p>		<p>Incorrect usage of the EPA WaterSense Program. "IF0103-15.80" states that "the registrant may choose to disclose voluntary initiatives, such as EPA's WaterSense program, that is has engaged in to manage non-revenue water from real losses". However, EPA WaterSense is not a water loss control program. Rather, it is a program that develops voluntary standards for end-use efficiency (certain types of toilets and showerheads for example) as well as a specification for new home labeling and certification programs for irrigation professionals. WaterSense plays an important role in conservation and is a program that AWWA and NAWC support. However, WaterSense is not used in its correct context in the draft standard.</p>	<p>SASB has moved any discussion of the EPA's WaterSense program from the Distribution Network Efficiency topic and moved it to the End-Use efficiency topic. The reference reads "The registrant may choose to discuss voluntary initiatives, such as the EPA's WaterSense program, that it has engaged in to manage end-user water efficiency."</p>

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IF0103	American Water Works Association and the National Association of Water Companies	IF0103-18	Lack of a reasonable threshold for service interruption reporting. IF0103-18 states that "the registrant shall disclose the number of interruptions to its drinking water supply services, the total population affected by such interruptions, and the average duration of the interruption". Since there are no thresholds associated with this requirement, it may be interpreted as requiring the tracking and reporting of a service disruption of any size, including, for example, the replacement of a service line to one single customer. A reporting system that requires reporting every individual outage to even a single customer is likely to be overly burdensome. Additionally, the standard as proposed does not provide a robust way to clarify when interruptions are for maintenance to prevent larger disruptions or are the result of activities outside of the utility's control (such as construction workers not affiliated with the utility digging into a utility line). Further, if reporting thresholds are established, the number of interruptions, the population affected, and the duration of interruption are metric for which no clear benchmarks have yet been established in North America. Rather, they are metrics for which no clear, uniform goals to benchmark against have been created, and may need to be site-specific.	In an effort to address this comment, SASB has adapted the language of this standard to read ".80 The scope of disclosure shall be limited to those disruptions that were not planned or scheduled and those disruptions exceeding the scheduled duration of disruption, where: <ul style="list-style-type: none"> • A scheduled disruption shall be defined according to local regulations where the disruption occurred. Where such regulations do not exist, a scheduled disruption shall be considered a disruption for which the registrant has provided a minimum of 24 hours advance notification." SASB encourages the respondent to review "IF0103-16. (1) Number of service disruptions, (2) population affected, and (3) average duration" for additional changes that have been made.
IF0103	American Water Works Association and the National Association of Water Companies	General	As an additional overarching theme, we are concerned that the nuances of health and regulatory reporting (acute versus non-acute, size of exposure, primary standard versus secondary standard) may be lost in the reporting methodology requested by SASB, as well as complexities with water supply in high stress areas where specific mitigation measures (such as aquifer recharge) are planned or already in effect that may be lost in the reporting methodology. These are only a sampling of the concerns that we have with the document. Unfortunately, given the short time period between when AWWA and NAWC were informed of the draft's availability and the end of the comment period, we were not able to address some sections of the standard in detail.	SASB has worked to address this and other comments by adapting the relating standard to read "IF0103-07. Number of (1) acute health-based, (2) non-acute health-based, and (3) non-health-based drinking water violations." SASB has put forth a standard on "IF0103-06. Discussion of strategies to manage risks associated with the quality and availability of water resources" to provide utilities a forum to communicate different strategies employed to manage exposure to water scarcity. SASB looks forward to working with AWWA and NAWC along with other important stakeholders to bring about standards that are cost-effective for companies and decision-useful for investors.

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IF0103	American Water Works Association and the National Association of Water Companies	General	<p>In addition to the technical and policy concerns listed above, we have additional process related concerns about this draft standard. In SASB’s Due Process Report (dated August 27, 2015), SASB indicates it conducted outreach to several membership associations and research organizations for other industries within the infrastructure sector (such as those related to electricity and natural gas). However, no water sector organizations are on that list, and only three individuals who work for water utilities appear on the entire list to which the survey was sent to and participation was gained. Considering that this draft standard concerns water utilities, they and the organizations that support them (AWWA and NAWC among others) should have played a major role in this standard from the beginning of the concept through finalization of the standard. However, without the benefit of this broader utility participation, it appears that many of the metrics were developed without a utility context in mind, and that many of them do not adequately or appropriately measure water utility sustainability, contain technical errors, or are otherwise not appropriate.</p>	<p>In June 2015, the SASB Industry Working Group survey for the Water Utilities industry collected input from 17 professionals, including those from water utilities and other segments of the value chain, asset managers, and accounting firms among other relevant organizations. While IWG members participate as individuals, not representing the viewpoint of their companies, they leverage their experience and bring the perspective of their industry. For the disclosure topics put forward by SASB to the IWG, the vast majority of survey respondents agreed that these issues are likely to constitute material information for companies in the industry – ranging from 71% in agreement for issues such as Climate Change Risk Exposure (adapted to Network Resiliency & Impacts of Climate Change), to 94% in agreement for Energy Management, Water Scarcity, and Fair Pricing & Access.</p> <p>SASB recognizes the importance of continuing to deepen engagement with industry experts. Following the release of the Provisional Standards, SASB will begin a period of in-depth industry and investor engagement—an implementation review—in a continuous effort to test the likely materiality of the topics and decision-usefulness and cost-effectiveness of the metrics in SASB standards. This will be a deeply consultative phase for a substantial period of time – through the remainder of 2016 and into 2017. The purpose of this upcoming engagement period is to continue to improve the standards in a manner consistent with their guiding principles and criteria, prior to the codification of the standards. During the consultation period, SASB welcomes feedback from water sector organizations and other organizations that support water utilities.</p>

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IF0103	American Water Works Association and the National Association of Water Companies	General	Additionally, AWWA and NAWC were informed about the standard in late December, when insufficient time remained to review the entire standard in detail before the end of the comment period. Given the standard's complexity and the depth of issues we found within it upon first review, we believe it would be a better use of time for SASB to restart the standard than to try to correct the current draft. If the consultative process had occurred early on like it did with other sectors, AWWA and NAWC could have put SASB in touch with utility experts and provided additional direct feedback to ensure the draft standard accurately reflects utility concerns and operations. We do greatly appreciate the late notice over no notice at all in order to be able to provide these limited comments. Given the late notice, limited utility participation, and numerous issues, we request that the standard be withdrawn so it can be rewritten with appropriate and significant utility input.	SASB appreciates AWWA's and NAWC's work in the Water Utilities industry. SASB has worked diligently to review and address the comments provided during Public Comment Period and will look forward to continued engagement with AWWA and NAWC over the next 12-18 months. SASB does not intend to withdraw this standard but is committed to its continual improvement.
IF0103	American Water Works Association and the National Association of Water Companies	General	AWWA and NAWC believe the draft standard should be withdrawn from consideration because of the severity of the issues within and surrounding it. However, we do agree in principle with the goals of the standard, and if SASB wishes to restart the development of one or more water sector standards, we will be glad to participate and help to facilitate access to water sector experts to help assure that these goals are met, provided the opportunity participation begins at the conceptual phases of development to assure early and broad sector participation.	SASB does not intend to withdraw this standard. Following the release of the Provisional Standards, SASB will begin a period of in-depth industry and investor engagement—an implementation review—in a continuous effort to test the likely materiality of the topics and decision-usefulness and cost-effectiveness of the metrics in SASB standards. This will be a deeply consultative phase for a substantial period of time – through the remainder of 2016 and into 2017. The purpose of this upcoming engagement period is to continue to improve the standards in a manner consistent with their guiding principles and criteria, prior to the codification of the standards.

Waste Management

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0201	CH2M	Suggest metrics	In addition to diversion rate from landfill, energy, and water usage metrics; the following items should also be considered for reporting:	<p>In the provisional standard SASB does not directly ask for disclosure of a registrant's overall diversion rate from landfill. The different pathways of waste diversion (e.g. incineration vs. composting vs. recycling) can have varying sustainability and financial implications, and therefore SASB has separated the potential diversion pathways out in separate metrics. The standard includes the metrics below to capture diversion, from which overall diversion from landfill can be calculated.</p> <p><u>IF0201-17</u>: Amount of waste incinerated, percentage hazardous, percentage used for energy recovery <u>IF0201-19</u>: Amount of material (1) recycled and (2) composted <u>IF0201-20</u>: Amount of electronic waste collected, percentage recovered through recycling <u>Activity metric IF0201-D</u>: Amount of materials managed by customer category (1) municipal, (2) commercial, (3) industrial, (4) residential, and (5) other</p> <p>Additionally, SASB research and stakeholder consultation process did not reveal that disclosure of energy and water use was in the Waste Management industry was likely to constitute material information for investors.</p>

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IF0201	CH2M	Suggested topic	<ul style="list-style-type: none"> Landfill gas is covered in the reporting, but other air emissions are not, specifically air emissions arising from other waste operations such as waste incineration. Waste incineration operations emissions of other pollutants (and environmental performance in this area) will be material to operations, especially in terms of having a "license to operate" from all stakeholders, securing new build and accessing new markets. 	<p>SASB includes the topic "Air Quality" in the provisional standard to cover other air emissions in addition to greenhouse gases from landfill gas. NOx (excluding N2O), SOx, non-methane volatile organic compounds (NMVOCs), and hazardous air pollutants (HAPs) are included in the scope of this metric.</p>
IF0201	CH2M	Suggested topic	<ul style="list-style-type: none"> Additional issues that we suggest including in this industry's reporting are long term environmental liability and impacts to water quality and efficiency. 	<p>In the Management of Leachate & Hazardous Waste topic, long-term environmental and water management impacts aren't directly covered, but all the metrics in the topic measure a company's direct impacts on surrounding water.</p> <p>IF0201-09: Total Toxic Release Inventory (TRI) releases, percentage released to water</p> <p>IF0201-10: Number of corrective actions implemented for landfill releases</p> <p>IF0201-11: Number of incidents of non-compliance associated with environmental impacts</p> <p>The scope of these metrics include landfills that are both active and closed landfills; therefore, if a company receives violations or corrective actions for closed landfills, those will manifest in these metrics.</p>
IF0201	CH2M	Workforce Health & Safety	<ul style="list-style-type: none"> It was difficult to differentiate between workplace health and safety (human capital) and health, safety and emergency management (leadership and governance, as seen under electric and gas utilities). We suggest reviewing health and safety and determine where it is most appropriate: human capital or leadership and governance, and consider standardizing across all of the industries. 	<p>The SASB standards approach each sustainability topic on an industry-specific basis. There may be circumstances where consistency between industries varies in order to maximize the strength of the disclosure topics at the industry level. The Waste Management provisional standard only includes the topic "Workforce Health & Safety" under Human Capital.</p>

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IF0201	CH2M	Suggested topic (and Recycling & Resource Recovery)	<ul style="list-style-type: none"> • We agree with the multiple comments that suggest that efforts to influence customer behavior should be disclosed. We suggest adding a KPI under this topic, or a new disclosure topic on efforts to influence customer behavior regarding diversion. 	<p>The disclosure topic, Recycling & Resource Recovery, is largely based on how issuers are positioning business models and performing in landfill diversion and the circular economy. SASB is receptive to specific input, comments, and resources associated with this disclosure topic and the associated metrics. SASB encourages the review of the industry brief to more fully understand the disclosure topic, financial impacts, and supporting evidence: http://www.sasb.org/approach/our-process/industry-briefs/infrastructure-sector-industry-briefs/</p>
IF0201	CH2M	Recycling & Resource Recovery	<ul style="list-style-type: none"> • We agree with the comment to drop the “landfill diversion” wording, since sending waste to incinerators still results in locking up resources. There are actually incineration systems that recover the raw materials. We suggest renaming landfill diversion or materials recovery. 	<p>The disclosure topic, Recycling & Resource Recovery, is largely based on how issuers are positioning business models and performing in landfill diversion and the circular economy. SASB views any of the activities addressed in the disclosure topic, as landfill diversion, and we are receptive to specific input, comments, and resources associated with the appropriateness of this approach. SASB encourages the review of the industry brief to more fully understand the disclosure topic, financial impacts, and supporting evidence: http://www.sasb.org/approach/our-process/industry-briefs/infrastructure-sector-industry-briefs/</p>
IF0201	CH2M	Suggested Topic	<ul style="list-style-type: none"> • We agree that upstream waste disposal firms should report upstream practices to reduce waste arisings. However, waste management companies may have challenges reporting on upstream data. 	<p>SASB’s research indicates that the level of influence, control, and data access related to upstream waste management strategies is a meaningful barrier for companies in the industry. Furthermore, SASB research has not revealed a substantial body of evidence of financial impact related to this topic.</p>

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IF0201	Waste Management	General Comment	Waste Management appreciates the opportunity to comment on the Exposure Draft for Infrastructure/Waste Management (hereafter "waste management draft"). Information on company sustainability performance is important for investors, customers and the general public, and we appreciate SASB's interactions with us to help craft useful disclosure standards.	SASB appreciates the time and effort that Waste Management has invested in preparing comment letters for the Infrastructure sector. SASB thanks Waste Management for its continued participation in the standards development process, and hopes to deepen our engagement with your organization as we continue to review and refine our standards.

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IF0201	Waste Management	General Comment	<p>We would like to offer the following comments and questions about the new waste management draft:</p> <p>Material sustainability topics (p. 2): The SASB standards are fashioned after FASB standards, but the materiality provision does not translate well. For large, diverse companies with substantial free cash flow, the standard for “materiality” for any topic included in this document is quite high. Most of the disclosure topics in the waste management draft would not meet that level of materiality. For example, Waste Management has been equipping its landfills with landfill-gas-to-energy projects for decades, and we have been working collaboratively with regulators and NGOs on landfill gas estimation and control systems that are accurate and pragmatic. Our risks from landfill gas and air quality management are low in the “materiality” construct. If SASB’s intent is that companies only report on the topics that meet a FASB materiality threshold, the SASB reporting project may not yield much information. This is particularly the case because so much of the sector is operated by municipalities, small or privately held companies who are unlikely to participate in any event. An alternative would be to simply acknowledge that sustainability reporting may involve smaller risks and smaller economic impacts than those covered under FASB, and that SASB “materiality” is based on total sector-wide potential impacts, not an expectation of company-specific impacts. That would allow companies to participate without sending what they know to be a misleading signal that the aspect reported has “material” impact to their bottom line.</p>	<p>SASB’s standards setting process has two central objectives: (1) to identify the sustainability issues that are likely to constitute material information for a company in a given industry and (2) to determine the best metrics that allow investors to assess a company’s performance concerning that issue. SASB standards follow the U.S. Supreme Court’s definition of material information, defined as presenting “a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the ‘total mix’ of the information made available.” This definition of materiality has a singular and unwavering focus on the reasonable investor’s decision to buy, sell, or hold a security. However, SASB acknowledges that only companies can make the determination as to what constitutes material information for the company at a given point of time; SASB standards can provide guidance for that process.</p> <p>It is with this focus on materiality that we assess issues based on evidence of financial impact; selecting only issues that have the potential to significantly impact the financial performance of a company. To this end, we solicit input through our Industry Working Group process on the likelihood of proposed topics containing material information.</p> <p>Additionally, the definition of materiality is not purely a financial threshold as per SASB 99: “Staff Accounting Bulletin no. 99, Materiality says, “This bulletin expresses the views of the staff that exclusive reliance on certain quantitative benchmarks to assess materiality in preparing financial statements and performing audits of the financial statements is inappropriate; misstatements are not immaterial simply because they fall beneath a numerical threshold.”</p> <p>SASB intends that all metrics under each disclosure topic together provide a set of relevant, decision-useful, and comparable disclosure for the topic. Each metric alone is not intended address all aspects of the topic. However, the nature of SASB’s standards and any metrics contained in them continues to be voluntary and indicated as such. For more information on</p>

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				<p>implementing sustainability accounting standards, see the SASB Implementation Guide for Companies, available here: http://using.sasb.org/index/forcompanies/for-companies-get-started/</p>

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IF0201	Waste Management	Activity level metrics (IF0201-A and IF0201-C)	<p>Number of facilities (p. 6 note 10): The limitation on the number of operational facilities (and therefore the population served) reported is oddly limited. The waste management sector covers landfills, transfer stations, recycling “centers,” recycling processing facilities, composting facilities, hazardous and solid waste incinerators, waste transformation facilities (e.g., anaerobic digesters), other land-based waste disposal units (waste piles, surface impoundments), and consulting operations handled at customer facilities. Did SASB intend to limit the scope of disclosure of customers, facilities and materials managed to the narrower field described in note 10? That limit would certainly constrict the information provided on sustainability performance.</p>	<p>SASB revised the activity metric “Number of operations facilities” to: Number of (1) landfills, (2) transfer stations, (3) recycling centers (4) composting centers, (5) incinerators, and (6) all other facilities</p> <p>Note to IF0201-C—Landfills include landfills that are active and landfills owned by the company that are closed. The scope of “all other facilities” excludes corporate offices.</p> <p>SASB has revised the activity metric “Population served” to: Number of customers by category: (1) municipal, (2) commercial, (3) industrial, (4) residential, and (5) other</p> <p>Note to IF0201-A—The scope of “residential” shall only include those residential customers that have direct contracts with the registrant. For the purposes of this disclosure, residential customers serviced through contracts with a municipality shall be considered in the “municipal” category.</p>
IF0201	Waste Management	Landfill Gas Management (IF0201-01)	<p>Landfill gas management (pp. 10-14): Companies will be reluctant to report under SASB standards if they require information inconsistent with US EPA standards. The public will be confused rather than enlightened if the same subject matter is reported under different terms and conditions. EPA has established an extensive reporting system for waste management, and it’s in SASB’s interest to work with that system rather than attempt to replace it. Given that premise:</p> <ul style="list-style-type: none"> • The appropriate global warming potentials (GWP) for use in reporting should be based on the IPCC Fourth Assessment Report (AR4), not the Fifth Assessment Report. The IPCC AR4 is the current regulatory standard adopted by EPA for use in the Mandatory Greenhouse Gas Reporting Program (GHGRP) (See 40 	<p>When formulating accounting metrics for its disclosure topics, SASB considers the existing body of reporting standards and industry initiatives and regulations, and it harmonizes and references existing metrics whenever possible. Alignment with existing data collection schemes helps to ensure that the SASB standards are cost-effective to use. To this end, in the provisional standard the disclosure guidance for IF0201-01 has been updated to include:</p> <p><i>.07 In the case that current reporting of GHG emissions to the CDP or other entities (e.g. a national regulatory disclosure program) differs in terms of the methodology, calculation (e.g. different GWP factors), scope, and/or consolidation approach used, the registrant may disclose those emissions. However,</i></p>

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			CFR Part 98 subpart A, Table A-1). Using the same GWPs as those required for the GHGRP will ensure consistency and comparability of reporting data, will allow governmental programs to make better use of voluntarily reported data, and will ease administrative burdens for reporters.	<i>primary disclosure shall be according to the guidelines described above.</i>

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IF0201	Waste Management	Landfill Gas Management (IF0201-01)	<ul style="list-style-type: none"> • Inclusion of CDP scope 1 emissions is appropriate; waste companies increasingly participate in CDP. SASB’s next step in reporting what it terms the percentage of emissions covered under a “regulatory program” is misleading, however. EPA’s “regulatory program” for landfill gas includes its mandatory GHG reporting rule and its landfill gas emission control provisions under the Clean Air Act – the New Source Performance Standards and Emission Guidelines for MSW Landfills – all of which SASB excludes from its own self-styled “regulatory program.” The percentage actually requested is that covered by state cap-and-trade and fee/tax systems. It ought to be labeled that. Excluding the vast majority of emissions that are regulated from the definition of “regulated” will create a false impression that large volumes of emissions are unknown and uncontrolled. 	<p>In response to this comment, SASB revised this metric to clarify what should be included in the scope of “regulatory program”. The revised metric now reads: IF0201-01. (1) Gross global Scope 1 emissions, (2) percentage covered under emissions-limiting regulation, and (3) percentage covered under emissions-reporting regulation</p> <p>SASB defines emissions-limiting regulation and emissions-reporting regulation in line .04 and .05: <i>.04 The registrant shall disclose the percentage of its emissions that are covered under a regulatory program that is intended to limit or reduce GHG emissions, such as the European Union Emissions Trading Scheme (E.U. ETS), Quebec Cap-and-Trade (Draft Bill 42 of 2009), California Cap-and-Trade (California Global Warming Solutions Act), New Source Performance Standards and Emissions Guidelines for Municipal Solid Waste Landfills, or other regulatory programs.</i></p> <ul style="list-style-type: none"> • Regulatory programs include cap-and-trade schemes, carbon tax/fee systems, and other emissions control (e.g., command-and-control approach) and permit-based mechanisms. • Disclosure shall exclude emissions covered under voluntary trading systems and disclosure-based regulations (e.g., the U.S. Environmental Protection Agency (EPA) Greenhouse Gas Reporting Program). <p><i>.05 The registrant shall disclose the percentage of its emissions that are covered under emissions reporting-based regulations (e.g., The U.S. EPA Greenhouse Gas Reporting Program).</i></p> <ul style="list-style-type: none"> • Emissions reporting regulations are defined as regulations that demand the disclosure of data to authorities and/or to the public, but for which there is no limit, cost, target, or controls on the amount of emissions generated.

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IF0201	Waste Management	Landfill Gas Management (IF0201-02)	<ul style="list-style-type: none"> • We strongly recommend that SASB adopt the landfill GHG reporting methodology mandated by EPA in 40 CFR Part 98.340-348, subpart HH for use in reporting modeled landfill gas generation, calculated collection of landfill gas, and the measured percentage of collected landfill gas that is flared or used for energy. It is important to note that it is not possible to measure landfill gas generation, as acknowledged by EPA in several of its rulemakings. (See Proposed Standards of Performance for MSW Landfills at 40 CFR Part 60 Subpart XXX, 79 Fed. Reg. 41802, Proposed Emission Guidelines at 40 CFR Part 60 Subpart Cf, 80 Fed. Reg. 52110). Landfill gas generation is modeled under the GHGRP using a first order decay model. As EPA itself has noted, the results from the model are highly uncertain when comparing estimated to empirical results (See USEPA Emission Factor Documentation for AP-42 Section 2.4, MSW Landfills, August 1997, Table 4-3). Because of this high degree of uncertainty, EPA requires reporters to calculate the amount of landfill gas collected in gas collection and control systems and report the amount flared or directed to beneficial energy use. 	<p>In the provisional standard SASB included the line below to clarify that the registrant should use the EPA methodology:</p> <p><i>.11 The registrant shall use the calculation methodology in 40 CFR 98.340-348 Subpart HH to calculate the amount of landfill gas generated, the percentage flared, and the percentage used for energy.</i></p>

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IF0201	Waste Management	Air Quality (IF0201-03)	<p>Air quality (pp. 14-16): The proposal to disclose company-wide reporting on NOx, SO2, NMOCs and HAPs is not only highly burdensome in terms of data collection, but because of data variability it cannot provide a meaningful total number. There are no federal reporting standards for these constituents, and state programs vary widely. Most facilities with reporting obligations do so in terms specific to individual permits to account for state preference in setting definitions and thresholds, typography, climatic conditions, proximity to populations and other factors. Because waste facilities are area sources rather than point sources (like the stack at a manufacturing facility), the assumptions to model emissions will vary according to state and even local government terms. Large waste management companies will have hundreds of reporting sources, all submitted to state and local rather than national regulators. Trying to consolidate these data would be meaningless because it will be "apples and oranges."</p>	<p>SASB acknowledges that there may be certain additional costs associated with collecting data in the format specified by its standards. It has aimed to develop metrics that harmonize with existing reporting frameworks (regulatory and otherwise) where possible, and hopes to be creating additional benefit in instances where SASB's metrics may diverge from a current approach. SASB anticipates these benefits to be realized through enhanced comparability, relevance, and decision-usefulness.</p> <p>Although landfills are area sources rather than point sources, SASB notes that emissions factors in combination with the EPA document AP-42, "Compilation of Air Pollutant Emission Factors" and the EPA Landfill Gas Emissions Model (LandGEM) are both used in the Waste Management industry to calculate air emissions from landfill gas.</p>

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IF0201	Waste Management	Air Quality (IF0201-04)	<p>SASB’s proposal to inject “community impact” into air reporting by using RSEI’s 49 kilometer modeling assumption for TRI emissions similarly combines apples and oranges. NOx, SO2, etc. are not TRI “hazardous substances,” so RSEI (which is based upon TRI reporting) is inappropriate. See http://www.epa.gov/toxics-release-inventory-tri-program/tri-listed-chemicals. A 49 kilometer radius is too large to capture any conceivable community impact even under the false assumption that exposure equals impact. Moreover, the protocol for attempting this reporting is unique to SASB and undefined – do you measure from the center of town or its periphery? What operations are covered – landfills and waste-to-energy, composting, transfer stations, MRFs, trucks carrying waste – at what volume? As noted in previous comments to SASB, Waste Management agrees that reporting on environmental justice issues is appropriate and achievable using current, easily accessed databases. The urban community concept in this proposed metric does not achieve that purpose.</p>	<p>SASB limited the distance of “in or near dense populations” to be 5 kilometers (km) instead of the 49km used by the RSEI program. SASB chose the 5 kilometer radius because 5km is used in the U.S. EPA’s EJSCREEN tool to measure “proximity” to other types of discharges and facilities. (see “Glossary of EJSCREEN Terms” here: https://www.epa.gov/ejscreen/glossary-ejscreen-terms) SASB also notes that Waste Management uses a radius of 5km to measure proximity to populations in its 2014 Sustainability Report.</p> <p>SASB limited the scope of facilities to include landfills (both active and closed) and incinerators owned or operated by the registrant. SASB limited the scope to these types of facilities because SASB research indicated that landfills and incinerators are the major sources of air emissions for waste management companies.</p>
IF0201	Waste Management	Fleet Fuel Management (IF0201-06)	<p>Fleet fuel management (pp. 17-18): We understand the proposal to be using the RFS2 description for renewable fuel. It would be helpful to confirm that fuels with RINS certification are meant to be included in this section. The EPA certification program provides a clear and helpful “line” for inclusion in this metric.</p>	<p>SASB added the following to the provisional standard:</p> <ul style="list-style-type: none"> • <i>Fuels that qualify for Renewable Identification Numbers (RINs) under the EPA Renewable Fuel Standard are included in the scope of renewable energy.</i>

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IF0201	Waste Management	Land Use & Ecological Impacts (IF0201-07)	<p>Land use and ecological impacts (pp. 18-19): The text for reporting on land use, relying upon US EPA’s TRI, program, needs clarification.</p> <ul style="list-style-type: none"> • Municipal solid waste landfills do not report under TRI. Listed TRI facilities include hazardous waste treatment, storage and disposal facilities (TSDFs), but not municipal waste facilities. A municipal waste landfill will only be included on TRI if it is owned by and adjacent to a TSDF. See http://www.epa.gov/sites/production/files/documents/rcra_c_tsd_solvent_recovery_facilities.pdf, p. 2-4. 	<p>The standard limits the scope of disclosure only to the facilities that are obligated to report under the TRI program.</p> <p>The standard reads: <i>.42 The scope of disclosure is limited to those facilities owned or operated by the registrant that are covered under the reporting requirements of the EPA’s TRI regulations, or foreign equivalent, where covered facilities must:</i></p> <ul style="list-style-type: none"> • <i>Have 10 or more full time employees;</i> • <i>Be regulated as an RCRA subtitle C Solid Waste Landfill or otherwise required to report its TRI per 40 CFR 372.23; and</i> • <i>Manufacture, process, or otherwise use a toxic chemical in excess of an applicable threshold set forth in 40 CFR 372.</i>
IF0201	Waste Management	Land Use & Ecological Impacts (IF0201-07)	<ul style="list-style-type: none"> • TRI reporting is not limited to a “release.” Chemicals included on the TRI list are reported if the facility “releases,” manufactures or “otherwise uses” them (i.e., manages in a disposal unit that does not in fact leak into the environment). See http://www.epa.gov/sites/production/files/documents/rcra_c_tsd_solvent_recovery_facilities.pdf, p. 2-14. Section .37 in the draft should be an explanation of the third bullet in section .39 rather than what now appears to be a threshold description of what is to be reported. The mere possession of the listed chemicals alone triggers TRI reporting – not just “release” in the common sense of the word. 	<p>SASB defines “release” according to 40 CFR 372.3:</p> <ul style="list-style-type: none"> • <i>A release is defined, consistent with 40 CFR 372.3, as any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment (including abandonment or discarding of barrels, containers, and other closed receptacles) of any toxic chemical, where:</i>

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IF0201	Waste Management	Land Use & Ecological Impacts (IF0201-08)	<ul style="list-style-type: none"> It is unclear why this section focuses on potential releases of leachate to ground and surface water to the exclusion of other media. First of all, TRI reporting is limited to discharges into bodies of water, not groundwater. TRI will not be useful in this context. See http://www.epa.gov/toxics-release-inventory-tri-program/descriptions-tri-data-terms-text-version. Moreover, leachate is not permitted to be released into soil or surface water with pollutant levels in excess of Clean Water Act permit limits. This regulatory trigger will attach before any release can enter a water body, and mandates analysis and treatment on-site or off-site at a Publicly Owned Treatment Works. Surface water discharges are reported from hazardous waste facilities under the TRI program, but that data are entirely different from the category described in the introductory materials. 	<p>The relevant disclosure topic has been significantly revised and is now titled, "Management of Leachate & Hazardous Waste." The topic is focused on two separate angles: leachate management and hazardous waste management (though we realize, there could be overlap). SASB encourages the review of industry research briefs to further understand the disclosure topics, financial impacts, and supporting evidence: http://www.sasb.org/approach/our-process/industry-briefs/infrastructure-sector-industry-briefs/</p> <p>The metric referenced in the comment, IF0201-08, is focused on risks related to hazardous waste. SASB invites review of the provisional standard as revisions were additionally made to metrics within this topic. SASB is receptive to further input and resources on the topic and metrics.</p>

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IF0201	Waste Management	Land Use & Ecological Impacts (IF0201-08)	<ul style="list-style-type: none"> The metric for volume and treatment of leachate is uninformative. As Waste Management noted in earlier comments: "Volume and percentage of leachate treated will not tell the public very much. The volume of leachate depends upon climatic conditions (a wet environment will result in wetter waste disposed and some rainfall during the day when waste is placed in the landfill), the type of on-site cover (clay vs. sand), the slope of the landfill surface, landfill design, and types of wastes accepted. All leachate disposal is subject to water quality standards – both in terms of permission to send leachate to a Publicly Owned Treatment Works, ability to discharge into a water body because the leachate meets all applicable water quality standards for such discharge, or ability to operate a treatment facility on-site. Leachate volume is independent of leachate quality, and the only issue of relevance to the environment is whether all leachate is disposed according to applicable water discharge standards. The issue of whether a facility has violated its water discharge permits is meaningful, but leachate volume and manner of handling is not." 	<p>To better capture leachate management, SASB replaced metric "Volume of leachate generated, percentage treated to regulatory standards" with: "Number of corrective actions implemented for landfill releases".</p> <p>Corrective actions are defined as control and cleanup of landfill releases of constituents detected at a statistically significant level above the established background level (as defined in Appendix I of 40 CFR Part 258) to achieve the groundwater protection standards in 40 CFR Part § 258.50 Subpart E—Ground-Water Monitoring and Corrective Action.</p>

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IF0201	Waste Management	Workforce Health & Safety (IF0201-10)	<p>Workforce Health & Safety (pp. 20-21):</p> <ul style="list-style-type: none"> • TRIR (or I&IIR) is a standard metric used in the waste industry to evaluate and continually improve safety performance. The definitions and means to calculate the metric are clearly defined by OSHA. The opposite is true for near miss frequency rates. There is no OSHA standard for near misses – just the very broad and vague suggestions of the National Safety Council. This lack of definition is not cured by asking the registrant to create its own terms for “classifying, identifying, and reporting near miss incidents.” Imagine what is required here. Each company will decide whether a nearly infinite range of possible scenarios constitutes a “near miss,” defined as something that “easily could” have occurred but for a slight shift. For example, if I hadn’t been looking far ahead, I might not have noticed the brake lights and slowed to avoid a sudden stop. If I had been looking at my log sheet I might have missed the car that made a sudden stop in front of me. There is no current template or practical paper trail that would capture near misses in the waste industry. If this is something that is needed to enhance safety, an organization like OSHA should be looked to for the terms and conditions. 	<p>SASB believes that an understanding of how a company defines and categorizes near misses, the frequency with which they are reported, and the ratio of near misses to accidents will be decision-useful to investors. SASB notes that many studies show the benefits of increased near miss reporting (e.g., reduced costs, reduced accidents); although education may be necessary so that investors understand this correlation, SASB anticipates that over time near miss metrics will be beneficial.</p> <p>SASB limited the scope of Near Miss Frequency Rate to employees who do not operate company vehicles as their main job function. To capture safety performance of employees that operate company vehicles as their main job function, SASB included metric IF0201-13 and IF0201-14:</p> <p>IF0201-13: Safety Measurement System BASIC percentiles for: (1) Unsafe Driving, (2) Hours-of-Service Compliance, (3) Driver Fitness, (4) Controlled Substances/Alcohol, (5) Vehicle Maintenance, and (6) Hazardous Materials Compliance.</p> <p>IF0201-14: Number of vehicle accidents and incidents</p>
IF0201	Waste Management	Workforce Health & Safety (IF0201-11)	<ul style="list-style-type: none"> • In the alternative, SASB could ask whether and for what percentage of vehicles a company provides on-board recording equipment. Waste Management uses on-board computing in over 95% of our collection vehicles, and we use that technology to coach effective driver safety practices. This technology achieves the purposes of near-miss avoidance, but it far easier to quantify. 	<p>SASB’s evidence-based research process and stakeholder consultation did not determine that disclosure of on-board recording equipment is likely to constitute material information for most companies within the Waste Management industry.</p>
IF0201	Waste Management	Labor Relations	<p>Labor relations (p. 22): These metrics are reasonable and useful.</p>	<p>SASB thanks Waste Management for its comment.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0201	Waste Management	Recycling & Resource Recovery (IF0201-15)	<p>Recycling & resource recovery (pp. 23-26):</p> <p>General comment: SASB correctly assumes that reporting on the amount of waste recycled vs. incinerated vs. recovered is important information. Reporting on volumes managed in terms of these outcomes is useful information. Customer counts will be much harder. We track by tons, not number of customers. As much as 30% of our recyclables at our processing facilities come from 3rd parties (cities, other waste companies) who do not disclose the customer count they service – only the tonnage received. Moreover, estimating customer count would be wildly inaccurate, dependent upon such factors as whether service is by subscription or mandatory collection. Customer count cannot be extrapolated from tonnage because of the variability in programs (e.g., programs with glass and high newspaper subscriptions rates will have higher per person tonnage production than programs that exclude glass or in areas with limited newspaper circulation).</p>	<p>SASB has revised the metric from "Number of customers served through (1) recycling and (2) composting programs " to: Percentage of customers receiving (1) recycling and (2) composting services, by customer type</p>
IF0201	Waste Management	Recycling & Resource Recovery (IF0201-15)	<p>.70: Federal and state definitions of "recyclables" sometimes include material "permanently placed on the land," e.g., glass used in roadbed, coal ash encapsulated into cement. A better option would be to include "recyclables" as defined pursuant to US EPA or the applicable state regulation.</p>	<p>SASB aligns its definitions of recycled solid materials and recycled hazardous materials with 40 CFR 261.2 and 40 CFR 240.43.</p>
IF0201	Waste Management	Recycling & Resource Recovery (IF0201-15)	<p>.71: Most residential customers receive single stream recycling services. Very large commercial/industrial customers might receive service for a single type of material (e.g., material is delivered to a paper packing plant versus a single stream plant), but the vast majority of service is multi-stream. As noted above, it would be possible to distinguish volume of recycling to single vs. multi-stream service, but estimating customer numbers will be difficult.</p>	<p>SASB revised this metric to: "Percentage of customers receiving (1) recycling and (2) composting services, by customer type".</p> <p>The registrant should discuss the type of recycling it offers based on customer type.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0201	Waste Management	Recycling & Resource Recovery (IF0201-16)	<p>.72: Because definitions of “composting” vary by state and local regulation and compost material is often carried by the same trucks, it will be very difficult to count customers served (as opposed to tonnage processed) for composting.</p> <p>.73: SASB’s definition of composting as merely providing “soil amendment” is inconsistent with state and local standards. In many states, organics are used in lieu of other soil materials as Alternative Daily Cover, thus replacing a virgin resource. This state regulatory judgement should not be superseded.</p>	<p>In the provisional standard, SASB revised the definition of composting to read:</p> <p><i>.89 Compost is defined by the U.S. Compost Council as the product resulting from the controlled biological decomposition of organic material that has been sanitized through the generation of heat and stabilized to the point that it is beneficial to plant growth.</i></p> <p><i>.90 Compost is defined by applicable state laws where the registrant operates.</i></p>
IF0201	Waste Management	Recycling & Resource Recovery (IF0201-16)	<p>IF0201 – 16: This section excludes organics to anaerobic digestion (AD) or to wastewater treatment facilities for purposes of providing renewable energy. How are the tons to AD and the residual tons of digestate to be handled? It will be a mistake for SASB to create metrics that exclude beneficial uses of what otherwise would be waste by ignoring state characterization what is appropriately diverted from landfill.</p>	<p>In the provisional standard, SASB included the following:</p> <p><i>.77 For the purposes of this disclosure, waste to energy (WTE) shall be included in the scope of recycled material. WTE includes the conversion of non-recyclable waste materials into useable heat, electricity, or fuel through a variety of processes, including combustion, gasification, pyrolyzation, anaerobic digestion, and landfill gas (LFG) recovery.</i></p>

Engineering & Construction Services

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0301	Granite Construction Inc.	General Comment	Granite Construction Inc. appreciates the opportunity to supply comments to the October 2015 draft guidance. On behalf of Granite, Geoff Boraston and I are providing comments below.	SASB appreciates the time and effort that Granite Construction Inc. has invested in preparing comment letters for the Infrastructure sector. SASB thanks Granite for its continued participation in the standards development process, and hopes to deepen our engagement with your organization as we continue to review and refine our standards.
IF0301	Granite Construction Inc.	General Comment - Scope of Disclosure	The standard covers a very broad project scope, i.e. from "origins of project through project commissioning". Most infrastructure projects are initiated by public or pseudo public agencies. Companies typically get involved after the public agency has already defined the project scope and established the project location. The public agency will often complete environmental and social impact assessments and take the project through permitting and design, at least partial design. In most cases the company assumes contractual responsibility either during the design process or after it is complete. For companies operating in the US, some of the disclosures will more often than not be outside the companies responsibilities and assumed by a public or pseudo public agency. This particularly applies to ecological and community impacts of the project.	<p>The SASB standard for Engineering & Construction Services generally applies to all project types and phases that the registrant is involved with, unless otherwise noted under specific metrics.</p> <p>The registrant should discuss the project phases that it is officially involved with through contractual responsibility. Where applicable and relevant, the registrant shall describe differences between its involvement in operating regions, project types, business segments, etc.</p> <p>In the activity level metrics, SASB defines active projects as: Active projects are defined as buildings and infrastructure construction projects currently under development by the registrant, including, but not limited to, the design and construction stages. Active projects exclude projects that were commissioned during the fiscal year.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0301	Granite Construction Inc.	General Comment - Scope of Disclosure	Next, the standard should clarify how companies with numerous projects and broad project portfolio mixes should address the disclosures. Granite completes over a 1000 contracts every year with projects ranging from small road construction projects to large public private partnerships. Our scope of work and responsibilities on the projects vary greatly depending on the project.	<p>The standard is generally focused on the total company project portfolio as opposed to project-level performance. Unless otherwise specified, the scope of disclosure includes all projects undertaken by the company, including engineering, architecture and design, construction, installation, planning, consulting, and repair and maintenance, among others.</p> <p>The registrant should discuss the projects that is officially involved with through contractual responsibility. Where applicable and relevant, the registrant shall describe differences between its involvement in operating regions, project types, business segments, etc.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0301	Granite Construction Inc.	General Comment (IF0301-03, IF0301-05, IF0301-13, IF0301-16, IF0301-18)	The standard in places refers to “policies and practices” and “process to manage”. This could lead to a complex narratives particularly where companies have a large variety of project types, which publicly traded companies are likely to have. The standard should clarify what the disclosure expectations are.	<p>SASB aims to limit what should be included in its of discussion and analysis metrics in order to create disclosure that is comparable between companies. Each metric is accompanied by technical protocol that provides guidance on disclosure.</p> <p>SASB aims to improve the comparability of its disclosure guidance by clearly defining the scope of disclosure and relevant items to discuss. SASB does not intend it’s metric to be prescriptive. Rather, SASB Standards provide companies with standardized sustainability metrics designed to communicate performance on industry level sustainability topics. When making disclosure on sustainability topics, companies can use SASB Standards to help ensure that disclosure is standardized and therefore decision-useful, relevant, comparable, and complete. Further information can be found in SASB’s Conceptual Framework available here: http://www.sasb.org/approach/conceptual-framework/</p>
IF0301	Granite Construction Inc.	General Comment	Also, conformance to a standard published by the International Organization for Standardization (ISO) should be recognized by the SASB Standard. ISO deals specifically with policies, practices and management processes on a broad range of management functions including environmental, quality and ethics.	<p>SASB references the International Organization for Standardization (ISO) in line .12:</p> <p><i>.12 The registrant shall discuss the use of codes, guidelines, and standards to assess and minimize environmental impacts of project siting, design, and construction, where applicable. Relevant codes, guidelines, and standards may include, but are not limited to:</i></p> <p><i>... • International Organization for Standardization (ISO) environmental standards;</i></p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0301	Granite Construction Inc.	Ecological Impacts of Construction (IF0301-03)	<p>Additionally, the proposed standards rely heavily on guidance provided by the International Finance Corporation. However, the concern with this reliance, is that such guidance ignores a substantial body of statutory and regulatory guidance provided to companies in this sector by the U.S. Department of Transportation, Small Business Administration and Department of Housing and Urban Development. Specifically, there are many preference programs such as the Disadvantaged Business Enterprise program, SBA 8(a) and others that contractors in this segment expend tremendous efforts and resources to comply with. These programs are often associated with goals and frequently these goals are met and surpassed by contractors. The purpose of these programs is to correct a deficiency in society identified by Congress, so it seems appropriate to include mention of this into the "Community" metric.</p>	<p>SASB withdrew the previous metric focused on IFC Category A projects, based on the limited applicability of this risk factor in the industry. As a result, in the provisional standard, there is one reference to IFC in line .11 under IF0301-02:</p> <p><i>.11 The registrant shall discuss its approach to managing projects that have heightened environmental and/or social due diligence requirements or are expected to have significant adverse environmental and/or social impacts, including additional measures or policies it employs.</i></p> <ul style="list-style-type: none"> <i>• An example of a project type that has heightened environmental and/or social impacts are "Category A" projects categorized by the International Finance Corporation (IFC).</i>
IF0301	Granite Construction Inc.	Bidding & Consulting Integrity (IF0301-17)	<p>In the Bidding and Consulting Integrity section, the accounting metric is defined as the "Amount of legal and regulatory fines and settlements associated with professional integrity". The term professional integrity is confusing and should likely be defined. It is unclear whether a breach of professional integrity refers to an act of deceit or if it refers to false claims, where there is a tremendous of gray area in terms of whether the act was intentional or a result of a deficient billing system that did not catch repeated mistakes.</p>	<p>In the provisional standard, SASB has withdrawn the metric IF0301-17: "Amount of legal and regulatory fines and settlements associated with professional integrity" and replaced it with the following:</p> <p><i>IF0301-12: Amount of legal and regulatory fines and settlements associated with charges of (1) bribery or corruption and (2) anti-competitive practices</i></p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0301	Granite Construction Inc.	Ecological Impacts of Construction (IF0301-03)	<p>On p. 12 of the standard it is written "<i>The scope of project stages includes all project stages from the origin of a project through commissioning, which may include, but is not limited to, feasibility studies, proposals, design and planning, subcontractor procurement, and construction.</i>" One consideration that should be taken into account is the rapidly changing paradigm in construction due to the proliferation of Public-private partnerships, which is a government service/private business venture that is funded and operated through a partnership of government and one or more private sector companies. This contracting model is important because in many instances, the a contractor has the burden of maintaining the project in many instances for up to 30 years after completion. The SASB may want to conduct an analysis of whether to list this as an explicit component of project stages, as the dollar amounts of projects using this delivery method are generally very high and involve sophisticated and large contractors.</p>	<p>SASB has refined the scope of this metric to: <i>The scope of project stages associated with siting, design, and construction includes, but is not limited to, feasibility studies, proposals, design and planning, subcontractor procurement, and construction.</i></p> <p>SASB acknowledges that public-private partnerships that include involvement in ongoing maintenance and/or operations is a portion of industry activity. SASB seeks to only include metrics that are widely applicable throughout the industry and generally reflective of industry activity, and thus, has not included metrics specifically focused on this type of activity. SASB is receptive to additional input and resources that may provide evidence that such types of industry activity is widespread enough to warrant future incorporation into the standard.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0301	Granite Construction Inc.	Climate Impacts of Business Mix (IF0301-10)	On p. 21, the a definition for the term "non-energy" projects would be helpful.	<p>SASB defines "non-energy" in .36 as: <i>...non-energy projects are defined as projects that are not directly associated with the energy value chain that are motivated by, or undertaken in response to, climate change mitigation</i></p> <p>and further clarifies the "energy value chain":</p> <ul style="list-style-type: none"> • <i>The scope of disclosure shall exclude all backlog directly associated with the energy value chain and motived by energy efficiency, which may be equivalent to backlog included in IF0301-06, with the exception of fossil fuel-related decommissioning projects.</i> • <i>The energy value chain includes conventional energy projects, including upstream projects (energy exploration and production), midstream projects (transportation and storage, pipeline, gathering, and treating and processing), and downstream projects (refining and industrial, commercial, and residential uses of energy) as well as renewable energy projects, including manufacturing, installation, and maintenance of solar panels and wind turbines, among other renewable energy technologies, and energy-efficiency projects.</i>
IF0301	Granite Construction Inc.	General Comment	<p>Last, it would be helpful to make sure certain terms such as CFP and others are spelled out for readers, as the familiarity levels of readers with industry language may vary greatly.</p> <p>Please let us know if you have any question, and again, thanks for the opportunity to comment.</p>	SASB thanks Granite for its comments.
IF0301	CH2M	Lifecycle Impact of Buildings (IF0301-12)	We agree that all of the issues listed in engineering and construction services are material, particularly environmental and climate change services, workforce health and safety, and business ethics. The following items should also be considered for reporting:	SASB appreciates the time and effort that CH2M has invested in preparing comment letters for the Infrastructure sector.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0301	CH2M	Lifecycle Impact of Buildings (IF0301-12)	<ul style="list-style-type: none"> The data parameter entitled the "lifecycle impact of buildings" for construction activities should be extended to include other infrastructure such as transport schemes and water infrastructure. The definition of the types of buildings and structures included in this issue should be clearly defined. This issue may also have overlapping parameters with the Envision project reporting. 	<p>In the provisional standard, SASB expanded the scope of this metric to include other infrastructure projects in addition to buildings. The topic is now titled "Lifecycle Impacts of Buildings & Infrastructure" and the scope is clarified under .41 as:</p> <ul style="list-style-type: none"> The scope of disclosure includes buildings (such as residential, commercial and retail, government, healthcare, offices, etc.) and other infrastructure projects (such as transportation, oil and gas, electrical grid, renewable energy, water supply distribution, water treatment, etc.). The scope includes projects in which the registrant has a direct role in design, engineering, procurement and/or construction of the building or infrastructure project.
IF0301	CH2M	General Comment	<ul style="list-style-type: none"> Project-based nature of these services overlaps with the sustainability of the projects themselves. Parameters for what is being evaluated should be made clear. Evaluating project sustainability would utilize a different system than SASB. 	<p>The standard is generally focused on the sustainability performance of direct company activity. The technical protocol that accompanies each metric provides guidance around the scope of disclosure.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0301	CH2M	Ecological Impacts of Construction	<ul style="list-style-type: none"> Ecological impacts were considered but more specific impacts should be stated such as emissions and waste minimization that also take place during construction. 	<p>SASB’s standards setting process has two central objectives: (1) to identify the sustainability issues that are likely to constitute material information for a company in a given industry and (2) to determine the best metrics that allow investors to assess a company’s performance concerning that issue. SASB standards follow the U.S. Supreme Court’s definition of material information, defined as presenting “a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the ‘total mix’ of the information made available.” This definition of materiality has a singular and unwavering focus on the reasonable investor’s decision to buy, sell, or hold a security. However, SASB acknowledges that only companies can make the determination as to what constitutes material information for the company at a given point of time; SASB standards can provide guidance for that process.</p> <p>It is with this focus on materiality that we assess issues based on evidence of financial impact; selecting only issues that have the potential to significantly impact the financial performance of a company. SASB’s research did not produce a sufficient body of evidence of financial impact associated with emissions and waste management to warrant inclusion of these topics into the standard. SASB is receptive to additional input and resources that may provide evidence of financial impacts associated with these topics.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0301	CH2M	Ecological Impacts of Construction	<ul style="list-style-type: none"> We agree that construction services include decisions that can cause ecological impact (e.g., sourcing, traffic control, and safety) and should be considered material for both U.S. based and international projects. 	SASB thanks CH2M for its comment.
IF0301	CH2M	Suggested topic	<ul style="list-style-type: none"> Supply chain engagement efforts are not currently discussed under engineering and construction services and should be considered material and included in reporting. 	SASB's evidence-based research process and stakeholder consultation did not determine that disclosure of stakeholder engagement efforts are likely to constitute material information for most companies within the Engineering & Construction Services industry.
IF0301	CH2M	Suggested topic	<ul style="list-style-type: none"> We agree that workforce diversity and inclusion should be included as this sector is facing skill shortages in certain areas partly driven by the image this sector portrays to certain demographic groups. Many public clients require diversity programs and include diversity criteria in procurement. This is a material issue that should be clearly measurable and linked to financial performance. 	SASB's evidence-based research process and stakeholder consultation did not determine that disclosure of workforce diversity and inclusion is likely to constitute material information for most companies within the Engineering & Construction Services industry.
IF0301	CH2M	Bidding & Consulting Integrity	<ul style="list-style-type: none"> We agree that bidding and consulting integrity is a material aspect and should be included in reporting. We suggest providing some clarification on the definitions of bidding and consulting integrity (including procurement) and considering if it could be combined with business ethics. 	SASB revised this topic name to "Business Ethics & Bidding Integrity", and has aimed to clarify the definitions included in the technical protocol. Metrics IF0301-12 and IF0301-13 focus on (1) bribery or corruption and (2) anti-competitive practices, where the scope of anti-competitive behavior includes complementary bidding and bid-pooling.
IF0301	CH2M	Bidding & Consulting Integrity	<ul style="list-style-type: none"> Business ethics and disclosure are important and the SASB standards should provide a common understanding of best practices and accounting. Additionally, this industry should also include documenting business compliance with applicable laws and regulations, noting any fines or disciplinary actions. 	<p>Metric IF0301-12 asks for disclosure of legal and regulatory fines and settlements associated with charges of (1) bribery or corruption and (2) anti-competitive practices.</p> <p>Registrants should discuss their documentation of compliance in metric IF0301-13: "Description of policies and practices for prevention of (1) corruption and bribery and (2) anti-competitive behavior in the project bidding processes"</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0301	CH2M	Exposure to Shifting Energy Markets	<ul style="list-style-type: none"> Regarding the inclusion of “Exposure to Shifting Energy Market,” we agree with the recommendation to review the issue further. Exposure to shifting energy impacts E&C should be defined (for example – discussion of energy clients or use of energy while providing services). Further research and review is needed to determine the risks and exposures to shifting energy markets should be reported. 	SASB has not included the topic “Exposure to Shifting Energy Markets” in the provisional standard.

Home Builders

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0401	CH2M	General	We agree with the issues presented for reporting in this industry. Additional issues that we suggest including are as follows	SASB thanks CH2M for its comments.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0401	CH2M	Suggested Topic	<p>We agree that information about where the building materials come from and supply chains are materially important to investors, developers, and consumers. There is an increase in consumer focus on supply chain transparency. We suggest that supply chain engagement efforts should be considered material and included in reporting. (CH2MHill)</p>	<p>SASB’s standards setting process has two central objectives: (1) to identify the sustainability issues that are likely to constitute material information for a company in a given industry and (2) to determine the best metrics that allow investors to assess a company’s performance concerning that issue. SASB standards follow the U.S. Supreme Court’s definition of material information, defined as presenting “a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the ‘total mix’ of the information made available.” This definition of materiality has a singular and unwavering focus on the reasonable investor’s decision to buy, sell, or hold a security. However, SASB acknowledges that only companies can make the determination as to what constitutes material information for the company at a given point of time; SASB standards can provide guidance for that process.</p> <p>It is with this focus on materiality that we assess issues based on evidence of financial impact; selecting only issues that have the potential to significantly impact the financial performance of a company. SASB’s research did not reveal a sufficient body of evidence that demonstrates that supply chain issues are likely to create significant financial impacts for companies in the industry.</p> <p>SASB is receptive to additional input and resources that, particularly, provide evidence of financial impact associated with supply chain issues in the industry.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0401	CH2M	Suggested Topic	We suggest integrating product responsibility, resource efficiency, ecological impacts, regulatory compliance, and workforce diversity and inclusion as issues for reporting. (CH2MHill)	The provisional standard includes the following topics: Land Use & Ecological Impacts, Design for Resource Efficiency, Workforce Health & Safety, among others. SASB seeks to provide a minimum set of disclosure topics that are likely to constitute material information. SASB is receptive to specific comments, input, and evidence that provide evidence of investor interest and evidence of financial impacts for topics not included in the standard.
IF0401	CH2M	Suggested Metric	We suggest including waste management and recycling under Ecological Impacts of Construction. (CH2MHill)	The disclosure topic, "Land Use & Ecological Impacts" does not currently include an angle focused directly on waste management. As a result, the standard did not include a waste management metric. Only metrics that capture performance on the disclosure topic are provided. For a full description of the disclosure topic, financial impacts, and supporting evidence, SASB encourages a review of the industry brief: http://www.sasb.org/approach/our-process/industry-briefs/infrastructure-sector-industry-briefs/

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0401	Residential Energy Services Network (RESNET)	General	<p>This is to express the Residential Energy Services Network's (RESNET) support of including HERS Index Scores as a metric for accounting Design for Resource Efficiency (IF0401-06. (1).</p> <p>RESNET is the independent, national non-profit organization that homeowners trust to improve home energy efficiency and realize substantial savings on their utility bills. It is the organization responsible for creating the national training and certification standards for Home Energy Rating System (HERS) Raters. RESNET's industry-leading standards are recognized by the U.S. Department of Energy, U.S. Environmental Protection Agency, and the U.S. mortgage industry. The HERS Index is a performance based option to the energy codes in over 180 state and local code jurisdictions and is a performance option in the 2015 International Energy Conservation Code.</p> <p>To develop a HERS Index Score certified building performance professionals inspects and tests a home's energy performance and enters the data into an accredited modeling software program that complies with the RESNET & International Code Council ANSI standard. For more information go to www.hersindex.com</p> <p>Like a miles-per-gallon (MPG) label for houses, the HERS Index Score is the one number that compares how energy efficient a home is compared to other homes. To date over 1.5 million homes in the U.S. has been energy performance tested, inspected and issued a HERS Index Score. In 2014 alone, over 165,000 homes received a HERS Index Score.</p> <p>Having the Home Builders Sustainability Accounting Standard include HERS Index Scores as a metric for accounting Design for Resource Efficiency ties sound technical basis with the housing market.</p>	<p>SASB thanks RESNET for its comment and supporting information on the HERS Index. The metric focused on the HERS Index has been retained in the provisional standard.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0401	Center for Resource Solutions (CRS)	Suggested Topic	<p>Comment: There are no Energy Management (or equivalent) metrics included in the following Standards...</p> <ul style="list-style-type: none"> o Home Builders... <p>These industries also have some potential to utilize renewable forms of energy in production/operations. We recommend including disclosure metrics related to energy management, similar to those included in other standards.</p>	<p>SASB's standards setting process has two central objectives: (1) to identify the sustainability issues that are likely to constitute material information for a company in a given industry and (2) to determine the best metrics that allow investors to assess a company's performance concerning that issue. SASB standards follow the U.S. Supreme Court's definition of material information, defined as presenting "a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of the information made available." This definition of materiality has a singular and unwavering focus on the reasonable investor's decision to buy, sell, or hold a security. However, SASB acknowledges that only companies can make the determination as to what constitutes material information for the company at a given point of time; SASB standards can provide guidance for that process.</p> <p>It is with this focus on materiality that we assess issues based on evidence of financial impact; selecting only issues that have the potential to significantly impact the financial performance of a company. SASB's research did not reveal a sufficient body of evidence that demonstrates that energy management is likely to create significant financial impacts for companies in the industry.</p> <p>The provisional standard does include a related topic, "Design for Resource Efficiency." SASB outlines the evidence and relating research that was used to develop its standards through its industry research briefs, which can be found here for the Infrastructure sector: http://www.sasb.org/approach/our-process/industry-briefs/infrastructure-sector-industry-briefs/</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0401	Center for Resource Solutions (CRS)	Suggested Topic	<p>There are no Greenhouse Gas Management topic (or equivalent) metrics included in the following Standards...</p> <ul style="list-style-type: none"> o Home Builders... <p>These industries also have some potential to reduce and offset emissions in production/operations. We recommend including disclosure metrics related to emission reduction measures and carbon offset purchases.</p>	<p>SASB's standards setting process has two central objectives: (1) to identify the sustainability issues that are likely to constitute material information for a company in a given industry and (2) to determine the best metrics that allow investors to assess a company's performance concerning that issue. SASB standards follow the U.S. Supreme Court's definition of material information, defined as presenting "a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of the information made available." This definition of materiality has a singular and unwavering focus on the reasonable investor's decision to buy, sell, or hold a security. However, SASB acknowledges that only companies can make the determination as to what constitutes material information for the company at a given point of time; SASB standards can provide guidance for that process.</p> <p>It is with this focus on materiality that we assess issues based on evidence of financial impact; selecting only issues that have the potential to significantly impact the financial performance of a company. SASB's research did not reveal a sufficient body of evidence that demonstrates that greenhouse gas management is likely to create significant financial impacts for companies in the industry.</p> <p>The provisional standard does include a related topic, "Design for Resource Efficiency." SASB outlines the evidence and relating research that was used to develop its standards through its industry research briefs, which can be found here for the Infrastructure sector: http://www.sasb.org/approach/our-process/industry-briefs/infrastructure-sector-industry-briefs/</p>

Real Estate Owners, Developers & Investment Trusts

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	CH2M	General - Industry Definitions	The difference between home builders and developers should be clarified. Investment trusts tend to be very different organizations to real estate owners and developers. As a result we suggest that investment trusts be separated from real estate owners and developers.	SASB provides a definition for the relevant industry in the Provisional Standard document (see "Industry Description"). SASB uses the Sustainable Industry Classification System™ (SICS™) and is receptive to feedback on the industry classification system. While SASB believes the current differentiation between the Home Builders industry and the Real Estate Owners, Developers & Investment Trusts industry is clear and adequate, feedback on how such clarity can be enhanced is welcome. Separately, SASB's research of U.S.-listed firms indicates that the vast majority of companies in the Real Estate, Owners, Developers & Investment Trusts industry are structured as Real Estate Investment Trusts (REITs) and serve as owners, and potentially developers. The industry's standards are predominantly focused on real estate ownership as opposed to pure development. SASB is receptive to feedback of whether adding components of the standards that relate to development activities is appropriate and consistent with the SASB framework (e.g., decision-useful, cost-effective). Lastly, SASB has provided public notification of its intent to revise industry name, "Real Estate Owners, Developers & Investment Trusts" to "Real Estate" (see SASB Proposal, Amendments to Sustainability Industry Classification System™, Item 9.4).
IF0402	CH2M	General	Additionally, the environmental and socio-economic reporting factors should be separated.	The SASB Standards are designed to include clear sustainability disclosure topics. Generally, environmental and social factors (and the individual issues that fall within these categories) are addressed separately by the standards. There are instances when a sustainability disclosure topic is inseparable in terms of an environmental factor and a social factor. While SASB does not believe this is the case in the Real Estate Owners, Developers & Investment Trusts industry, SASB is receptive to feedback where further clarity of the sustainability disclosure topics in the standards can be established.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	CH2M	General	This industry currently contains issues relating to energy efficiency and should also include waste and water efficiencies as material to reporting. This particular industry also faces varying types of risk, which should be included in reporting	The SASB Standard includes a topic focused on water, titled "Water Management." SASB's research has not produced sufficient evidence that waste should be included as a separate disclosure topic. This is largely based on the apparent lack of clear, supporting, reliable evidence that waste management presents significant financial risks and opportunities to companies in the industry. SASB is receptive to resources that further this body of evidence. Additional topics raised are addressed separately below.
IF0402	CH2M	Suggested Topic	<ul style="list-style-type: none"> • Business ethics and reputational risk are key for this sector and we advise that this area is added and, in particular, an area around environmental and social governance (ESG) and risk management associated with fund management and investments also be included. For certain listed funds having appropriate E&S controls is a mandatory requirement. 	SASB's research has not produced sufficient evidence that a clear issue pertaining to business ethics presents significant financial risks and opportunities widely across companies within the industry. Issues related to money laundering were explored in SASB's initial industry research, however, sufficient evidence of financial impact was not established to warrant inclusion. SASB is receptive to feedback and/or resources on the specific types of business ethics issues (and risks such policies and controls) that create financial risks and opportunities across the industry.
IF0402	CH2M	Suggested Topic	<ul style="list-style-type: none"> • Partly linked to ESG, we would also suggest including a separate data parameter on disclosures on environmental risks and liabilities and factoring into valuations and asset classes, which would not only cover traditional environmental risks issues such as contamination but also other risks associated climate change, water security, biodiversity, planning and community issues. As it stands, climate change whilst relevant and important is too narrow an issue for this sector and it should be reported along with other environmental risks/issues which may impact on this sector. Improvement in the valuation of asset classes, as well as covering risks and liabilities should be disclosed. 	The SASB standards are designed to include topics that are relevant across the industry. SASB is receptive to additional resources that demonstrate that these issues may be relevant across the industry, the set of issues raised appears to more narrowly apply to companies that predominantly participate in real estate development activities, as opposed to activities related to real estate ownership and operation. As mentioned above, SASB intends to further explore the appropriateness of an expansion of the standard to include topics related to development activities.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	CH2M	General	<ul style="list-style-type: none"> Regarding the comment that climate change risk (CCR) can be addressed in any 10-K risk factors section or registration statement. This type of disclosure has a place for reporting on climate change risks, but it is not a mandatory reporting requirement on how an organization is responding to manage risks associated with climate change. We question whether sufficient detail would be provided in 10-K to justify why CCR is material or not including the Governance and controls in place to manage these risks. We agree that there should be a focus on natural hazards, including the potential risk of extreme weather events such as sea level rise that will have a large impact on coastal areas. However, we think that this could be included in the environmental risks section and does not necessarily need to be a separate natural hazards item. 	<p>SASB recognizes that disclosure related to topics contained in the SASB standards may occur in varying, and/or multiple, channels. We encourage a review of the SASB Implementation Guide to assist in establishing clarity on the SASB standards, including how they are designed to be incorporated into the 10-K (http://using.sasb.org/implementation-guide-for-companies/).</p>
IF0402	CH2M	General	<ul style="list-style-type: none"> The other issue is that this area will only apply to those following the requirements of the Securities and Exchange Commission (SEC) listed on U.S. markets. There are additional and/or different sustainability reporting requirements for other markets around the world, as well as some markets which have no requirements in this area. This can create inconsistency in approaches and also disclosures and makes comparative analysis for potential investors difficult. Promoting one standard, such as SASB, should help to promote a consistent approach to disclosures and reporting across markets. 	<p>SASB appreciates the comment and the view that the SASB standards help promote consistency in disclosures and reporting across markets.</p>
IF0402	CH2M	Suggested Topic	<p>Additional Material Issues Under Consideration</p> <p>We also suggest that the following issues, which have not been covered should be considered for reporting:</p>	<p>SASB will respond to the issues raised individually.</p>
IF0402	CH2M	Suggested Topic	<ul style="list-style-type: none"> Human Health - we agree that the issue of health and wellness is rapidly emerging as a significant business opportunity and that this should be reconsidered as a material item. 	<p>The Industry Research Brief contains an issue "Watch List" that includes an issue, "Design for Tenant Health." SASB recognizes the rapidly growing importance of human health and wellness within the real estate industry and maintains this topic on the Watch List, as we recognize that evidence of the issue's financial significance may increase in the future and thus, may warrant inclusion in the standard in the future. Please see the Research Brief for additional information on this issue (http://www.sasb.org/approach/our-process/industry-briefs/infrastructure-sector-industry-briefs/).</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	CH2M	Suggested Topic	<ul style="list-style-type: none"> Land Use & Ecological Impacts - we believe that a data parameter for this area should be included, both as a risk and as an opportunity. 	The SASB standards are designed to include topics that are relevant across the industry, as opposed to narrow segments of the industry. While SASB is receptive to additional resources that demonstrate that this issue may be widely relevant across the industry, the issue raised appears to more narrowly apply to companies that predominantly participate in real estate development activities, as opposed to activities related to real estate ownership and operation. As mentioned above, SASB intends to further explore the appropriateness of an expansion of the standard to include topics related to development activities and encourages additional feedback on this subject.
IF0402	CH2M	Suggested Topic	<ul style="list-style-type: none"> Environmental accidents and remediation – we agree that this should not be added but we believe that all sectors (not just real estate owners, developers and investment trusts) have a data parameter called health, safety, environment and emergency management. 	SASB appreciates the comment and strives to include the specific sustainability disclosure topics that likely constitute material information on an industry-specific basis.
IF0402	CH2M	Suggested Topic	<ul style="list-style-type: none"> Tenant Engagement on Resource Efficiency – we believe this area should be reconsidered and included as material. 	The SASB Standard includes a topic focused on this area, titled "Management of Tenant Sustainability Impacts." We encourage the review of the Industry Research Brief and the Provisional Standard in terms of this issue, and we welcome additional feedback (http://www.sasb.org/sectors/infrastructure/).
IF0402	CH2M	Suggested Topic	<ul style="list-style-type: none"> Lobbying and political contributions – we believe this should be reconsidered as material in some sectors. Lobbying and political contributions may be useful to stakeholders, including investors, to determine why certain positions are taken by an organization on specific sustainability issues. This might also help to understand how an organization is tied to a specific political point of view and if there is a change in the political climate as to how resilient or otherwise an organization is to change as well as how an organization is positioned to potentially maximize opportunities compared with its competitors. 	SASB's research has not produced sufficient evidence that lobbying and political contributions presents significant sustainability-related financial risks and opportunities widely across companies within the industry. SASB is receptive to feedback and/or resources that provide evidence of investor interest and evidence of financial impact.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	CH2M	Suggested Topic	<ul style="list-style-type: none"> Emergency Management/Disaster Recovery – natural disasters and emergency can have a large impact on all of the infrastructure sectors discussed. A business’s emergency management/disaster recovery plan and how well it is implemented is an issue that should be considered for reporting. 	SASB appreciates the comment and strives to include the specific sustainability disclosure topics that likely constitute material information on an industry-specific basis. SASB is receptive to additional input and resources that provide evidence of investor interest and evidence of financial impact in terms of Emergency Management/Disaster Recovery on an industry-specific basis.
IF0402	CH2M	General	CH2M would like to thank the Sustainability Accounting Standards Board for the opportunity to comment on the proposed Infrastructure sector materials. Please feel free to contact us with any questions or clarifications.	SASB appreciates your review of the standards.
IF0402	Center for Resource Solutions (CRS)	Energy Management (IF0402-02)	Comment: .11 - We would like to express general support for the language in this section, particularly that which emphasizes the importance of REC retention and ownership in all cases for renewable energy usage claims in the United States, as well as references to Green-e certification. Please let us know if we can provide any further support for these requirements.	SASB appreciates your review and comment.
IF0402	Center for Resource Solutions (CRS)	Energy Management (IF0402-02)	Comment: .11 - RE can also be purchased from a utility or supplier. Recommend changing language at .11 to: “purchases through a renewable power purchase agreement (PPA) that explicitly includes renewable energy certificates (RECs), purchases through a Green-e Energy Certified utility or supplier program, or for which Green-e Energy Certified RECs are paired with grid electricity.”	The technical guidance does not specify limitations around the seller of PPA's, and thus, we do not view an explicit expansion of the language as necessary.
IF0402	Center for Resource Solutions (CRS)	Energy Management (IF0402-02)	Comment: .11 - In the first bullet, respondents should also indicate whether on-site use was Green-e certified, since on-site use of renewable energy can also be Green-e certified.	To-date SASB has not identified the need to specify that onsite production of renewable energy and direct purchases of renewable energy (e.g., through power purchase agreements, or PPAs) be associated with a certification program. SASB will continue to monitor this topic and may in the future, determine it is appropriate to clarify the scope of onsite production of renewable energy and direct purchases of renewable energy.
IF0402	Center for Resource Solutions (CRS)	Energy Management (IF0402-02)	Comment: .11 - In the second bullet, change “retained” to “retained or replaced” since RECs from the project can be arbitrated in these agreements. Respondents should also indicate whether the purchase was Green-e certified, since direct purchases of renewable energy (e.g. PPAs) can also be Green-e certified.	SASB views the current language as appropriate in its clarity: “For renewable PPAs, the agreement must explicitly include and convey that RECs be retained and retired on behalf of the registrant or its tenants in order for the registrant to claim them as renewable energy.” SASB is receptive to additional input and resources that demonstrate instances that are not adequately addressed by the above language, thus potentially meriting a revision.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	Center for Resource Solutions (CRS)	Energy Management (IF0402-02)	Comment: .11 - Footnote 12 should be moved to the first bullet.	SASB views the referenced footnote as appropriate as a footnote, as opposed to being included as a bullet point. The language contained in the footnote is not necessary for technical guidance on the methodology of the metric, but is rather a statement that is external to technical guidance.
IF0402	Center for Resource Solutions (CRS)	Energy Management (IF0402-02)	Comment: Respondents should disclose whether renewable energy was procured beyond what is delivered as a part of the default utility mix and/or required by law (e.g. through a state RPS), i.e. through voluntary renewable energy procurement. Respondents should also disclose features of the renewable energy, including type of product e.g. through a local utility program, and length of commitment, as well as whether the renewable energy product is Green-e certified.	SASB recognizes that there are many potential energy management metrics available to measure company performance. However, SASB aims to identify the minimum set of metrics that focus on the likely material aspect of the topic identified within the industry. SASB research, specifically including that focused on investor-use cases of metrics, did not indicate that separating renewable energy consumption into multiple metrics would add value to the overall decision-usefulness of the metrics within the Energy Management topic.
IF0402	Corporate Office Properties Trust (COPT)	General	Corporate Office Properties Trust (NYSE: OFC) is pleased to have the opportunity to comment on the proposed Sustainability Accounting Standard for Real Estate Owners, Developers & Investment Trusts (REODIT). We view SASB's mission to establish disclosure and measurement standards as critical for those users of relevant disclosed sustainability-related information and we agree that, to the extent provided, this information should be comparably prepared. We understand that such disclosure is neither required nor endorsed by the SEC or other entities governing financial reporting, and would not support efforts by the SASB to make it so.	SASB appreciates your review of the standard, as well as the clear, contextual views of the role of the SASB standards.
IF0402	Corporate Office Properties Trust (COPT)	General	Our general comment is that the standard is unclear with respect to the objectives of each suggested Accounting Metric. We also believe that the board should use a defined term for data covered floor area and use it in the description of its metrics. As written, the standard requires careful re-reads to understand how each metric is to be calculated; only to conclude that most of them are based on data covered floor area.	SASB encourages a review of the SASB Conceptual Framework to establish clarity on the purpose of the accounting metrics within the standard. In summary, the objective of the accounting metrics is to explain performance on sustainability disclosure topics that are likely to constitute material information. The technical protocols provided for each accounting metric provide guidance on definitions, scope, accounting guidance, compilation, and presentation (please see the SASB Conceptual Framework for additional information). The wording of the accounting metrics in the Provisional Standard has been revised for select metrics to include the language "portfolio area with data coverage" to establish greater clarity, consistent with the comment. SASB is receptive to additional specific comments on how to achieve greater clarity and simplicity in terms of such concepts as data covered floor area.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	Corporate Office Properties Trust (COPT)	General	We propose that the Industry Description be changed to "Real Estate Owners & Developers." We believe the inclusion of the words "Investment Trusts" is unnecessary and could lead non-REIT entities to believe that the standard does not apply to them.	SASB has provided public notification of its intent to revise the industry name to "Real Estate." We agree the terminology "Investment Trusts" was unnecessary and we additionally concluded that the We welcome further feedback on this, as described in: SASB Proposal, Amendments to Sustainability Industry Classification System™, Item 9.4.
IF0402	Corporate Office Properties Trust (COPT)	Energy Management (IF0402-01)	IF0402-.01.01 We believe the denominator for energy data coverage should be leasable or gross area (not "total leasable floor area"), as nearly all publicly reporting REODIT (excluding hotel, apartment and student and senior housing owners) report and/or track these metrics, with leasable square footage being the most common and consistent. We believe the inclusion of other possible building area denominators will lead to diversity in practice in conflict with the goals of consistency and comparability. In addition, we believe the requirement that registrants track an additional metric may drive REODIT that would otherwise report to determine that it is simply not worth the additional effort. We also believe that area of parking garages associated with owned properties be excluded and that their energy costs be allocated to the supported properties. Whichever metric ultimately is decided upon, we also believe its definition be made clear and that the label conform with existing terminology, namely: leasable or rentable, useable, or gross square feet.	SASB revised the denominator of the energy consumption data coverage metric to use the total portfolio gross floor area. The technical protocol states that "Gross floor area is defined according to the U.S. Environmental Protection Agency (EPA) ENERGY STAR® definition as 'the total property square footage, measured between the principal exterior surfaces of the enclosing fixed walls of the building(s)' (IF0402-01.01). SASB acknowledges that ENERGY STAR Portfolio Manager® is a widely used tool in the industry, and that it exclusively uses gross floor area. Thus, in seeking increased cost-effectiveness, the metric has aligned with this tool. Additionally, local and state benchmarking and disclosure regulations in the U.S. use gross floor area, which further supports the use of this denominator in the standard. SASB acknowledges that certain property types may predominantly use alternative measures and addresses such issues in the technical protocol.
IF0402	Corporate Office Properties Trust (COPT)	Energy Management (IF0402-02) and General Definitions	b. IF0402-01.05 We believe Data Centers should be a separate property type.	The standard has been revised to use property subsectors based on the FTSE NAREIT Classification System. "Specialty Data Centers" is a specific property subsector according to this classification system.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	Corporate Office Properties Trust (COPT)	Energy Management (IF0402-03)	c. IF0402-03 The like-for-like language is confusing to companies that will be new to sustainability reporting. Indicate upfront that this is a "same-store" concept.	SASB has refrained from stating that the calculation of "like-for-like" is the same concept as "same-store" because variations in the methodology of "like-for-like" may vary from that of "same-store." As a result, SASB does seek to influence the industry's use of the "same-store" metrics, yet seeks to standardize "like-for-like" in terms of changes in energy and water consumption. Furthermore, SASB provides specific guidance that states: "'Like-for-like' data collection, analysis, and disclosure may be consistent with the approach with which the registrant discloses its financial reporting data...If the registrant discloses its financial reporting data using a concept and methodology similar to 'Like-for-Like Comparison,' the registrant shall describe divergences between the scope of assets and/or floor area used in its financial reporting and its like-for-like change in energy consumption. For example, if additional assets are excluded from the like-for-like change in energy consumption relative to like-for-like financial reporting as a result of data coverage limitations, such inconsistencies shall be described." (IF0402-03.26, p. 17).
IF0402	Corporate Office Properties Trust (COPT)	Energy Management (IF0402-04)	d. IF0402-04 Unclear what the term "eligible portfolio" includes. Please clarify to use previously defined terms.	The technical protocol includes the following language that is intended to provide further guidance "The registrant may exclude from the scope the property area that is ineligible to receive an energy rating or certification based on the property subsector, location (e.g., located in a region in which energy ratings are not a commercially available service), or other specific use characteristics." (IF0402-04.34). SASB has acknowledges that specific property types, locations, or use-characteristics may be ineligible to receive energy ratings and/or certifications, and thus, seeks to removes such properties from the scope of disclosure.
IF0402	Corporate Office Properties Trust (COPT)	Water Management	e. Our comments with respect to water metrics are identical to those discussed above for Energy Management.	SASB has made similar revisions, or lack thereof, for the Water Management metrics as seen above in the Energy Management metrics.
IF0402	Corporate Office Properties Trust (COPT)	Management of Tenant Sustainability Impacts (IF0402-12)	a. IF0402-12.84 The board should define lease types for purposes of this standard to ensure consistency.	SASB acknowledges that a wide variety of lease types are used throughout the industry and such lease types generally lack standardized, universally accepted definitions. SASB does not seek to define or standardize terms when such is not a necessary for the implementation or use of the standards, and thus, did not seek to standardize the definitions of lease types.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	Corporate Sustainability Strategies	General Comment	1. Corporate Sustainability Strategies (and specifically Brenna Walraven, formerly Head of Property Operations at USAA Real Estate Company) supported and provided detailed input to the SASB Standards via letter from Real Estate Roundtable.	SASB appreciates your review of the standards and providing feedback through the Real Estate Roundtable.
IF0402	Corporate Sustainability Strategies	Suggested Topic	<p>2. Disclosure Topics – the management of legal, regulatory, policy and tax implications relative to sustainability issues may be material to a reasonable investor. Both EY and PwC have published investor sentiment reports that suggest this to be true and anecdotally in my own experience have found this to be true.</p> <p>a. Accounting Metrics: fees, legal restrictions on use, access or transfer, restrictions on development, tax treatment, clean up requirements or implications, policy such as the Clean Power Plan or California’s energy benchmarking and disclosure (recently changed but required disclosure on sale, lease or financing for buildings larger than 50,000 but where in many instances the tenants had energy meters and would not release the data or even when approved releasing the utility would not disclose – ergo had a scenario where owners could be impacted by liquidity reductions, etc.). While these will be unique relative to the real estate circumstance, the means for reporting should be fairly consistent in approach.</p>	SASB appreciates the recommendation of further exploration around sustainability topics focused on the legal, regulatory, policy and/or tax issues. SASB conducted additional research on additional topics related to these broad issues (e.g., money laundering) that did not reveal significant bodies of evidence of investor interest and financial impact. SASB is receptive to additional input and resources that may support the inclusion of a sustainability topic related to these broad issues.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	United States Environmental Protection Agency	Energy Management and Water Management	<ul style="list-style-type: none"> • Definition of total portfolio floor area (in various sections) <ul style="list-style-type: none"> o Total portfolio floor area is defined as the total leasable floor area of all properties, which excludes common areas, and other parts of a building. It is unclear why gross floor area is not used instead as the metric for total portfolio floor area. While SASB does not tend to use normalized metrics, and therefore does not ask for energy use intensity (EUI), it is likely that those using the disclosed information would want to compute EUI. If they have only the leasable floor area and combine it with the whole building energy use, the result will be an inflated EUI. We note that GRESB allows choice of floor area definitions. o EPA ENERGY STAR Portfolio Manager uses gross floor area for all whole building metrics, and gross floor area is the basis for ENERGY STAR certification. o All existing local and state mandatory benchmarking and disclosure laws in the U.S. require the reporting of gross floor area rather than leasable floor area. 	<p>SASB revised the denominator of the energy consumption data coverage metric to use the total portfolio gross floor area. The technical protocol states that "Gross floor area is defined according to the U.S. Environmental Protection Agency (EPA) ENERGY STAR® definition as 'the total property square footage, measured between the principal exterior surfaces of the enclosing fixed walls of the building(s)'" (IF0402-01.01). SASB acknowledges that ENERGY STAR Portfolio Manager® is a widely used tool in the industry, and that it exclusively uses gross floor area. Thus, in seeking increased cost-effectiveness, the metric has aligned with this tool. Additionally, local and state benchmarking and disclosure regulations in the U.S. use gross floor area, which further supports the use of this denominator in the standard.</p>
IF0402	United States Environmental Protection Agency	Energy Management (IF0402-02)	<ul style="list-style-type: none"> • IF0402-02. Total energy consumed by (1)(a) base building and (b) tenant space or (2) whole building, percentage grid electricity, percentage renewable, by property type <ul style="list-style-type: none"> o .10/.11 calls for disclosure of renewable energy consumption as a percentage of total energy consumption. While the scope including renewable energy produced as well as purchased, the standard does not call for these to be reported separately. We suggest that the standard call for separate metrics for renewable energy generated on site (with the current requirement that RECs be retained) and for green power purchased. o GRESB asks for reporting on both onsite and purchased renewable energy, and EPA ENERGY STAR Portfolio Manager treats onsite and offsite green power differently. 	<p>SASB recognizes that there are many potential energy management metrics available to measure company performance. However, SASB aims to identify the minimum set of metrics that focus on the likely material aspect of the topic identified within the industry. SASB research, specifically including that focused on investor-use cases of metrics, did not indicate that separating renewable energy consumption into multiple metrics would add value to the overall decision-usefulness of the metrics within the Energy Management topic. Additionally, SASB recognizes comparability challenges within the industry and provides specific guidance for supporting qualitative and quantitative context, including potentially on-site renewable energy generation, as seen in IF0402-05.42:</p> <p><i>".42 The registrant shall describe its approach to renewable energy generation, which may include, but not is not limited to:</i></p> <ul style="list-style-type: none"> • <i>The relevance of on-site and off-site renewable energy generation to the portfolio and energy management strategy;</i> • <i>Technical or legal limitations on the ability to incorporate renewable energy into the portfolio and energy management strategy; and</i> • <i>The energy generated from on-site and off-site renewable</i>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
				<p><i>energy (aligned with 2016 GRESB Real Estate Assessment Q25.3)"</i></p>
IF0402	United States Environmental Protection Agency	Energy Management (IF0402-04)	<ul style="list-style-type: none"> • IF0402-04. Percentage of eligible portfolio that (1) has obtained an energy rating and (2) is certified to ENERGY STAR, by property type <ul style="list-style-type: none"> o .25 and .27: The standard calls for disclosure of overall percentage of portfolio with any qualified energy rating (including ENERGY STAR for the U.S. and Canada) and then separately, the percentage that is ENERGY STAR certified in the US only. This seems reasonable, though we note that Canada may offer certification for certain property types in the future, so you may want to amend this section at that time. o .29: We suggest removing "(e.g., outside of the United States)", as disclosure under .25 includes ratings in Canada, the E.U., Australia, etc. 	<p>SASB has updated the disclosure guidance accompanying metric IF-0402-04 to clarify that properties certified to ENERGY STAR® in Canada may be separately disclosed:</p> <p><i>".33 The registrant shall disclose the percentage of the portfolio that is certified to ENERGY STAR®.</i></p> <ul style="list-style-type: none"> • <i>The percentage shall be calculated as the total portfolio gross floor area that is certified to ENERGY STAR® in the United States divided by the total portfolio gross floor area in the United States.</i> <p><i>§ If property is located in Canada, the registrant may separately disclose the percentage of the portfolio in Canada that is certified to ENERGY STAR®.</i></p> <p>SASB additionally revised guidance to revise the language as recommended, "(e.g., outside of the United States)," based on the acknowledgement that energy ratings (and potentially ENERGY STAR® certifications) are available in regions outside of the United States. The revised guidance is as follows:</p> <p><i>".34 The registrant may exclude from the scope the property area that is ineligible to receive an energy rating or certification based on the property subsector, location (e.g., located in a</i></p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
				<p><i>region in which energy ratings are not a commercially available service), or other specific use characteristics."</i></p>
IF0402	United States Environmental Protection Agency	Energy Management (IF0402-06)	<ul style="list-style-type: none"> • IF402-06. Water consumption data coverage as a percentage of total floor area, percentage in regions with high or Extremely High Baseline Water Stress, by property type <ul style="list-style-type: none"> o We recommend that you specify that total water use includes water used in and outside buildings, where these uses are separately metered. 	<p>SASB has updated the disclosure guidance in IF-0402-07 to clarify that "total water withdrawn" includes the entirety of properties, including those spaces outside of physical buildings. The relevant guidance is as follows:</p> <p><i>"The scope includes all property area in the registrant's portfolio for which there is water withdrawal data coverage, regardless of whether water is consumed by the Tenant Space or Base Building (including outdoor, exterior, and parking areas) and which party pays for water expenses."</i></p> <p>However, this updated guidance is not reflected in IF0402-06, which is focused on measuring water withdrawal data coverage. This metric's unit of measure is gross floor area in square feet, implying that the addition or incorporation of exterior or outside areas is inappropriate. As stated above, the water withdrawn by such exterior or outdoor areas is explicitly included within the scope of IF0402-07.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	ULI Greenprint Center for Building Performance	General - Alignment	Use of GRESB as a standard could be difficult as GRESB changes over time. It might be important to think about how this would be managed. Evidently, 20% of the GRESB questions are changing from 2015 to 2016. Do the metrics need to have consistency within the GRESB framework forever or do you want to track metrics that are important to SASB? I would think linking with GRESB forever makes sense from an organizational point of view, you would just have to update guidance to make sure the questions referenced were in alignment or the terminology in the glossary did not impact the results.	<p>When formulating accounting metrics for its disclosure topics, SASB considers the existing body of reporting standards and industry initiatives, and it harmonizes and references existing metrics whenever possible. Alignment with existing data collection schemes helps to ensure that the SASB standards are cost-effective to use. To this end, in the provisional standard, SASB makes direct reference to the alignment or incorporation of the GRESB Real Estate Assessment in numerous metrics. ENERGY STAR® is additionally directly referenced where appropriate, as with other sustainability, industry, and regulatory, and other initiatives, methodologies, standards, and frameworks.</p> <p>The areas of alignment with the GRESB Real Estate Assessment may be reasonably viewed as less likely to be significantly altered from year-to-year, as they are generally the more high-level and important data points (e.g., total energy consumption). Furthermore, while numerous metrics are aligned with GRESB, the standard should be viewed independently and does not require participation in or completion of the GRESB assessment in order to implement the SASB standard.</p>
IF0402	ULI Greenprint Center for Building Performance	Energy Management and Water Management (IF0402-03 and IF0402-08)	Like for Like definitions around financial and energy consumption might not be the same. Is there a better way to handle It than to reference GRESB? I would think that LfL should be based on financial accounting standards and not GRESB's approach to allow for comparability across financial and environmental metrics. However, I understand that could lead to confusion. So, GRESB might be most appropriate for the environmental LfL metrics. could each company have flexibility to define their own LfL approach?	SASB considered aligning like-for-like with financial reporting. However, there is generally no standard accepted methodology for computing like-for-like (or same store) in financial reporting. SASB does not seek to influence traditional financial reporting metrics nor create industry standards for such metrics. In addition, due to GRESB's relatively widespread adoption in the industry, the standard aligned with GRESB to increase cost-effectiveness.
IF0402	ULI Greenprint Center for Building Performance	General - Unit of Measure	P.7 – unit of measure Is noted to be in SI but throughout the standard asks for ft2? Do you want to always Use imperial units or always Use SI?	The general guidance to the standard states, "Unless specified, disclosures should be reported in International System of Units (SI units)." Due to widespread use of Imperial units in the industry, the technical guidance that accompanies numerous metrics in the standard explicitly specifies that Imperial units should be used. Absent such explicit guidance, SI is the default unit of measure.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	ULI Greenprint Center for Building Performance	General	P.4 – how to capture relative performance with respect to peers. Hard to compare companies against each other as there are different tiers of data coverage and completeness. For instance, some owners capture all whole building data while others primarily track common areas. I think ensuring the each company reports the % of area covered is valuable.	SASB recognizes the complexity of comparability in the industry. The use of data proliferated by the standards in investment analysis may require adjustments, normalization, and other methods to increase comparability and the usefulness, similar to financial accounting metrics. Further information can be found in SASB's Conceptual Framework. Additionally, the numerous metrics in the standard provide guidance on disclosure by property subsector with the intent to reduce comparability challenges.
IF0402	ULI Greenprint Center for Building Performance	Activity Metrics (IF0402-B)	P. 6 – activity metrics, pretty loose term. o Could be difficult to track consistently. Not all owners track lettable/ rentable/ gross so need to be very clear that lettable area is the denominator	Activity Metrics are intended to provide guidance on "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 (e.g., revenue, EBITDA, etc.)." See "Activity Metrics and Normalization" in the standard for additional information or please refer to the SASB Conceptual Framework. Certain Activity Metrics in the standard may be less relevant to certain issuers, while other potential Activity Metrics that are not included in the standard (e.g., number of units, gross floor area) may be more relevant, in which case SASB provides explicit guidance encouraging the disclosure of such relevant Activity Metrics (see the above referenced sources).
IF0402	ULI Greenprint Center for Building Performance	Activity Metrics (IF0402-C)	o Indirectly/Directly managed still not entirely clear how these two terms are distinct. Triple net is probably the most consistent with industry terminology.	The Activity Metric provides a footnote with explicit guidance on the definition of the term, including a reference to the GRESB Real Estate Assessment. To increase cost-effectiveness, this specific Activity Metric sought alignment with the GRESB assessment, given its relatively widespread adoption in the industry. However, SASB provides explicit guidance on Activity Metrics overall that specifies that other metrics may be more useful for normalization and analysis, in which case disclosure is encouraged (see "Activity Metrics and Normalization" in the standard).

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	ULI Greenprint Center for Building Performance	Energy Management (IF0402-01)	<p>Aggregation by energy consumption data coverage can cause problems. Some buildings might have 100% control of all of the energy for all of the spaces while other buildings the owner might have electricity consumption for common spaces and fuel for whole building. Because of this, inconsistencies will exist. This correlates with the p. 4 comment above. The request should be for landlord controlled energy data. The owner should not be held accountable for tenant data.</p>	<p>SASB has revised guidance to state the following:</p> <p><i>".03 The registrant may choose to discuss the comprehensiveness of data coverage if coverage variations by energy type exist (e.g., if a portion of floor area consumes electricity and natural gas and the registrant has energy consumption data coverage for electricity but not natural gas, the registrant does not have complete energy consumption data coverage but may choose to disclose the portion of total portfolio gross floor area with partial energy consumption data coverage).</i></p> <p><i>.04 The registrant may choose to describe the variations in energy consumption data coverage, including the factors that influence it.</i></p> <ul style="list-style-type: none"> • <i>Variations in energy consumption data coverage may occur based on distinctions including, but not limited to, the following:</i> <ul style="list-style-type: none"> § <i>Base Building, Tenant Space, and Whole Building;</i> § <i>Energy purchased by the landlord and energy purchased by tenants;</i> § <i>Managed assets and indirectly managed assets; and</i> § <i>Geographical markets.</i> • <i>Relevant factors that influence energy consumption data coverage may include, but are not limited to:</i> <ul style="list-style-type: none"> § <i>Geographical markets and the applicable enabling or inhibiting laws, regulations, and policies within such markets, including those policies of utilities;</i> § <i>Administrative or logistical barriers to obtaining energy consumption data (e.g., lack of integration of utilities' data reporting systems);</i> § <i>Tenant demands around the privacy or proprietary nature of energy consumption data;</i> § <i>Property subsectors or other more nuanced classifications of property types;</i> § <i>Lease structures, including the length in time of leases, the terms applicable to the access of energy consumption data by the registrant, and the ability of the registrant to influence energy management performance of tenant spaces; and</i> § <i>The registrant's perception that its obtainment of tenant space energy consumption data may negatively impact tenant demand."</i>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
				<p>SASB acknowledges meaningful control limitations that occur throughout the industry to varying degrees. The SASB standard does not require total portfolio energy and water consumption data, but instead focuses on the energy and water consumption data that the issuer has access to. For example, this guidance is seen in IF0402-02.10:</p> <p><i>" 10 The registrant shall disclose total energy consumption by the portfolio area for which there is energy consumption data coverage as an aggregate figure in gigajoules or their multiples, where:</i></p> <ul style="list-style-type: none"> <i>• Energy consumption data shall be disclosed by (1)(a) Base Building and (b) Tenant Space or (2) Whole Building, or a combination of these.</i> <i>• The scope includes all property area in the registrant's portfolio for which there is energy consumption data coverage, regardless of whether energy is consumed by the Tenant Space or Base Building (including outdoor, exterior, and parking areas) and which party pays for energy expenses.</i> <i>• The scope excludes the portion of energy consumed by property area in the registrant's portfolio for which energy consumption data is unavailable.</i> <p><i>§ If energy consumption data is not available for Tenant Space or Whole Building for a property but is available for the Base Building, then the registrant shall disclose this energy consumption data. "</i></p> <p>Furthermore, SASB acknowledges that the financial impacts of energy (and water) performance of buildings may occur indirectly through tenant demand when the tenant is responsible for these resource costs. SASB research indicates that the resource efficiency of real estate is an important factor in tenant demand, and as a result, the standard does not exclude the resources consumed by tenants when they have financial responsibility. SASB will continue to seek additional input and evidence on this topic.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	ULI Greenprint Center for Building Performance	Energy Management (IF0402-01)	Is site area energy coverage included such as for parking lot lighting?	<p>Regarding energy consumption (IF0402-02), SASB has updated the disclosure guidance to clarify that "total energy consumed" includes the entirety of properties, including those spaces outside of physical buildings. The relevant guidance is as follows: <i>"The scope includes all property area in the registrant's portfolio for which there is energy consumption data coverage, regardless of whether energy is consumed by the Tenant Space or Base Building (including outdoor, exterior, and parking areas) and which party pays for energy expenses."</i></p> <p>However, this updated guidance is not reflected in IF0402-01, which is focused on measuring energy consumption data coverage. This metric's unit of measure is gross floor area in square feet, implying that the addition or incorporation of exterior or outside areas is inappropriate. As stated above, the energy consumed by such exterior or outdoor areas is explicitly included within the scope of IF0402-02.</p>
IF0402	ULI Greenprint Center for Building Performance	Energy Management (IF0402-02)	This is confusing since it is based on the energy consumption data coverage, do you include electricity data from common areas and fuel consumption for whole building?	<p>SASB has updated the disclosure guidance, as seen in IF0402-02.10, to further clarify: <i>"• The scope includes all property area in the registrant's portfolio for which there is energy consumption data coverage, regardless of whether energy is consumed by the Tenant Space or Base Building (including outdoor, exterior, and parking areas) and which party pays for energy expenses.</i> <i>• The scope excludes the portion of energy consumed by property area in the registrant's portfolio for which energy consumption data is unavailable.¹⁴</i> <i>§ If energy consumption data is not available for Tenant Space or Whole Building for a property but is available for the Base Building, then the registrant shall disclose this energy consumption data."</i></p>
IF0402	ULI Greenprint Center for Building Performance	Energy Management (IF0402-02)	What happens if there is parking lighting energy is that included?	<p>SASB has updated the disclosure guidance to clarify that "total energy consumed" includes the entirety of properties, including those spaces outside of physical buildings. The relevant guidance is as follows: <i>"The scope includes all property area in the registrant's portfolio for which there is energy consumption data coverage, regardless of whether energy is consumed by the Tenant Space or Base</i></p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
				<i>Building (including outdoor, exterior, and parking areas) and which party pays for energy expenses. "</i>
IF0402	ULI Greenprint Center for Building Performance	Energy Management (IF0402-02)	For energy consumption – the units are in Gigajoules, most owners do not work with Gigajoules often so mistakes will come up. Would probably be better to use kWh or MWh.	The standard has retained gigajoules as the unit of measure for energy consumption. The SASB standards in all 79 industries use this unit of measure for energy consumption and consistency was maintained in this standard to enable cross-industry comparisons and analysis. SASB notes that the conversion of megawatt hours to gigajoules is a relatively simple and direct calculation.
IF0402	ULI Greenprint Center for Building Performance	Energy Management (IF0402-04)	What about LEED and other certifications around the globe? I think the terminology should be rating/certification.	<p>The metric is explicitly broken out between energy ratings and ENERGY STAR® certifications. SASB's aim is to provide a minimum set of relevant, cost-effective, decision-useful metrics. The portion of the metric focused on energy ratings includes explicit guidance to define energy rating schemes:</p> <p><i>"• An energy rating is defined according to the 2016 GRESB Real Estate Assessment Reference Guide as a scheme that measures the energy performance of buildings, including schemes solely concerned with measuring energy performance as well as cases in which an energy rating is an element of a broader scheme measuring environmental performance.</i></p> <p><i>• The scope of energy rating schemes includes:</i></p> <p><i>§ ENERGY STAR® for operations in the U.S. and Canada.</i></p> <p><i>§ E.U. Energy Performance Certificates (EPC) for operations in the European Union.</i></p> <p><i>§ NABERS Energy for operations in Australia.</i></p> <p><i>§ NABERSNZ for operations in New Zealand.</i></p> <p><i>§ Other energy rating schemes that can be demonstrated to have substantially equivalent criteria, methodology, and presentation of results as those schemes above. "</i></p> <p>While SASB acknowledges that additional metrics focused on other building certifications may provide meaningful information, such may reduce the cost-effectiveness of the standard. Additionally, SASB research revealed additional challenges associated with the comparability of a potential metric based on other building certifications.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	ULI Greenprint Center for Building Performance	Energy Management (IF0402-04)	Define "eligible." Does it mean that the property cant possible achieve either Energy Star or LEED certification i.e. the property is not eligible for certification not matter what? Also, is there a way to account for building types that may be eligible but cant possible achieve a certification due to lease terms which are inflexible or tenants with long-term leases.	The technical guidance that accompanies the metric includes the following: ".34 The registrant may exclude from the scope the property area that is ineligible to receive an energy rating or certification based on the property subsector, location (e.g., located in a region in which energy ratings are not a commercially available service), or other specific use characteristics."
IF0402	ULI Greenprint Center for Building Performance	Energy Management (IF0402-05)	Discussion elements could be quite extensive. Seems very qualitative and hard to draw comparisons across companies. Might not be particularly useful.	Discussion and Analysis metrics are intended to communicate management strategy, context and other supporting information in a structure that maximizes comparability as much as possible. SASB is receptive to specific feedback on the most relevant and important aspects of guidance that accompanies IF0402-05.
IF0402	ULI Greenprint Center for Building Performance	Water Management (IF0402-06)	Baseline water stress is not noted on the first tab of the WRI tool? Should there be more details on how to use the WRI tool? The first tab will have overall risk which is measured on the same scale, so people may get confused (and the baseline can differ from the overall). There is also a possible result of "medium to high risk," which may confuse some people.	SASB has refrained from providing explicit instructions on the use of WRI Aqueduct. While such instructions may be appropriate for SASB to provide, the technical guidance that accompanies the metric within the standard has not been viewed as the appropriate venue for instructions on a third-party tool. SASB is receptive to feedback on the level of importance of this issue and the approach in the provisional standard.
IF0402	ULI Greenprint Center for Building Performance	Management of Tenant Sustainability Impacts (IF0402-10)	Difficult to quantify this metric as it is written.	SASB has revised the metric wording and the technical guidance that accompanies the metric. The metric wording in the provisional standard is as follows: <i>"IF0402-10. Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and associated leased floor area, by property subsector"</i> SASB invites the review of the accompanying guidance which is intended to provide clarity on the metric scope and definitions.
IF0402	ULI Greenprint Center for Building Performance	Management of Tenant Sustainability Impacts (IF0402-10)	A more easily managed request would be percent of leases completed in year with cost recovery clauses. That way you are working forward with current information instead of attempting to track data which might be old and irrelevant due to timing,	The metric has been revised to exclusively focus on newly signed leases, as seen in the revised metric wording: <i>"IF0402-10. Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and associated leased floor area, by property subsector"</i>

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IF0402	ULI Greenprint Center for Building Performance	Management of Tenant Sustainability Impacts (IF0402-11)	Is tenant data submetered might be a more appropriate question to ask. The way the current question is worded is a bit difficult to dissect and even if a tenant does not directly pay, they sort of do through their pro-rata shares.	The metric has been revised to exclusively focus on submetering, as seen in the revised metric wording below. SASB research revealed that submetering is a more significant component of the topic than the party responsible for financial costs associated with consumption. <i>"IF0402-11. Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector"</i>
IF0402	ULI Greenprint Center for Building Performance	Management of Tenant Sustainability Impacts (IF0402-11)	An idea that gets in to tenant engagement might be, are tenant fit out guides or minimum fit out standards shared with tenants. This could help to define how the landlord works with its tenants.	SASB's aim is to provide a minimum set of relevant, cost-effective, decision-useful metrics. Additional metrics may provide meaningful information, though such may reduce the cost-effectiveness of the standard. SASB explored the use of a metric focused on tenant fit out guides. Research revealed that establishing a minimum threshold of what merits a tenant fit out guide with sustainability requirements would present substantial challenges, as well as the observation that such fit out guides have not been generally well adopted nor are well used by issuers at this point in time. SASB is receptive to additional input and resources that may demonstrate that the inclusion of such a metric would add to the decision-usefulness and cost-effectiveness of the standard.
IF0402	ULI Greenprint Center for Building Performance	Suggested Topic	Waste is a valuable but difficult metric to collect. I don't think it is necessary to start with tracking waste generated by tenants. But, I do think construction/ retrofit waste should be tracked. This metric is pretty readily available from contractors and would align with the LEED materials credits. It could be that you ask for the percent of waste was sent to landfills, recycled or reused from new developments or major retrofits.	SASB's research has not produced sufficient evidence that a waste management topic presents significant financial risks and opportunities widely across companies within the industry. SASB is receptive to feedback and/or resources that may provide evidence of the financial impacts of waste management within the industry.
IF0402	ULI Greenprint Center for Building Performance	Climate Change Adaptation	Climate change adaptation: I think this is difficult because it is varied by risk factor. I think that this could be something to discuss with the insurance industry. Ask them how they integrate climate change adaptation or risk in to their pricing. It is more of a governance type question as each asset will have to have its own strategic decisions around adaptation. So, you could ask it in that manner, which is "Do you have policies in place to account for climate change adaptation at properties located within your portfolio?" could also ask for the specific policy.	SASB acknowledges that real estate portfolio risks related to climate change and extreme weather events is a complex topic. Additionally, SASB acknowledges that the information provided by IF0402-13 and IF0402-14 serve as minimum starting points for further analysis of climate change-related exposures. SASB seeks additional input and evidence on this topic to further improve decision-usefulness, comparability, and the incorporation of the complexities associated with climate change-related risks and risk mitigation methods.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	ULI Greenprint Center for Building Performance	Management of Tenant Sustainability Impacts	<p>Tenant engagement: the most highly regarded resources for this are NRDC's high performance Tenant demonstration projects. I know they also linked with energy Star to integrate some of the Tenant Star processes such as TEAM in the process. but, I think there can be a few topics that can be tracked for Tenant engagement.</p> <ul style="list-style-type: none"> o Green leases o Tenant support for more efficient build outs (minimum standards or fit out guides) o Submetering Tenant space 	<p>SASB's aim is to provide a minimum set of relevant, cost-effective, decision-useful metrics. Additional metrics may provide meaningful information, though such may reduce the cost-effectiveness of the standard. The metrics applicable to the Management of Tenant Sustainability Impacts topic focus on cost-recovery clauses (a component of green leases), submetering, and management strategy. SASB explored the use of a metric focused on tenant fit out guides. Research revealed that establishing a minimum threshold of what merits a tenant fit out guide with sustainability requirements would present substantial challenges, as well as the observation that such fit out guides have not been generally well adopted nor are well used by issuers at this point in time. SASB is receptive to additional input and resources that may demonstrate that the inclusion of such a metric would add to the decision-usefulness and cost-effectiveness of the standard.</p>
IF0402	GRESB	General	<p>GRESB appreciates the opportunity to comment on the October 2015 draft sustainability accounting standard offered by the Sustainable Accounting Standards Board (SASB) for Real Estate Owners, Developers, and Investment Trusts. GRESB supports industry efforts that lead to increased transparency, reduced information asymmetry, and greater capital market efficiency.</p>	<p>SASB thanks GRESB for its comments and support.</p>
IF0402	GRESB	General	<p>Real estate is a complex industry with many direct and indirect risk impacts across a wide range of environmental and operational factors. The real estate sector maintains its own unique nomenclature, encompasses multiple property use types, and comprises a myriad of contractual lease structures, all cascading to result in a varying span of control on environmental and operational factors at both the asset level and company level. The management approach employed by both the company and the tenants it serves will lead to a series of outcomes that can positively or negatively impact investor-based risk perceptions and assessments.</p>	<p>SASB appreciates the comments and input concerning the complexities of real estate. The SASB standard has focused on aligning with industry norms and providing guidance around supporting context to incorporate industry-specific characteristics.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	GRESB	General	<p>The method offered by SASB focuses on a real estate company's 1) strategic approach, 2) degree of control, and 3) relative performance on energy and water management along with identifying the prevalence of risk-and-reward sharing lease clauses. This can provide investors with additional transparency and metrics that lead to further insights into investment risk, thus increasing capital market efficiency.</p>	<p>SASB appreciates the comments concerning SASB's focus with the standard and GRESB's views on the beneficial results the standard is intended to provide the marketplace.</p>
IF0402	GRESB	General	<p>Given the real estate industry's multi-decade track record of engaging on sustainability-related issues, we emphasize the importance of SASB's alignment with existing portfolio-based frameworks like GRESB along with robust asset-based protocols such as LEED and ENERGY STAR when advancing any sustainability-based accounting standard. Through long-standing participation in the GRESB assessment and benchmark, publicly traded real estate companies and their private equity counterparts continue to advance industry best practices with energy and water management, tenant impacts and climate change adaptation.</p> <p>With the SASB October 2015 draft standard for the real estate sector, GRESB recognizes the efforts of SASB to align with pre-existing frameworks including the harmonization of definitions and technical approaches for property type identification, data collection, and span of operational control among other aspects. GRESB notes real estate companies maintain opportunities to hedge and/or apportion certain risks via 1) legal clauses typical to defining the tenant-landlord relationship, and 2) widespread use of sophisticated insurance products offered by the insurance and reinsurance industries.</p>	<p>When formulating accounting metrics for its disclosure topics, SASB considers the existing body of reporting standards and industry initiatives, and it harmonizes and references existing metrics whenever possible. Alignment with existing data collection schemes helps to ensure that the SASB standards are cost-effective to use. To this end, in the provisional standard, SASB makes direct reference to the alignment or incorporation of the GRESB Real Estate Assessment in numerous metrics. ENERGY STAR® is additionally directly referenced where appropriate, as with other sustainability, industry, and regulatory, and other initiatives, methodologies, standards, and frameworks.</p> <p>Additionally, SASB recognizes the complexity and variety of risk mitigation methods deployed in the industry. SASB's aim is to provide a minimum set of relevant, cost-effective, decision-useful metrics, and it acknowledges that the complexity of issues such as risk mitigation cannot be comprehensively captured through such a minimum set of metrics. While the technical protocol often provides explicit guidance around supporting context, the SASB standards in general recommend considering the disclosure of supporting context as seen the following section of the standards: "Guidance on Accounting for Sustainability Topics," including the below:</p> <p><i>"As appropriate—and consistent with Rule 12b-206—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>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
				<ul style="list-style-type: none"> • <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;</i> <p><i>and</i></p> <ul style="list-style-type: none"> • <i>Data for the registrant's last three completed fiscal years (when available)."</i>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	GRESB	General	Robust information disclosure is vital to the lifeblood of market-based economies. Capital market efficiency relies on transparency into management's ability to navigate evolving business landscapes and effectively engage both short-term and long-term risks. Investors will be well-served by the information recommended for disclosure by SASB as described within this sustainability accounting standard for real estate owners, developers and investment trusts. GRESB looks forward to seeing this standard incorporated into the existing reporting and disclosure frameworks within the United States securities markets.	SASB thanks GRESB for its comments, understanding of the role of the SASB standards within the capital markets, and support.
IF0402	Host Hotels & Resorts	General	On behalf of Host Hotels and Resorts, I am pleased to submit comments on the SASB's October 2015 Exposure Draft Standards for Real Estate Owners, Developers & Investment Trusts. We value the opportunity to participate in the development of SASB Sustainability Accounting Standards, and appreciate the inclusion of water management as an industry-level disclosure topic into the Draft Standard as per our previous feedback.	SASB thanks Host Hotels and Resorts for the time it has invested in engaging with the standards development process, including the review of the standard and the preparation of a comment letter.
IF0402	Host Hotels & Resorts	IF402-04	SASB should consider the inclusion of additional building energy certifications comparable to ENERGY STAR®. It is widely known in the hospitality industry that ENERGY STAR® developed their hospitality rating methodology using a dataset that consisted of a small subset of select service hotels. This bias in their rating calculation creates significant challenges to accurately benchmark energy consumption at full service and luxury hotels, especially at hotels with large meeting space and conference facilities. Also, including additional certifications would significantly increase the geographic coverage of the metric beyond just buildings in North America that are eligible to receive an ENERGY STAR® rating.	SASB acknowledges that there are building energy certifications beyond ENERGY STAR® and that the ENERGY STAR® certification may face varying levels of applicability to property subsectors or even segments within property subsectors. The standard retained its focus on the ENERGY STAR® certification largely based on its performance-based nature and widespread industry acceptance of value. However, SASB modified the following language that may be applicable in certain circumstances: <i>".34 The registrant may exclude from the scope the property area that is ineligible to receive an energy rating or certification based on the property subsector, location (e.g., located in a region in which energy ratings are not a commercially available service), or other specific use characteristics."</i>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	Host Hotels & Resorts	IF402-04	SASB should differentiate between new construction and existing buildings for energy building certification. This would allow SASB participants to more accurately communicate the energy performance of buildings in their portfolio and enable more meaningful like-for-like comparisons across portfolio energy performance.	<p>SASB recognizes the variation in energy performance often at least partially based on newly constructed buildings versus the existing building stock. SASB's research indicates that while this factor is meaningful to the energy consumption of individual buildings, investors are seeking real estate portfolio-level data. As a result, the standard continues to focus on performance by property subsector without requiring a further breakout of new construction versus the existing building stock. SASB expects this to improve the cost-effectiveness of the standard, while avoiding issues associated with arbitrary thresholds that define "new construction" versus the existing building stock.</p> <p>Additionally, IF0402-05 provides the following guidance that is relevant: <i>".40 The registrant shall discuss its strategies relating to energy ratings, benchmarking, and certifications, including their impact on tenant demand within the registrant's target market(s); their relevance to the property types in its portfolio, such as the subsector(s), locations, and construction (new versus existing stock); and the costs and benefits associated with obtaining and maintaining an energy rating, benchmark, and certification.</i> <ul style="list-style-type: none"> <i>• If applicable, the registrant shall discuss whether it prefers certifications that are based on ongoing performance (e.g., ENERGY STAR®) or those based on performance-modeled design objectives.</i> <i>.41 If the registrant participates in new construction or major renovations, it shall discuss whether and how it incorporates energy efficiency strategies into design and development."</i></p>
IF0402	Host Hotels & Resorts	IF402-04	Thank you for considering these additional comments regarding SASB's efforts to develop ESG reporting standards for the Real Estate Owners, Developers & Investment Trust Sectors.	SASB thanks Host Hotels and Resorts for the time it has invested in engaging with the standards development process, including the review of the standard and the preparation of a comment letter.
IF0402	Liberty Property Trust	General	Thank you for the opportunity to review and comment on SASB's draft standard for Real Estate Owners, Developers, and Investment Trusts. After reviewing the draft standards, we have some recommendations we believe would improve disclosure for our industry:	SASB thanks Liberty Property Trust for the time it has invested in its review of the standard and the preparation of a comment letter.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	Liberty Property Trust	General	<p>1. Addressing direct and indirect management in all disclosure sections (not just as an activity-based metric):</p> <p>It is good to see that SASB recognizes and accounts for the importance of "activity metrics". Given the importance of these activity metrics, it would improve disclosure if all sustainability data was reported primarily against these activity metrics for each identified material environmental category in SASB, rather than as an aggregate score across the real estate portfolio. This would give investors and other stakeholders a better comparison of comparable real estate portfolios, and better enable them to judge which real estate firms had made the most progress in energy and water tracking and management in both directly and indirectly-managed buildings. Total energy consumption or even energy or GHG intensity per square foot is not a useful metric when comparing REITs that have completely different building types and tenant profiles in their portfolio, and may even be misleading to investors who are less familiar with the composition of different REITs building portfolios.</p>	<p>SASB's aim is to provide a minimum set of relevant, cost-effective, decision-useful metrics. Additional disclosure or further sub categorization of existing metrics may provide meaningful information, though SASB's research that such additional disclosure is likely beyond the minimum set of metrics. In addition to the Activity Metrics, the standard provides explicit guidance concerning the potential further breakdown of the accounting metrics. A relevant excerpt includes the following in IF0402-02:</p> <p><i>"18 The registrant may choose to describe the variations in energy consumption.</i></p> <ul style="list-style-type: none"> • <i>Variations in energy consumption data coverage may occur based on distinctions including, but not limited to, the following:</i> <p><i>§ Base Building, Tenant Space, and Whole Building;</i></p> <p><i>§ Energy purchased by the landlord and energy purchased by tenants;</i></p> <p><i>§ Managed assets and indirectly managed assets; and</i></p> <p><i>§ Geographical markets."</i></p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	Liberty Property Trust	General	<p>2. Recognizing that different REITs have considerably different building and tenant profiles, and very different material environmental impacts:</p> <p>While direct and indirect management is one of the most important considerations regarding a REIT's true ability to manage and reduce energy and water consumption, there are a number of other key considerations driven by the type of building and investment strategy of different types of real estate companies.</p>	<p>SASB acknowledges that there are numerous considerations that help inform and explain resource consumption metrics. The standard provides explicit guidance for several of these potential factors. For example, IF0402-01.04 states the following:</p> <p><i>"04 The registrant may choose to describe the variations in energy consumption data coverage, including the factors that influence it.</i></p> <ul style="list-style-type: none"> • <i>Variations in energy consumption data coverage may occur based on distinctions including, but not limited to, the following:</i> <ul style="list-style-type: none"> § <i>Base Building, Tenant Space, and Whole Building;</i> § <i>Energy purchased by the landlord and energy purchased by tenants;</i> § <i>Managed assets and indirectly managed assets; and</i> § <i>Geographical markets.</i> • <i>Relevant factors that influence energy consumption data coverage may include, but are not limited to:</i> <ul style="list-style-type: none"> § <i>Geographical markets and the applicable enabling or inhibiting laws, regulations, and policies within such markets, including those policies of utilities;</i> § <i>Administrative or logistical barriers to obtaining energy consumption data (e.g., lack of integration of utilities' data reporting systems);</i> § <i>Tenant demands around the privacy or proprietary nature of energy consumption data;</i> § <i>Property subsectors or other more nuanced classifications of property types;</i> § <i>Lease structures, including the length in time of leases, the terms applicable to the access of energy consumption data by the registrant, and the ability of the registrant to influence energy management performance of tenant spaces; and</i> § <i>The registrant's perception that its obtainment of tenant space energy consumption data may negatively impact tenant demand."</i> <p>Additionally, the relevant Discussion and Analysis metrics, IF0402-05, IF0402-09, IF0402-12, are intended to provide further supporting information to explain resource consumption, level of control, and management strategies.</p>

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				<p>Lastly, the standard recommends the disclosure of additional context, as appropriate. Please refer to the section of the standard titled, "Guidance on Accounting for Sustainability Topics."</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	Liberty Property Trust	Energy Management and Water Management	<p>- Beyond energy, what are universally material environmental impacts across building types? Some REITs build primarily industrial buildings, while others focus on commercial office, shopping malls, or health care facilities. Depending on the building type, energy will almost always be a material impact, but in many cases (even in water-stressed regions), water may not be a material impact (for example in warehouses, where the average water consumption may only be about three times the average American home). In the case of industrial buildings, waste generation and site selection are far more material than water consumption.</p>	<p>SASB Standards identify sustainability topics at an industry level, which may constitute material information— depending on a company’s specific operating context— for a company within that industry. SASB Standards are intended to provide guidance to company management, which is ultimately responsible for determining which information is material and should therefore be included in its Form 10-K or 20-F and other periodic SEC filings.</p> <p>SASB research revealed that Water Management is likely to constitute material information widely across the industry, though there is agreement that this topic may not be highly applicable to certain portions of the industry. SASB research did not reveal substantial evidence to indicate that disclosure related to Waste Management is likely to constitute material information.</p> <p>SASB will continue to research these and other topics and is receptive to additional input and resources that provide evidence in support (or against) inclusion of topics in the standard.</p>
IF0402	Liberty Property Trust	General - Comparability	<p>- Is it valuable to evaluate REITs of all building types as one group using the same metrics? As with many environmental impacts, it is difficult to analyze very different industries under the same set of criteria. A REIT that has heavy industry or hospitals as part of its portfolio will have an energy intensity that is a thousand times greater per sqft than a REIT whose portfolio is composed primarily of warehouses. Similarly a heavy industrial portfolio or one composed of primarily class A office space will have significantly more policies and programs to monitor and manage energy consumption than one with less operational control, or where energy or water costs are less than .1% of total operational costs. If at all possible, SASB (like GRESB) should look to develop different cohorts of real estate companies based not just on operational control, but also based on building type (and building mix, for diversified REITs like Liberty Property Trust). SASB has created subcategories in other industries like electronics, breaking out semiconductor manufacturing, electronics hardware, and other electronics into sub-categories with different material impacts. It may be worth exploring the</p>	<p>The standard is largely focused on disclosure broken down by property subsector, as defined by the FTSE NAREIT Classification System. This is applicable to the majority of the Accounting Metrics and Activity Metrics.</p>

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			creation of real estate subcategories based on the type of building each industry owns and manages.	
IF0402	Liberty Property Trust	General - Tenant Impacts	<p>- For industrial REITs, it may make more sense to assign responsibility for material environmental impacts to our tenants: In most industrial leases, tenants control the build out of their space use (often including mechanical systems and lighting, as well as production-related equipment) and the building owner has no access to the tenants' utility information (let alone the ability to drive energy efficiency in the facility. For reporting purposes, estate owners could remove all "indirectly managed" assets from their disclosure (beyond just reporting the total number of buildings and square footage), and encourage SASB to ensure that these properties are accounted for in the disclosure of the tenants of these properties (who have operational control for the duration of their lease). Alternatively because owners have some control over the physical asset in all leases, SASB standards could have tenants report on the operational impacts of these buildings for the duration of their lease, and building owners could report on the construction impact of the building (using LEED as a standard for new construction, for example).</p>	<p>The standard recognizes the prevalence of control and data access limitations throughout the industry, especially in certain property types. The metrics related to energy and water consumption and include all consumption for which there is data availability, regardless of whether such was consumed by the owner or tenant. SASB recognizes that there will likely be situations where there is a limited amount of data availability. The standard, however, allows for flexibility in reporting consumption data in more detailed structures as seen in IF0402-04.08, for example:</p> <p><i>"18 The registrant may choose to describe the variations in energy consumption.</i></p> <ul style="list-style-type: none"> <i>• Variations in energy consumption data coverage may occur based on distinctions including, but not limited to, the following:</i> <p><i>§ Base Building, Tenant Space, and Whole Building;</i></p> <p><i>§ Energy purchased by the landlord and energy purchased by tenants;</i></p> <p><i>§ Managed assets and indirectly managed assets; and</i></p> <p><i>§ Geographical markets."</i></p> <p>Lastly, SASB research revealed the importance of resource consumption as it relates to tenant demand, further warranting</p>

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				the inclusion of tenant resource consumption (when such data is available).

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IF0402	Liberty Property Trust	General	<p>3. Recognizing the positive impact REITs have had on disposed properties, and providing time to begin having an impact on acquired properties:</p> <p>Different real estate companies also have different investment strategies when it comes to their real estate portfolios. Some real estate companies operate with a strategy to acquire and hold real estate assets long-term, while others focus on either a "build and flip" or "fix and flip" strategy to develop or acquire real estate assets and then sell them for a profit as quickly as possible to other investors. For companies that develop or renovate real estate to make it more energy and water-efficient, it would be good to have some metric to measure the positive impact of their business on these dispositions, and be able to take "credit" for the positive environmental impacts of these properties against an industry baseline for more than one year after these dispositions are sold. It is our understanding that GRESB provides some credit in their rating system for up to three years for an ENERGY STAR or LEED-certified building that a REIT sells. The DOE Better Building Challenge gives you credit for GHG reductions for up to 5 years after you have sold a building. It should also be noted that it often takes more than a year to turn a "bad" building into a "good one – a rating system that penalizes companies for investing in less environmentally sustainable buildings and making them more efficient and sustainable creates a disincentive to pursue a strategy to improve existing buildings in favor of a strategy focused on new sustainable construction.</p>	<p>SASB aims to identify the minimum set of metrics that focus on the likely material aspect of the topic identified within the industry. Additionally, the standard recognizes the importance of management strategy and supporting context. The Discussion and Analysis metrics, including IF0402-05, IF0402-09, IF0402-12, are intended to provide guidance on disclosure around management strategy and context.</p> <p>Additionally, the standard provides general guidance on supporting context and supplemental information applicable to all metrics, as seen in "Guidance on Accounting for Sustainability Topics:"</p> <p><i>"As appropriate—and consistent with Rule 12b-206—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;</i> <p><i>and</i></p> <ul style="list-style-type: none"> • <i>Data for the registrant's last three completed fiscal years (when available)."</i>
IF0402	Liberty Property Trust	Water Management	<p>4. Requirements for reporting on water impacts could be simplified to increase disclosure and reduce reporting burden: While it is more important that real estate located in water-stressed regions reduce water consumption, it may be a logistical challenge to map all of a company's real estate holdings against WRI's Aqueduct on an ongoing basis, and to base water reporting on these (potentially fluid) water-stressed regions. An easier baseline for most companies to achieve will be to simply report on water consumption and efficiency by building, and leave the overlay analysis of buildings in water-stressed regions</p>	<p>SASB's aim is to provide a minimum set of relevant, cost-effective, decision-useful metrics. While additional disclosure on water consumption by building may allow investors greater flexibility in analyzing water scarcity risks, SASB's research indicates that the cost-effectiveness and decision-usefulness of disclosures is enhanced when performance metrics are aggregated at portfolio level. However, the standard allows for additional flexibility in disclosure when such is determined to be appropriate. Lastly, SASB research has revealed that WRI Aqueduct is an efficient tool that is consistent with the cost-effectiveness objective of the standard.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
			to local appraisers and others looking to evaluate the environmental impact, value, and risk of a particular property.	
IF0402	Liberty Property Trust	General - New Construction	<p>5. For REITs who develop their own properties, consider development-related sustainability disclosure recommendations: While REITs have little operational control over indirectly-managed assets, we do have the ability to build these assets as energy-efficiently and environmentally responsible as possible – Liberty Property Trust builds virtually all of our industrial buildings to LEED certification standards, and have done so for several years. REITs also often have control over external features that may have environmental impacts, including parking lots, landscaping, and outdoor and community lighting. It would be good for REITs to identify the elements of these properties that we can control (construction, landscaping, lighting) and report at least qualitatively on the steps we have taken within our control to reduce energy consumption and environmental impacts at these properties (and enable our tenants to do so as well). One consideration in developing construction-related sustainability standards would be to recognize that all REITs have some “build-to-suit” customer-driven construction projects – in these projects the REIT has much less operational control over development standards than when the REIT is independently managing construction.</p>	Metric IF0402-05 is intended to provide guidance around management strategy in terms of energy management. This explicitly includes guidance around new construction. Lastly, SASB is receptive to additional input and resources concerning the additional value of incorporating new construction versus the existing building stock explicitly into the metrics.

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IF0402	Liberty Property Trust	General	<p>6. Opportunities for other future material environmental impacts: Depending on the type of real estate, there may be other material impacts for specific subsets of the real estate industry. Identifying sub-sector material environmental impacts for real estate based on building type, average hold cycle of property, and predominant type of management (direct vs. indirect control) would be a beneficial evolution of SASB's analysis. Some potential material issues could include smart growth and greenfield vs. brownfield development, waste generation and recycling, and portfolio resilience/readiness for the long-term effects of climate change. For these metrics to be relevant, they should be based on a clearly defined set of science-based standards, and they need to focus on the environmental and social impacts that are under the operational control of the REIT and are material to the REITs business strategy, building type, and hold cycle.</p>	<p>SASB appreciates the additional input and potential new topic suggestions. SASB agrees that many of these topics warrant further research for potential inclusion, as determined by SASB's evidence-backed standards development process.</p>

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IF0402	National Association of Real Estate Investment Trusts	General	<p>This letter is submitted by the National Association of Real Estate Investment Trusts® (“NAREIT”) to provide comments, within the established Public Comment period, on SASB’s draft standards for Real Estate Owners, Developers & Investment Trusts. NAREIT is the representative voice for real estate investment trusts (REITs) and publicly traded real estate companies with an interest in U.S. real estate and capital markets. NAREIT’s members are REITs and other real estate businesses throughout the world that own, operate and finance commercial and residential real estate. NAREIT’s members play an important role in providing diversification, dividends, liquidity and transparency to investors through their businesses that operate in all facets of the real estate economy.</p> <p>REITs are generally deemed to operate as either Equity REITs or Mortgage REITs. Our members that operate as Equity REITs acquire, develop, lease and operate income-producing real estate. Our members that operate as Mortgage REITs finance housing and commercial real estate, by originating mortgages or by purchasing whole loans or mortgage-backed securities in the secondary market.</p> <p>A useful way to look at the REIT industry is to consider an index of stock exchange listed companies like the FTSE NAREIT All REITs Index that covers both Equity REITs and Mortgage REITs. This Index was comprised of 223 companies representing an equity market capitalization of \$939 billion at December 31, 2015. Of these companies, 182 were Equity REITs, representing roughly 94% of total U.S. stock exchange-listed REIT equity market capitalization (amounting to \$886 billion). The remaining 41 companies were stock exchange-listed Mortgage REITs with a combined equity market capitalization of \$52 billion.</p>	SASB thanks NAREIT for the time it has invested in engaging with the SASB standards development process, including the review of the standard and the preparation of a comment letter.
IF0402	National Association of Real Estate Investment Trusts	General	<p>Overview</p> <p>NAREIT is supportive generally of the Sustainability Accounting Standards Board’s (SASB) efforts to help improve sustainability-related reporting of material issues to investors. However, we do recognize and want to underline that the potential burden associated with this initiative may be substantial for some NAREIT corporate members and that NAREIT is therefore supportive of these proposed standards only in connection with disclosure of material issues as determined by the senior management of the disclosing companies.</p>	SASB thanks NAREIT for the general support and the constructive comments concerning reporting burdens and costs. SASB Standards identify sustainability topics at an industry level, which may constitute material information— depending on a company’s specific operating context—for a company within that industry. SASB Standards are intended to provide guidance to company management, which is ultimately responsible for determining which information is material and should therefore be included in its Form 10-K or 20-F and other periodic SEC filings.

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IF0402	National Association of Real Estate Investment Trusts	General	<p>Research Conducted</p> <p>In order to develop our response, NAREIT conducted a survey of its 290 corporate member companies. The survey contained basic questions on awareness and understanding of the proposed SASB standards, as well as the expected impacts to the member’s current operations. Additional outreach was conducted in the form of phone calls to a selected group of members to gather input on more detailed questions that could not easily be addressed in a survey. The feedback from the survey as well as the specific interview questions on the metrics of the standards were incorporated into the comments in this response.</p>	<p>SASB thanks NAREIT for the resources invested in surveying its corporate member companies to assist in the preparation of a comment letter.</p>
IF0402	National Association of Real Estate Investment Trusts	General - Materiality	<p>Materiality</p> <p>The issue of materiality is strictly a legal determination. Identification of disclosure topics that may be material to a reasonable investor is dependent on individual company issues that are identified by a company’s senior management and its board. Our current understanding of materiality is based on a the 1976 case, TSC Industries v. Northway, where it was stated “There must be a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the total mix of information made available (TSC Industries v. Northway, 426 U.S. 438, 439). That guidance is still applicable today. As such, we do not anticipate that the publishing of the SASB guidance will change the materiality requirement of disclosures, but instead will provide a potentially useful standardized format for the disclosures in the event that they are necessary. Therefore, we support consideration of the SASB standards as a potential approach in the event that the senior management in a REIT deems disclosure necessary.</p>	<p>SASB appreciates, and is in general agreement, with the views NAREIT expresses in connection with both materiality and the role of the SASB standards in the market. SASB Standards identify sustainability topics at an industry level, which may constitute material information— depending on a company’s specific operating context—for a company within that industry. SASB Standards are intended to provide guidance to company management, which is ultimately responsible for determining which information is material and should therefore be included in its Form 10-K or 20-F and other periodic SEC filings.</p>

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IF0402	National Association of Real Estate Investment Trusts	General - Comparability	<p>Tracking Relative Performance with Respect to Peers</p> <p>The stated goal of SASB is to provide a standardized format for publicly listed corporations in the U.S. to disclose material sustainability information to investors and the public. We believe the guidance and standards contained in SASB's draft standards for Real Estate Owners, Developers & Investment Trusts will likely provide a format that makes comparability between similar investments possible. However, wide adoption of SASB's standards and reporting based on its standards will be necessary to make these standards useful as intended due to the limitation in terms of availability of sector specific utility data for water and energy in the real estate industry. This lack of data includes both owners and individual tenants. The US Environmental Protection Agency (EPA) Energy Star® PortfolioManager® provides some insight but information that would make peer-to-peer comparisons available is limited and we believe not able to supply the type of data conducive to rigorous investor analysis. Further, even if the SASB standards are widely adopted by the industry, the measures contained in the standards will only allow some insight into the underlying operations in a portfolio, not data that is necessarily comparable on a company-to-company or asset-to-asset basis.</p>	<p>SASB appreciates the views expressed by NAREIT. SASB's mission is to identify sustainability topics at an industry level, which may constitute material information— depending on a company's specific operating context— for a company within that industry. SASB Standards provide companies with standardized sustainability metrics designed to communicate performance on industry level sustainability topics. When making disclosure on sustainability topics, companies can use SASB Standards to help ensure that disclosure is standardized and therefore decision-useful, relevant, comparable, and complete. The use of data proliferated by the standards in investment analysis may require adjustments, normalization, and other methods to increase comparability and the usefulness. Further information can be found in SASB's Conceptual Framework.</p>

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IF0402	National Association of Real Estate Investment Trusts	General	<p>Proposed Quantitative Accounting Metrics</p> <p>We note especially the recent revisions to the SASB standards that incorporate the Global Real Estate Sustainability Benchmark (GRESB) reporting metrics. SASB’s use of the GRESB methodology may substantially reduce the effort for some companies that are currently reporting using the GRESB framework. This alignment by SASB to one of the widely adopted benchmarks in the industry takes a significant step in the right direction for communicating material issues with investors that interact with our industry.</p> <p>Although we as an industry are relatively early in the development of this overall method of collecting and reporting property specific metrics in standard formats, GRESB’s current reporting already includes 707 participants with over 61,000 assets valued at \$2.3 trillion in property value (2015 GRESB Annual Report). While GRESB represents a widely adopted and logical choice for reporting of sustainability information to investors, we strongly suggest that SASB consider other benchmarks and standards as well.</p> <p>In terms of quantifying and reporting sustainability data, we must also keep in mind, though, that currently only 28% of stock exchange listed companies in the FTSE NAREIT All REITs Index produce a formal Corporate Sustainability (CSR) report. This leaves 72% of the Index with the need to develop internal methods and procedures to collect the energy and sustainability data required in the standard.</p>	<p>When formulating accounting metrics for its disclosure topics, SASB considers the existing body of reporting standards and industry initiatives, and it harmonizes and references existing metrics whenever possible. Alignment with existing data collection schemes helps to ensure that the SASB standards are cost-effective to use. To this end, in the provisional standard, SASB makes direct reference to the alignment or incorporation of the GRESB Real Estate Assessment in numerous metrics. This is in addition to alignment with other initiatives, methodologies, standards, and frameworks.</p>

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IF0402	National Association of Real Estate Investment Trusts	General - Cost-Effectiveness	<p>Costs</p> <p>While NAREIT is generally supportive of the efforts to improve transparency and financial reporting standards, the costs to collect and report the information could be significant for some NAREIT corporate member companies. In a recent survey conducted to develop our response, 78% of the respondents believed that they would need to implement new procedures or systems to report under SASB. For the companies with the least developed infrastructures for managing and reporting these metrics, the additional costs may include adding staff to manage and monitor performance as well as technology to capture and track the data. The additional costs could also include revising significant internal processes that may represent hurdles to near term adoption and use of the standards. In addition to the challenges relative to people and processes as well as management of the data, significant additional expenses related to upgrading physical plant(s) and the technology for the data collection may be necessary.</p> <p>Based upon their past projects, RealFoundations estimated that the costs for an average portfolio (containing 200 commercial assets) to implement a Utility Management System alone, which is capable of reliably managing and reporting this data, is likely to cost in excess of \$1 million to purchase and install. Depending on the organization's existing capabilities, annual operational expenses for data collection, normalization, monitoring and reporting related to operating the system should be expected to add an additional 20-40% of system purchase and installation costs on an annual basis.</p> <p>In addition, the capture of additional reportable tenant information could add substantially to these costs estimates. FASB BC3.47, contained in the Statement of Financial Accounting Concepts No.8 states, "Cost is a pervasive constraint that standard setters, as well as providers and users of financial information should keep in mind when considering the benefits of a possible new financial reporting requirement" (FASB, 2010, p. 31). The significant costs associated with the collection, third party validation and management of the data required to disclose the "investment grade" information to the investor community is likely to be a significant financial burden on some of our corporate member companies. We are not aware of a cost</p>	<p>Cost-effectiveness is a core objective of the SASB standards, and as a result, SASB highly values NAREIT's views and input on this issue. SASB acknowledges that there are costs associated with implementing the standards, though we seek to reduce corporate reporting burdens through the market acceptance of a market-based standard for the reporting of material sustainability information. Such reduced corporate reporting burdens may occur, for example, through the reduction of surveys, questionnaires, and general investor-solicitation of sustainability information. Additional information can be found in the SASB Conceptual Framework Exposure Draft: <i>"SASB STANDARDS ARE COST-EFFECTIVE FOR CORPORATE ISSUERS"</i></p> <p><i>SASB standards are designed to provide a cost-effective way for companies to disclose material, decision-useful sustainability information to investors. The SASB achieves this objective in two key ways:</i></p> <ol style="list-style-type: none"> <i>1. Because they focus on only those sustainability issues that are reasonably likely to have material impacts, the SASB standards identify the minimum set of topics for consideration in each industry, the majority of which are already addressed in SEC filings by many public companies in some fashion.</i> <i>2. A significant percentage of the metrics in the SASB standards are aligned with initiatives already in use. As part of its standards-development process, the SASB identifies and documents existing metrics and practices used to account for performance on each disclosure topic. When possible, the SASB harmonizes its standards with existing metrics, definitions, frameworks, and management disclosure formats, thereby minimizing the corporate reporting burden.</i> <p><i>Use of the SASB metrics may also mitigate the need for the costly and time-consuming questionnaires that investors, analysts, and ratings groups frequently use to obtain sustainability information."</i></p> <p>Additionally, when formulating accounting metrics for its</p>

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			<p>effective method of gathering and preparing this type of information for inclusion in financial disclosures.</p> <p>While costs may represent a barrier to adoption, there are significant challenges to gathering and preparing information for dissemination, including additional personnel that are likely needed to manage the information and disclosures related to the SASB standards. Even if costs were of limited concern, it is important to note that qualified personnel may not be readily available for all of the companies who may choose to add these disclosures to their filings. In the absence of readily available personnel, it is important to consider the training period that will be required for the personnel in our industry who will be involved in the regular management, reporting and audit of these areas, i.e., it could take years to develop a competent workforce.</p> <p>Additional costs and time related to the development of auditing processes and procedures to insure that the data is validated and reportable could represent an additional and significant challenge. These additional costs tied to validation of the reported data will likely be substantial and could pose a significant constraint.</p>	<p>disclosure topics, SASB considers the existing body of reporting standards and industry initiatives, and it harmonizes and references existing metrics whenever possible. Alignment with existing data collection schemes helps to ensure that the SASB standards are cost-effective to use.</p> <p>SASB will seek to further engage with NAREIT to better understand, analyze, and improve the cost-effectiveness of implementing the SASB standards.</p>

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IF0402	National Association of Real Estate Investment Trusts	General	<p>Benefits of Tracking and Reporting to the SASB Standard</p> <p>The primary benefit of SASB is the development of a standardized method to report material sustainability issues to the investor community. Currently, there are a number of reporting formats to publish material data related to energy, water, tenant sustainability and climate change impacts, but none of the current formats were developed specifically for use in SEC required financial disclosures.</p> <p>Other benefits of using SASB's standards to report material information may include access to new capital from "Green Funds" or from investors that use a structured approach to Environmental, Social and Governance (ESG) data analysis to allocate investment funds.</p> <p>We also recognize that active management of energy has shown an overall reduction of 3-5% of consumption annually by monitoring and validating consumption drivers at a property level (Siemens.com/Sitecontrols, 5). In addition, accurate cost and consumption data also improves budgetary guidance and overall operating costs through better procurement of energy.</p>	SASB appreciates the views of NAREIT and is in general agreement with the views expressed.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	National Association of Real Estate Investment Trusts	General	<p>Conclusion</p> <p>NAREIT generally supports development of standards for reporting issues that are material to investors in our industry. While wide adoption of the SASB standards are hoped to encourage peer-to-peer comparisons by investors, given that compliance with SASB standards is voluntary and not mandated by any governmental entity, we are unsure of how many of our corporate member companies will begin to use the standards in the near term.</p> <p>We are also supportive of the emergence of standardized metrics. As discussed in our comments above, we believe that the increased costs to report the metrics in a standardized format will be substantial for the majority our member companies. With that said, though, the overall benefits of having a standardized method to report material issues to investors could be substantial and could serve as a roadmap for companies to disclose this information in their required company financial reports.</p> <p>Since SASB’s standards are new, our overall recommendation to SASB is that it vigorously engage with the industry through NAREIT and others such as The Real Estate Roundtable during the provisional period for these standards. This type of engagement during this period should allow our members an opportunity to provide additional feedback resulting in further refinement of the standards. While we believe that the provisional standards may be slowly adopted for widespread use, the engagement with the industry at large will begin to give significant direction to the use of standardized reporting of material issues to investors.</p> <p>NAREIT would welcome the opportunity to discuss the views on the proposed standards expressed in this comment letter with the relevant members of SASB. If there are questions regarding this comment letter, please contact either one of us.</p>	<p>SASB appreciates the views of NAREIT and is in general agreement with the views expressed. SASB is continuing, and will continue to, deepen its engagement with the industry and seeks to work with key industry organizations, including NAREIT and the Real Estate Roundtable. Such industry consultation is designed to continue to drive improvements in the standard consistent with the core objectives around materiality, decision-usefulness, and cost-effectiveness.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	National Association of Real Estate Investment Trusts	General - Industry Description	<p>Industry Description</p> <p>SASB's current industry description for real estate contains language that states "...a wide range of segments within the real estate industry..." (Page 1, Paragraph 6), however it does not include specific directions on how to select a specific property type.</p> <p>We suggest the use of Property Sub Sector from the FTSE NAREIT Classification Structure to select a property type for reporting under this standard. The intent of selecting and identifying a single set of classifications is to avoid the proliferation of descriptions of property types that could emerge. The intent of using the FTSE NAREIT Classification Structure is to provide the registrant with a succinct list of possible property types that are currently well established within our industry. In addition, this classification structure is currently widely recognized and used by investors. These attributes should make information reported pursuant to the SASB standards more easily understandable by the public investment community and should make the SASB standards more useful to an individual investor for the purposes of comparison.</p>	SASB has revised the property classification system used by the standard to align with the FTSE NAREIT Classification System.
IF0402	National Association of Real Estate Investment Trusts	General - Timing	<p>Timing</p> <p>The general guidance states that "Unless otherwise specified, disclosures shall be for the registrant's fiscal year." (Page 7, Paragraph 4). Without additional guidance, the use of the fiscal year could be problematic for some companies that file 10K, 20F or other required documents. Accelerated and non-accelerated filers are required to issue their filings within 90 days of the end of their fiscal year (www.sec.gov/answers/form10k.htm). Some utilities can invoice as much as 90 days after the physical meter read date. In addition, it is common for utilities to use estimated meter data when actual data is not available. Adjusting the "Timing" guidance to align with the GRESB guidance in 24.1 (9) Estimates would be helpful to add clarification and simplification to the reporting guidance and would continue the theme of using GRESB's standards as additional guidance in SASB's document.</p>	Because this comment pertains to many industries for which SASB develops standards, we will seek to resolve it during the period of consultation initiated on April 6, 2016 and continuing through 2016 (http://www.prnewswire.com/news-releases/sasb-completes-provisional-standards-for-all-industries-of-the-economy-launches-next-phase-of-standards-development-300247229.html). Additionally, SASB will consider industry-specific norms in addressing the resolution of this issue. Such may include a review of how pre-existing industry initiatives, such as the GRESB Real Estate Assessment and ENERGY STAR®, approach the challenge.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	National Association of Real Estate Investment Trusts	Energy Management (IF0402-01)	<p>Tenant space information may not be available if it is separately metered and under a separate account that is not readily accessible to the building owner.</p> <p>Proposed Change</p> <p>.03 The registrant may choose to disclose the variation in energy consumption data coverage between:</p> <ul style="list-style-type: none"> • Base building and tenant space; • Base building; and/or • Energy purchased by the landlord and energy purchased by tenants; and/or • Managed assets and indirectly managed assets. <p>Reasoning Overview</p> <p>Our review of the proposed standards revealed that IFO402 -1, 2, 3, 7 and 8 contained the requirement to report on tenant use. Our reasoning for requesting a revision to the accounting metrics is stated below.</p> <p>Is supplying information on tenant space or spaces that are not part of the registrant's expenses a material issue to a reasonable investor?</p> <p>Our analysis is based on the Supreme Court's opinion in TSC v. Northway. This case is considered foundational in the establishment of the required company disclosures of material information. In that case, the court stated materiality as: "There must be a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the "total mix" of information made available" (TSC, 426 US 449).</p> <p>While an argument can be made that tenant electric costs may affect lease rates and therefore registrant property values, we believe that the lease rates are affected in a negligible way, if at all. Our reasoning for this is based on our observations that the tenant's specific activities and behaviors are the driving factor of the total utility use and expense. In addition, many other factors outside the building, such as local and regional utility rate structures, when combined with the lessee's consumption patterns, have the largest effect on tenant's electric / utility use. We therefore conclude that property rents at the portfolio level are affected in an unmeasurable and de minimis fashion and do</p>	<p>SASB has revised guidance to state the following:</p> <p><i>".03 The registrant may choose to discuss the comprehensiveness of data coverage if coverage variations by energy type exist (e.g., if a portion of floor area consumes electricity and natural gas and the registrant has energy consumption data coverage for electricity but not natural gas, the registrant does not have complete energy consumption data coverage but may choose to disclose the portion of total portfolio gross floor area with partial energy consumption data coverage).</i></p> <p><i>.04 The registrant may choose to describe the variations in energy consumption data coverage, including the factors that influence it.</i></p> <ul style="list-style-type: none"> • <i>Variations in energy consumption data coverage may occur based on distinctions including, but not limited to, the following:</i> <ul style="list-style-type: none"> § <i>Base Building, Tenant Space, and Whole Building;</i> § <i>Energy purchased by the landlord and energy purchased by tenants;</i> § <i>Managed assets and indirectly managed assets; and</i> § <i>Geographical markets.</i> • <i>Relevant factors that influence energy consumption data coverage may include, but are not limited to:</i> <ul style="list-style-type: none"> § <i>Geographical markets and the applicable enabling or inhibiting laws, regulations, and policies within such markets, including those policies of utilities;</i> § <i>Administrative or logistical barriers to obtaining energy consumption data (e.g., lack of integration of utilities' data reporting systems);</i> § <i>Tenant demands around the privacy or proprietary nature of energy consumption data;</i> § <i>Property subsectors or other more nuanced classifications of property types;</i> § <i>Lease structures, including the length in time of leases, the terms applicable to the access of energy consumption data by the registrant, and the ability of the registrant to influence energy management performance of tenant spaces; and</i> § <i>The registrant's perception that its obtainment of tenant space energy consumption data may negatively impact tenant demand."</i>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
			<p>not significantly affect the “total mix” of information disclosed to investors.</p> <p>Do the Benefits Outweigh the Costs?</p> <p>Commercial tenants are generally responsible for purchasing energy used within the leased space with no obligation to report consumption to their property owner. Therefore, collecting this information would be a change in practice that would be difficult to adopt. Additionally, since the practice is not widely used, challenges with gathering the data could include resistance from some tenants and would likely require an addition to the lease language. Even if it were possible to collect this information from the tenants, the utility usage would have to be assembled from different sources of data, including multiple electronic formats and paper copies.</p> <p>Residential tenants may or may not be responsible for purchasing utilities, however the challenges above, combined with the number of tenants would make an effort to assemble their information a difficult task at best.</p> <p>Since the practice of reporting third-party lessee utility data is not common in the real estate industry, generally no cost information related to assembling direct-billed third-party tenant utility data is available. We can, however, estimate that the costs associated with gathering 12 months of utility data, for many tenants of various levels of sophistication and styles of recordkeeping, could be problematic. In addition, distilling the information into a usable reporting format would likely require an extraordinary and cost prohibitive effort for any size real estate portfolio.</p> <p>Is the Information Decision Useful?</p> <p>Tenant usage is also likely to be difficult to use to compare from property to property due to tenant mix, making the information less than useful for investment analysis. For example, in a retail center, without controlling for the tenant mix, differences in individual tenants, tenant use patterns, regional variations in weather, etc., would make like-for-like comparisons difficult and would therefore result in data that could not be used to reliably benchmark and compare properties or portfolios.</p> <p>Conclusion</p> <p>The barriers to obtaining tenant usage information are significant in buildings where tenants pay for their own utilities. The costs</p>	<p>SASB acknowledges meaningful control limitations that occur throughout the industry to varying degrees. The SASB standard does not require total portfolio energy and water consumption data, but instead focuses on the energy and water consumption data that the issuer has access to. For example, this guidance is seen in IF0402-02.10:</p> <p><i>"10 The registrant shall disclose total energy consumption by the portfolio area for which there is energy consumption data coverage as an aggregate figure in gigajoules or their multiples, where:</i></p> <ul style="list-style-type: none"> <i>• Energy consumption data shall be disclosed by (1)(a) Base Building and (b) Tenant Space or (2) Whole Building, or a combination of these.</i> <i>• The scope includes all property area in the registrant’s portfolio for which there is energy consumption data coverage, regardless of whether energy is consumed by the Tenant Space or Base Building (including outdoor, exterior, and parking areas) and which party pays for energy expenses.</i> <i>• The scope excludes the portion of energy consumed by property area in the registrant’s portfolio for which energy consumption data is unavailable.</i> <p><i>§ If energy consumption data is not available for Tenant Space or Whole Building for a property but is available for the Base Building, then the registrant shall disclose this energy consumption data."</i></p> <p>Furthermore, SASB acknowledges that the financial impacts of energy (and water) performance of buildings may occur indirectly through tenant demand when the tenant is responsible for these resource costs. SASB research indicates that the resource efficiency of real estate is an important factor in tenant demand, and as a result, the standard does not exclude the resources consumed by tenants when they have financial responsibility. SASB will continue to seek additional input and evidence on this topic.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
			<p>to aggregate tenant information could be prohibitive and the information gleaned from these efforts would be of limited value to a reasonable investor due to the varying tenant-by-tenant usage patterns from property to property. Therefore, we suggest the addition of an option to report Base Building use only to the reporting standard. This addition will allow for the reporting of this information in multiple formats and will be conducive to having more companies adopt the standard for use in their disclosures.</p>	

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	National Association of Real Estate Investment Trusts	Energy Management (IF0402-01)	<p>Proposed Change</p> <p>We suggest the use of Property Sub Sector of the FTSE NAREIT Classification Structure to select a property type for reporting under this standard.</p> <p>Reasoning</p> <p>The intent of selecting and identifying a single set of classifications is to avoid the proliferation of descriptions of property types that could emerge. The intent of using the FTSE NAREIT Classification Structure is to provide the registrant with a succinct list of possible property types that are currently well established within our industry and one that is currently widely recognized and used by investors. Adoption by SASB of the FTSE NAREIT Classification Structure should provide a reporting structure that is easily understandable by the public investment community and should make the standards more useful to an individual investor for the purposes of comparison.</p>	SASB has revised the property classification system used by the standard to align with the FTSE NAREIT Classification System.
IF0402	National Association of Real Estate Investment Trusts	Energy Management (IF0402-02)	<p>Proposed Change</p> <p>.07 1) (a) Base Building and (b) Tenant Space or (2) Whole Building, or (3) Base Building, where...</p> <p>The base building language should also be incorporated throughout the standard including the standard description.</p> <p>Reasoning</p> <p>Tenant space information may not be available if it is separately metered and under a separate account that is not readily accessible to the building owner.</p> <p>Refer to the explanation on pages 7 and 8.</p>	Please see the above comment relating to the scope of energy and water disclosures, including the revised guidance and rationale.
IF0402	National Association of Real Estate Investment Trusts	Energy Management (IF0402-02)	<p>Proposed Change</p> <p>The current disclosure metric is gigajoules. Guidance throughout the section and other sections in the document refers to GRESB standards. We suggest that SASB change the reporting standard from gigajoules to megawatt hours.</p> <p>Reasoning</p> <p>In an attempt to avoid the proliferation of units of measurement used in reporting standards, we would suggest that SASB stay consistent with the GRESB standard and report in megawatt hours.</p>	The standard has retained gigajoules as the unit of measure for energy consumption. The SASB standards in all 79 industries use this unit of measure for energy consumption and consistency was maintained in this standard to enable cross-industry comparisons and analysis. SASB notes that the conversion of megawatt hours to gigajoules is a relatively simple and direct calculation.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	National Association of Real Estate Investment Trusts	Energy Management (IF0402-03)	<p>Proposed Change</p> <p>.18 The registrant shall disclose like-for-like change in energy consumption by either (1) (a) Base Building and (b) Tenant Space or (2) Whole Building or (3) Base Building.</p> <p>The base building language should also be incorporated throughout the standard including the standard description.</p> <p>Reasoning</p> <p>Tenant space information may not be available if it is separately metered and under a separate account that is not readily accessible to the building owner.</p> <p>Refer to the explanation on pages 7 and 8.</p>	Please see the above comment relating to the scope of energy and water disclosures, including the revised guidance and rationale.
IF0402	National Association of Real Estate Investment Trusts	Water Management (IF0402-06)	<p>Proposed Change</p> <p>.43 The registrant may choose to disclose the variation in water consumption data coverage between:</p> <ul style="list-style-type: none"> • Base building and tenant space; * Base building; • Water purchased by the landlord and water purchased by tenants; and/or • Managed assets and indirectly managed assets. • The definitions of base building, tenant space, purchased by landlord, purchased by tenant, managed assets, and indirectly managed assets are aligned with the GRESB Survey. <p>The base building language should also be incorporated throughout the standard including the standard description.</p> <p>Reasoning</p> <p>Tenant space information may not be available if it is separately metered and under a separate account that is not readily accessible to the building owner.</p> <p>Refer to the explanation on pages 7 and 8.</p>	Please see the above comment relating to the scope of energy and water disclosures, including the revised guidance and rationale.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	National Association of Real Estate Investment Trusts	Water Management (IF0402-07)	<p>Proposed Change</p> <p>.52 The registrant shall disclose water withdrawn by either (1) (a) Base Building and (b) Tenant Space or (2) Whole Building or (3) Base Building.</p> <ul style="list-style-type: none"> • Definitions of Base Building, Tenant Space, and Whole Building are aligned with the GRESB Survey. <p>The base building language should also be incorporated throughout the standard including the standard description.</p> <p>Reasoning</p> <p>Tenant space information may not be available if it is separately metered and under a separate account that is not readily accessible to the building owner.</p> <p>Refer to the explanation on pages 7 and 8.</p>	Please see the above comment relating to the scope of energy and water disclosures, including the revised guidance and rationale.
IF0402	National Association of Real Estate Investment Trusts	Water Management (IF0402-07)	<p>Proposed Change</p> <p>.54 The registrant may choose to disclose the variation in water withdrawals between:</p> <ul style="list-style-type: none"> • Water purchased by the landlord and water purchased by tenants; and/or • Water purchased by the landlord; and or • Managed assets and indirectly managed assets. <p>The water purchased by the landlord language should also be incorporated throughout the standard including the standard description.</p> <p>Reasoning</p> <p>Tenant space information may not be available if it is separately metered and under a separate account that is not readily accessible to the building owner.</p> <p>Refer to the explanation on pages 7 and 8.</p>	Please see the above comment relating to the scope of energy and water disclosures, including the revised guidance and rationale.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	National Association of Real Estate Investment Trusts	Water Management (IF0402-08)	<p>Proposed Change</p> <p>.57 The registrant shall disclose like-for-like change in water consumption by either (1) (a) Base Building and (b) Tenant Space or (2) Whole Building or (3) Base Building. The base building language should also be incorporated throughout the standard including the standard description where appropriate.</p> <p>Reasoning</p> <p>Tenant space information may not be available if it is separately metered and under a separate account that is not readily accessible to the building owner.</p> <p>Refer to the explanation on pages 7 and 8.</p>	Please see the above comment relating to the scope of energy and water disclosures, including the revised guidance and rationale.
IF0402	National Association of Real Estate Investment Trusts	Water Management (IF0402-08)	<p>Proposed Change</p> <p>.62 The registrant may choose to disclose the variation in water consumption data coverage between:</p> <ul style="list-style-type: none"> • Water purchased by the landlord and water purchased by tenants; and/or • Water purchased by the landlord; and or • Managed assets and indirectly managed assets. <p>Reasoning</p> <p>Tenant space information may not be available if it is separately metered and under a separate account that is not readily accessible to the building owner.</p> <p>Refer to the explanation on pages 7 and 8.</p>	Please see the above comment relating to the scope of energy and water disclosures, including the revised guidance and rationale.

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	National Association of Real Estate Investment Trusts	Water Management (IF0402-09)	<p>Proposed Change</p> <p>.65 The registrant shall discuss, where applicable, risks to the availability of adequate, clean water resources.</p> <ul style="list-style-type: none"> • Relevant information to provide includes, but is not limited to: <ul style="list-style-type: none"> § Environmental constraints, such as operating in water-stressed regions, drought, interannual or seasonal variability, and risks due to the impact of climate change. § External constraints, such as volatility in water costs, stakeholder perceptions and concerns related to water withdrawals (e.g., those from local communities, non-governmental organizations, and regulatory agencies), direct competition with and impact from the actions of other users (commercial and municipal), and restrictions to withdrawals due to regulations, and the ability to obtain and retain water rights or permits. § How risks may vary by withdrawal source, including wetlands, rivers, lakes, oceans, groundwater, rainwater, municipal water supplies, or supply from other water utilities all sources of withdraw. <p>Reasoning</p> <p>In the second bullet beginning with "External constraints," we believe that stakeholder perceptions and impacts from other users are not easily ascertainable. The inclusion of this set of details could result in the material misstatement by omission or other issues related to gathering this type of information.</p> <p>In the third bullet beginning with "How risks may vary..." we believe that the excess language should be removed for simplification.</p>	<p>The guidance was revised to state: <i>"Relevant information to provide <u>may</u> include, but is not limited to..."</i> The purpose of this revision was to explicitly state that the list of issues that follows <u>may</u> be relevant to individual issuers, and thus warrant disclosure, as determined by management.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	National Association of Real Estate Investment Trusts	Management of Tenant Sustainability Impacts (IF0402-10)	<p>Proposed Change</p> <p>.72 The scope of disclosure includes all of the properties in the registrant’s portfolio that were newly leased during any part of the last fiscal year, and for which the associated lease was executed between the registrant and the tenant.</p> <p>Reasoning</p> <p>Our understanding of .72 is that it narrows the scope of disclosure to only include new leases in the registrant’s portfolio that were executed during the last fiscal year. If the intention of the language was to include all leases in the registrant’s portfolio, we would ask that the section be rewritten to include only new leases; as the lease abstraction costs to inventory an entire portfolio for these types of clauses could be excessive. This approach of only including the new leases signed in the last fiscal year would help the industry capture this information during the normal leasing process.</p>	<p>The metric scope (and wording) has been revised to explicitly state that it applies to newly leased floor area: "IF0402-10. Percentage of <u>new leases</u> that contain a cost recovery clause for resource efficiency-related capital improvements and associated leased floor area, by property subsector." Additionally, the technical protocol has been revised to clarify this revised scope as seen below:</p> <p><i>".77 The percentage shall be calculated as the <u>total portfolio newly leased floor area</u> associated with leases that contain a cost recovery clause for resource efficiency-related capital improvements divided by total portfolio newly leased floor area..."</i></p>
IF0402	National Association of Real Estate Investment Trusts	Management of Tenant Sustainability Impacts (IF0402-12)	<p>Proposed Change</p> <p>.83 The registrant may include a discussion of its approach to third-party initiatives concerning green leases, including, but not limited to, the registrant’s support of such initiatives, the use of the frameworks provided by such initiatives, and participation in associated programs.</p> <ul style="list-style-type: none"> • The registrant may disclose whether such green lease principles are integrated into its lease contracts with tenants regardless of the use of the terminology “green lease” and the origins of such lease principles. <p>Reasoning</p> <p>Not all of the lease formats listed will be applicable to all of the members of the industry. In addition, the industry generally does not have the required information to determine if “green lease principals” are incorporated into the leases because these type of lease terms would not have been captured in historical lease abstraction efforts. The lease abstraction costs to inventory an entire portfolio for these types of principals could be difficult and the costs excessive; and the likelihood of results that could be used for even a general statement uncertain at best.</p>	<p>The disclosure guidance is intended to provide information of the issuer’s current and active efforts associated with third-party green lease initiatives. SASB acknowledges that not all of the lease formats are applicable throughout the entirety of the industry. However, SASB research indicates that standardized guidance around the issuer’s current and active efforts on this issue may provide useful information concerning management strategies and efforts to adopt or leverage the abundance of third-party work in this space. The guidance does not place an expectation of an analysis of the entire inventory of leases, but rather focuses on the current and active management strategies and efforts.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	National Association of Real Estate Investment Trusts	Climate Change Adaptation (IF0402-13)	<p>Proposed Change</p> <p>.86 The registrant shall disclose the total floor area of properties, as a percentage of total floor area, that are located in special flood hazard areas, where:</p> <ul style="list-style-type: none"> • The total portfolio floor area is defined as the total leasable floor area of all properties in the registrant’s portfolio. • FEMA Special Flood Hazard Areas (SFHA) are defined as land areas covered by the floodwaters of the base flood on National Flood Insurance Program (NFIP) maps. An SFHA is an area where the NFIP’s floodplain management regulations must be enforced and where the mandatory purchase of flood insurance applies. The SFHA includes Zones A, AO, AH, A1-30, AE, A99, AR, AR/A1-30, AR/AE, AR/AO, AR/AH, AR/A, VO, V1-30, VE, and V. Examples of Special Flood Hazard Areas include coastal floodplains, floodplains along major rivers, and areas that will be inundated by an event that has a one-percent chance of being equaled or exceeded in any given year (i.e., the 100-year floodplain). <p>The percentage of total floor area language should also be incorporated where appropriate throughout the standard including Table 1 on page 10 of the standard.</p> <p>Reasoning</p> <p>The addition of “as a percentage of total floor area” and the resulting change in the unit of measure table is to maintain consistency with the Energy and Water Management standards that use this measure. The second change in the “FEMA Special Flood Hazard” section represents a minor clarification.</p>	<p>The metric’s unit of measure has been retained as total leasable floor area, rather than a percentage based on floor area. SASB acknowledges that the information provided by IF0402-13 is only a minimum starting point for further analysis of climate change-related exposures. As a result, SASB sought to indicate that the mere use of percentages of portfolio floor area is likely to be an inadequate use of such data for comparability and analysis. Instead, retaining a focus on the aggregate floor area in FEMA Special Flood Hazard Areas is seen to more likely lead a data-user to explore and analyze property areas in more detail, including the specific risks and risk mitigation techniques deployed by the issuer.</p> <p>Additionally, the SASB standard contains Activity Metric IF402-B, “Leasable floor area, by property subsector,” which is provided to allow for a user of the disclosure to obtain this information as a percentage.</p> <p>SASB seeks additional input and evidence on this topic to further improve decision-usefulness, comparability, and the incorporation of the complexities associated with climate change-related risks and risk mitigation methods.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	National Association of Real Estate Investment Trusts	Climate Change Adaptation (IF0402-14)	<p>Proposed Change</p> <p>.88 The registrant shall discuss the risks and/or opportunities that are presented to its portfolio by climate change scenarios, including, where relevant:</p> <ul style="list-style-type: none"> • Identification of the risks presented by climate change, including, but not limited to, availability of water, extreme weather events and evolving regulation and legislation. impacts on regional infrastructure, impacts on local economies and populations, regardless of the impact of physical risks presented to the registrant’s portfolio. • Discussion of the scenarios used to determine the risks and opportunities presented by climate change. • Discussion of how such scenarios will manifest (e.g., effects directly on the registrant or effects on the registrant’s tenants). • The timeline over which such risks and opportunities are expected to manifest. <p>Reasoning</p> <p>We suggest the elimination of “...impacts on regional infrastructure, impacts on local economies and populations, regardless of the impact of physical risks presented to the registrant’s portfolio” because we do not feel that these topics are understandable, reportable or meet the threshold of material information for disclosure.</p> <p>We suggest the elimination of the “Discussion of the scenarios used to determine the risks...” and “Discussion of how such scenarios will manifest...” and “The timeline over which such risks and opportunities are expected to manifest...” because these three suggested topics ask for subjective speculation of how a future event may affect a respondent’s portfolio. In addition, we feel that the remaining language adequately identifies the risks presented by climate change and allows the respondent to discuss the risks in a format that is focused and objective.</p>	<p>SASB has generally retained the language as is, based on the potential applicability of these issues. SASB points out that the guidance states that disclosure on these issues shall be provided “where relevant.” Management that does not view the discussion of these risks and opportunities as relevant may not provide discussion in all of these areas, including these areas that NAREIT recommended excluding.</p>

Industry SICS number	Name and/or Affiliation of Respondent	Topic (Metric Code)	Comment Excerpts	SASB Response
IF0402	Real Estate Roundtable	General	<p>On behalf of The Real Estate Roundtable, I am pleased to submit these comments on SASB’s October 2015 Exposure Draft Standards for Real Estate Owners, Developers & Investment Trusts, and Real Estate Services (“Draft Standards”). This letter incorporates by reference the comments we previously submitted on June 23, 2015, as part of a coalition with other real estate companies and associations (“June 23 Letter”).</p> <p>The Roundtable’s members are involved in every aspect of real estate ownership, development, management, services, and brokerage, spanning all asset-types of income-producing properties. In the United States and abroad, we represent billions of square feet of health care, industrial, office, retail, storage, and mixed-use properties; millions of residential and apartment units; and millions of hotel rooms.</p>	SASB thanks the Real Estate Roundtable for the time it invested in preparing a comment letter.
IF0402	Real Estate Roundtable	General	<p>As we previously explained: “Our industry has been the subject of numerous third-party efforts to define and direct sustainability-related investments and practices. We have created our own successes in developing and implementing replicable, cost-feasible corporate programs to meet the demands of building tenants, occupants and investors.”¹</p> <p>The companies we represent are among the first adopters of sustainability “labeling” platforms that have proliferated in the past decade. The Roundtable’s long standing policy is to avoid picking “winners and losers” among the various voluntary rating programs that compete for fee-based subscriptions and other resource commitments from our members. Rather, market participants must decide the success or failure of such programs. We appreciate this opportunity to further guide SASB’s efforts in creating more options for real estate firms to report environmental, social, and governance (“ESG”) information that investors may deem “material.”</p>	SASB acknowledges the numerous third-party efforts related to sustainability in the real estate industry and thanks the Real Estate Roundtable for engaging with the SASB standards development process.

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IF0402	Real Estate Roundtable	General - Alignment	<p>(1) References to the Global Real Estate Sustainability Benchmark (GRESB)</p> <p>A key point from our June 23 Letter encouraged closer scrutiny of other sustainability rating and disclosure platforms that have preceded SASB's entry into this space. Real estate stakeholders have a track record of understanding and implementing ESG metrics and tools that are already tested in the marketplace. We urged SASB to:</p> <p>"[C]arefully consider the questionnaires, surveys, and other information-gathering efforts administered by platforms such as the Global Real Estate Sustainability Benchmark (GRESB); the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative; the Commercial Building Energy Consumption Survey (CBECS) of the U.S. Energy Information Administration; the Carbon Disclosure Project (CDP); the Investor Confidence Project (ICP) of the Environmental Defense Fund (EDF); and the Urban Land Institute/Greenprint Center for Building Performance."²</p> <p>The Roundtable reiterates that SASB's Standards should not create new metrics for reporting and measuring ESG risks where existing sustainability platforms cover the same ground. The Draft Standards (when finalized) are not likely to gain traction if they impose more resource burdens without added incremental benefits—especially where corporate executives, sustainability departments, and hired consultants have already been socialized to implement pre-existing platforms that respond to their investors' needs.</p> <p>At the same time, some of our members are concerned that the Draft Standards reference GRESB to such an extent that SASB could be construed as promoting GRESB compliance. For example, the Owners' Draft Standard is replete with the following statement:</p> <p>"XX. The underlying technical approach ... <i>shall be consistent</i> with GRESB Survey Qxx.</p> <ul style="list-style-type: none"> • The registrant <i>shall consider</i> the GRESB Survey <i>as a normative reference</i>, thus any updates made year-on-year <i>shall be</i> considered updates to this guidance." 	<p>When formulating accounting metrics for its disclosure topics, SASB considers the existing body of reporting standards and industry initiatives, and it harmonizes and references existing metrics whenever possible. Alignment with existing data collection schemes helps to ensure that the SASB standards are cost-effective to use. To this end, in the provisional standard, SASB makes direct reference to the alignment or incorporation of the GRESB Real Estate Assessment in numerous metrics. This is in addition to alignment with other initiatives, methodologies, standards, and frameworks.</p> <p>The provisional standard has made significant revisions to clarify the references to the GRESB Real Estate Assessment. The guidance is intended to align with GRESB to the maximum extent possible, given GRESB's relatively widespread adoption in the industry, while simultaneously not requiring or compelling issuers to complete the GRESB assessment nor participate in the GRESB assessment. While SASB engages with GRESB to improve alignment, the SASB standard is independent from GRESB. As a result, the previous reference concerning "the underlying technical approach" has been removed from the standard where it occurred. While the standard continues to directly reference GRESB for alignment and definitional purposes, the standard should not be viewed as based on GRESB, and as a result guidance does not generally rely on the technical approach established by GRESB. The technical approach is defined in the technical protocol that accompanies each metric in the standard.</p>

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			<p>With respect, there is tension in how this statement may be read. The first sentence plainly states that SASB’s approach for compliance “shall be consistent” with pertinent GRESB survey questions. The bulleted sentence then denotes GRESB Survey is a “normative reference” (we assume to further consistency in reporting)—but one that “shall” be considered. A SASB registrant could read these statements to believe (s)he must be guided by GRESB’s methods and does not have an option to consider other sustainability reporting platforms.³</p> <p>We recognize that GRESB is a widely adopted tool. We wholly support our members who opt to use it to gauge their performance and reputations as leaders in sustainability. Likewise, we respect the decisions of our members who elect not to use GRESB, and may employ other metrics to quantify and report ESG performance and risks. The Roundtable accordingly recommends that SASB clarify and make available compliance opportunities for firms that pursue means other than GRESB to evince their corporate commitments to sustainability.</p> <p>Further, GRESB is an evolving, iterative platform. It is possible (and, indeed, has been the case) that Roundtable members presently satisfied with GRESB’s approach may entertain different perspectives in subsequent cycles. SASB should not change automatically with GRESB, but rather should review GRESB changes before adopting them as elements of the Real Estate Owners and Services Standards. Otherwise, we are concerned that SASB could be perceived as farming-out development of its own standards to GRESB. To the extent that SASB identifies GRESB as a truly “normative reference” going forward, SASB should explain how its processes and Standards may adapt to capture input from real estate companies whether or not they are involved in shaping GRESB’s current or future rating system.</p> <p>Our June 23 Letter cautioned against SASB’s direction in its initial research briefs and industry questionnaires, showing a “preoccupation” for LEED ratings.⁴ We appreciate that SASB took this advice to heart; the Draft Standards allow for</p>	

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			<p>consideration of, but are not so focused on, LEED assets. We submit the same approach is required for GRESB. In the next phase of the Standards' development, we request an approach for SASB compliance that projects more inclusiveness for real estate companies that opt not to use GRESB.</p> <p>The Draft Standards themselves suggest a possible "fix" that SASB may wish to consider. SASB offers rules of construction to interpret the terms "shall," "should" and "may" in the Draft Standards.⁵ A solution may be to simply swap "shall" with "may" in the context of all GRESB references, as follows:</p> <p>"XX. The underlying technical approach ... shall <i>may</i> be consistent with GRESB Survey Qxx.</p> <ul style="list-style-type: none"> • The registrant shall <i>may</i> consider the GRESB Survey as a normative reference, thus any updates made year-on-year shall <i>may</i> be considered updates to this guidance." <p>2 Id., pp. 7-8.</p> <p>3 Indeed, SASB itself construes the word "shall" to denote a "requirement" as opposed to simply "guidance" that is "recommended." See infra note 5.</p> <p>4 The June 23 Letter (at p. 2) stated that "SASB appears preoccupied with select ratings, LEED ratings in particular." We expressed concern that such a predominant focus on LEED-rated buildings, which overwhelmingly apply to new construction, would "de-emphasiz[e] those assets where strides in sustainability can be the greatest—namely, the existing buildings stock."</p> <p>5 Both the Owners and Services Draft Standards provide (each at p. 8): "The term 'shall' is used throughout this document to indicate those elements that reflect requirements of the Standard. The terms 'should' and 'may' are used to indicate guidance, which, although not required, provides a recommended means of disclosure." (Emphasis supplied.)</p> 	

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IF0402	Real Estate Roundtable	Energy Management and Water Management (IF0402-03 and IF0402-08)	<p>(2) "Like-for-like" Data Collection As aligned with applicable GRESB survey questions, the Owners Draft Standard provides that SASB registrants "shall calculate" annual percentage change in total energy and water consumption on a "like-for-like basis."⁶ While "like-for-like" is defined to align with the GRESB model, SASB should clarify whether or not registrants should submit normalized consumption data. We would like to gain a greater understanding of SASB's intent on the appropriateness to collect normalized data, because annual energy and water usage is driven by external factors (such as weather, location, occupancy, computers per capita, etc.) Regionally specific challenges (like extreme weather events, drought conditions, access to potable water, etc.) can also have a major impact on resource consumption and significantly affect year over year metrics at the asset and portfolio levels. Just as EPA's ENERGY STAR program scores buildings based on normalized data, SASB should clarify that registrants may report normalized sustainability-related data.</p> <p>Additionally, with regard to collection of water consumption data, some communities may only bill such data once a year or on some other infrequent basis that does not align with the SASB reporting period. In finalizing its standard, we thus request that SASB remain sensitive to a time lag in recording and reporting actual water usage relative to its reporting deadlines.</p>	<p>The SASB standards generally focus on absolute performance as opposed to normalized data. SASB acknowledges that normalization is a complex, yet important issue that is often necessary to incorporate data into investment analysis. There is no objectively correct approach to normalization, and as a result, the data proliferated by the standard allows the data-user to normalize and adjust the data as is done with, for example, financial accounting metrics. SASB's standards contain so-called activity-level metrics that are non-financial measures of the scale of business activity and/or operations. Users may find these metrics useful as normalization factors when interpreting disclosure to SASB standards. Further, preparers may wish to present normalized data in addition their disclosure to the SASB metric if they feel that this provides the appropriate context in which to interpret their disclosure.</p> <p>In regards to the like-for-like change in energy consumption metric, IF0402-03, the standard additionally provides the following guidance concerning normalization: <i>"27 The registrant may choose to additionally present like-for-like change in energy consumption on a normalized basis.</i> • <i>Normalization factors and methodologies may include, but are not limited to, the following which are presented in the 2016 GRESB Real Estate Assessment Reference Guide:</i> <i>§ Occupancy rate;</i> <i>§ Footfall;</i> <i>§ Operational hours;</i> <i>§ Weather conditions;</i> <i>§ Degree days;</i> <i>§ Air conditioning and/or natural ventilation;</i> <i>§ Building age; and/or</i> <i>§ Other.</i> • <i>If the registrant chooses to additionally disclose normalized "like-for-like" change in energy consumption, the registrant shall provide a brief description of the normalization factor and methodology or its use of a third-party methodology (e.g., "Weather Normalized Energy" as provided by ENERGY STAR Portfolio Manager®).</i>"</p>

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				<p>SASB acknowledges timing issues associated with utility bills. SASB seeks additional industry input associated with this issue in order to provide guidance intended to address such concerns.</p>

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IF0402	Real Estate Roundtable	Energy Management (IF0402-04)	<p>(3) Reporting on Building Certifications The Owners and Services Draft Standards include metrics for reporting on building ratings and certifications, which again refer to the GRESB survey.⁷ We would support a SASB standard that aligns with GRESB and encourages reporting that distinguishes between certificates for on-going operations in an occupied building, compared to ratings for new construction with performance-modeled design objectives. However, we request the ability to supplement this reported data with an explanation of the barriers that may make it impractical or infeasible to obtain building ratings or certificates for certain assets.⁸ Additionally, where real estate companies decide to obtain ratings (such as ENERGY STAR or LEED) for asset(s) in their portfolios, it is typically the case that such assets are not rated every year but on some other interval. We accordingly recommend SASB's subsequent standard expressly encourage registrants to explain time periods in which they may pursue building ratings.</p> <p>7 Owners Draft Standard, p. 16; Services Draft Standard, pp. 12-13. 8 The June 23 Letter (pp. 5-8) identifies some of the regulatory, economic and other barriers beyond the control of real estate owners, developers and service providers that frequently inhibit greater uptake in corporate sustainability projects.</p>	<p>The guidance that accompanies the metric associated with ENERGY STAR® certifications, IF0402-04, includes the following: <i>"34 The registrant may exclude from the scope the property area that is ineligible to receive an energy rating or certification based on the property subsector, location (e.g., located in a region in which energy ratings are not a commercially available service), or other specific use characteristics."</i></p> <p>In addition, the general guidance for the standard includes the following that is intended to encourage supporting context and information that further explains performance on the metrics: <i>"Guidance on Accounting for Sustainability Topics For each sustainability topic included in the Real Estate Owners, Developers & Investment Trusts Industry Sustainability Accounting Standard, SASB identifies accounting metrics. SASB recommends that each company consider using these sustainability accounting metrics when preparing disclosures on the sustainability topics identified herein; As appropriate—and consistent with Rule 12b-206—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;</i> <p><i>and</i></p> <ul style="list-style-type: none"> • <i>Data for the registrant's last three completed fiscal years (when available)."</i> <p>Supporting context may include the existence of barriers that make ratings and certifications impractical or infeasible.</p>

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				<p>In addition, the relevant Energy Management Discussion and Analysis metric, IF0402-05, includes the following language intended to provide further guidance around management strategy and the variety of energy certifications:</p> <p><i>"40 The registrant shall discuss its strategies relating to energy ratings, benchmarking, and certifications, including their impact on tenant demand within the registrant's target market(s); their relevance to the property types in its portfolio, such as the subsector(s), locations, and construction (new versus existing stock); and the costs and benefits associated with obtaining and maintaining an energy rating, benchmark, and certification.</i></p> <ul style="list-style-type: none"> <i>• If applicable, the registrant shall discuss whether it prefers certifications that are based on ongoing performance (e.g., ENERGY STAR®) or those based on performance-modeled design objectives."</i>

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IF0402	Real Estate Roundtable	Water Management (IF0402-06 and IF0402-07)	<p>(4) Accounting Metrics for Water-Stressed Regions As explained above in section (2), disclosure of “normalized” data—such as a building’s location—should be a key element of SASB’s reporting methods. In this regard, we agree that a registrant should disclose whether its assets and portfolios are located in water-stressed regions as part of any water consumption disclosures.⁹ However, we respectfully request more information on why SASB selected the World Resources Institute’s “Water Risk Atlas” tool as the “sole source” to determine water-stressed regions. We request further explanation from SASB and suggest analysis of federal government tools like the “drought portal” administered by the National Integrated Drought Information Systems,¹⁰ and recommend SASB consult with agencies like the National Oceanic and Atmospheric Service¹¹ and U.S. Geological Survey before finalizing its Standards.¹²</p> <p>9 Owners Draft Standard, p. 19. 10 See www.drought.gov. 11 See https://www.ncdc.noaa.gov/temp-and-precip/drought/recovery/. 12 See http://www.usgs.gov/water/.</p>	<p>SASB research has revealed that WRI Aqueduct is a widely used tool developed by the World Resources Institute. The tool was developed in a multi-year effort and is based on a publicly-available, peer reviewed methodology. Numerous other SASB standards incorporate WRI Aqueduct for the purposes of providing an indicator of water scarcity. SASB acknowledges that water scarcity is a complex topic. Performance on the metric is intended to be viewed as a starting point for assessing potential water scarcity risks, as actual risks, as well as risk mitigation methods are complex and vary widely. SASB seeks additional input and resources based on measuring water scarcity and continues to conduct further research on this issue.</p>

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IF0402	Real Estate Roundtable	Climate Change Adaptation (IF0402-13)	<p>(5) Accounting Metrics for Climate Change Adaptation The Roundtable respectfully suggests that SASB has more work to do regarding accounting metrics for "Climate Change Adaptation." The only metric proposed in the Draft Owners Standard is whether or not properties are located in Special Flood Hazard Areas ("SFHAs"), as defined by the Federal Emergency Management Agency ("FEMA") (or foreign equivalents).¹³ It strikes us as too simplistic to suggest that the built environment's resiliency to climate change is solely determined by whether a property is located in a FEMA-defined SFHA, and thus must obtain flood insurance under the National Flood Insurance Program ("NFIP").¹⁴</p> <p>The Roundtable would benefit from a greater understanding as to whether SASB explored other metrics for climate change adaptation. As one suggestion, we recommend that SASB assess the Community Rating System ("CRS"), which is a voluntary incentive program that recognizes and encourages community floodplain management activities that exceed minimum NFIP requirements.¹⁵ Communities with higher CRS ratings may offer more competitive flood insurance premiums to property owners, which could be "material" to investors. SASB may also wish to conduct research regarding the implementation of the Clean Power Plan (CPP) administered and implemented by the U.S. Environmental Protection Agency in coordination with state energy offices, as part of federal efforts to address climate change by regulating carbon emissions from coal-fired power plants.¹⁶</p> <p>13 Owners Draft Standard, p. 29. 14 See, e.g., https://www.floodsmart.gov/floodsmart/pages/faqs/what-is-a-special-flood-hazard-area.jsp. 15 See https://www.fema.gov/national-flood-insurance-program-community-rating-system. 16 See http://www.epa.gov/cleanpowerplan/clean-power-plan-existing-power-plants.</p>	<p>SASB acknowledges that real estate portfolio risks related to climate change and extreme weather events is a complex topic. Performance on the metric related to FEMA Special Flood Hazard Areas, IF0402-13, is intended to be viewed as a starting point for assessing potential climate change risks, as actual risks, as well as risk mitigation methods are complex and vary widely. SASB has explored the use of the Community Rating System. Though the program is a potentially relevant risk (or cost) reduction method, SASB's research did not reveal that the incorporation of an additional data point associated with the program would increase the decision-usefulness of the metric, while potentially adding costs to implementing the standard. However, the guidance provided in the standard encourages supporting context and information that may help explain performance or better inform users of management strategy, as seen below:</p> <p><i>"Guidance on Accounting for Sustainability Topics</i> <i>For each sustainability topic included in the Real Estate Owners, Developers & Investment Trusts Industry Sustainability Accounting Standard, SASB identifies accounting metrics. SASB recommends that each company consider using these sustainability accounting metrics when preparing disclosures on the sustainability topics identified herein;</i> <i>As appropriate—and consistent with Rule 12b-206—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;</i> <p><i>and</i></p> <ul style="list-style-type: none"> • <i>Data for the registrant's last three completed fiscal years (when available)."</i> <p>SASB seeks additional input and resources based on measuring</p>

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				climate change-related risks and continues to conduct further research on this issue.

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IF0402	Real Estate Roundtable	General	<p>(6) The “business case” for cost-effective sustainability programs Finally, the June 23 Letter explained The Roundtable’s perspective that: Our investors and shareholders do not demand ESG projects at any cost, or without regard to cost. Sustainability programs in the real estate sector can be expensive and difficult to finance. They must be undertaken in a manner that avoids disrupting the lives and livelihoods of the businesses and customers who own and occupy buildings. They must be grounded in business fundamentals that assess returns on investment, net present value, and internal rates of return.¹⁷</p> <p>We do not believe that the Draft Standards adequately address this “business case” theme. The processes our members undertake to justify the costs of sustainability platforms is, by its very nature, grounded in quantifiable metrics that communicate corporate financial performance that investors would deem “material.” The Roundtable thus recommends that any forthcoming final SASB standards should give Owners and Service Providers the chance to explain and disclose decision-useful financial criteria that underpin sustainability investment decisions (such as calculations for pay-back, return on investment, net present value, and internal rate of return).</p> <p>17 June 23 Letter, p. 8.</p>	<p>SASB’s standards setting process has two central objectives: (1) to identify the sustainability issues that are likely to constitute material information for a company in a given industry and (2) to determine the best metrics that allow investors to assess a company’s performance concerning that issue. SASB standards follow the U.S. Supreme Court’s definition of material information, defined as presenting “a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the ‘total mix’ of the information made available.” This definition of materiality has a singular and unwavering focus on the reasonable investor’s decision to buy, sell, or hold a security. However, SASB acknowledges that only companies can make the determination as to what constitutes material information for the company at a given point of time; SASB standards can provide guidance for that process. It is with this focus on materiality that we assess issues based on evidence of financial impact; selecting only issues that have the potential to significantly impact the financial performance of a company.</p> <p>SASB encourages the review of the Conceptual Framework that outlines the core objectives and guiding principles of the standards and the standards development process.</p>
IF0402	Real Estate Roundtable	General	Thank you for considering these additional comments regarding SASB’s efforts to develop ESG reporting standards for the Real Estate Owners and Services Sectors.	SASB thanks the Real Estate Roundtable for the time it invested in preparing a comment letter and its engagement with the standards development process.
IF0402	Shorenstein Realty Services, L.P.	Suggested Metric	No accounting metric for Green Building Certifications? I’m surprised because the IWG Brief included information about green buildings (LEED, Green Globes, Casbee, BREEAM, Living Building Challenge, Net Zero, etc). I understand there was concern on the part of the industry about the overemphasis on green building certifications in the Brief, but I believe there is enough literature evidence on the value of green building standards to include them as an accounting metric.	The provisional standard includes a metric focused on ENERGY STAR® certifications. SASB’s aim is to provide a minimum set of relevant, cost-effective, decision-useful metrics. While SASB acknowledges that additional metrics focused on other building certifications may provide meaningful information, such may reduce the cost-effectiveness of the standard. Additionally, SASB research revealed additional challenges associated with the comparability of a potential metric based on other building certifications.

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IF0402	Shorenstein Realty Services, L.P.	Suggested Topic	I'm not sure if Health and Wellness has enough peer reviewed evidence to include information as an accounting metric, but it is a rapidly growing area of interest in the real estate sustainability world. Perhaps for inclusion in future updates to this industry standard.	The Industry Research Brief contains an issue "Watch List" that includes an issue, "Design for Tenant Health." SASB recognizes the rapidly growing importance of human health and wellness within the real estate industry and maintains this topic on the Watch List, as we recognize that evidence of the issue's financial significance may increase in the future and thus, may warrant inclusion in the standard in the future. Please see the Research Brief for additional information on this issue (http://www.sasb.org/approach/our-process/industry-briefs/infrastructure-sector-industry-briefs/).
IF0402	Shorenstein Realty Services, L.P.	General	In general, the standard seems to be in line with my experience with sustainability performance metrics in this industry. A big improvement from the IWG Brief.	SASB thanks Shorenstein for the review of the standard and engagement with the standards development process.

Real Estate Services

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IF0401	Center for Resource Solutions	Suggested Topic	<p>Comment: There are no Energy Management (or equivalent) metrics included in the following Standards... o Real Estate Services...</p> <p>These industries also have some potential to utilize renewable forms of energy in production/operations. We recommend including disclosure metrics related to energy management, similar to those included in other standards.</p>	<p>SASB’s standards setting process has two central objectives: (1) to identify the sustainability issues that are likely to constitute material information for a company in a given industry and (2) to determine the best metrics that allow investors to assess a company’s performance concerning that issue. SASB standards follow the U.S. Supreme Court’s definition of material information, defined as presenting “a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the ‘total mix’ of the information made available.” This definition of materiality has a singular and unwavering focus on the reasonable investor’s decision to buy, sell, or hold a security. However, SASB acknowledges that only companies can make the determination as to what constitutes material information for the company at a given point of time; SASB standards can provide guidance for that process.</p> <p>It is with this focus on materiality that we assess issues based on evidence of financial impact; selecting only issues that have the potential to significantly impact the financial performance of a company. SASB’s research in the Real Estate Services industry did not reveal a sufficient body of research that demonstrates that energy management is likely to create significant financial impacts for companies in the industry.</p> <p>The provisional standard does include a related topic, "Sustainability Services." SASB outlines the evidence and relating research that was used to develop its standards through its industry research briefs, which can be found here for the Infrastructure sector: http://www.sasb.org/approach/our-process/industry-briefs/infrastructure-sector-industry-briefs/</p>

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IF0402	Center for Resource Solutions	Suggested Topic	<p>There are no Greenhouse Gas Management topic (or equivalent) metrics included in the following Standards... o Real Estate Services...</p> <p>These industries also have some potential to reduce and offset emissions in production/operations. We recommend including disclosure metrics related to emission reduction measures and carbon offset purchases.</p>	<p>SASB’s standards setting process has two central objectives: (1) to identify the sustainability issues that are likely to constitute material information for a company in a given industry and (2) to determine the best metrics that allow investors to assess a company’s performance concerning that issue. SASB standards follow the U.S. Supreme Court’s definition of material information, defined as presenting “a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the ‘total mix’ of the information made available.” This definition of materiality has a singular and unwavering focus on the reasonable investor’s decision to buy, sell, or hold a security. However, SASB acknowledges that only companies can make the determination as to what constitutes material information for the company at a given point of time; SASB standards can provide guidance for that process.</p> <p>It is with this focus on materiality that we assess issues based on evidence of financial impact; selecting only issues that have the potential to significantly impact the financial performance of a company. SASB’s research in the Real Estate Services industry did not reveal a sufficient body of research that demonstrates that greenhouse gas management is likely to create significant financial impacts for companies in the industry.</p> <p>The provisional standard does include a related topic, "Sustainability Services." SASB outlines the evidence and relating research that was used to develop its standards through its industry research briefs, which can be found here for the Infrastructure sector: http://www.sasb.org/approach/our-process/industry-briefs/infrastructure-sector-industry-briefs/</p>